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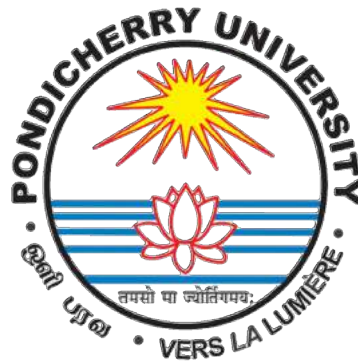
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Organizational Development and Change

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Organizational Development and Change

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UNIT – I

Unit Structure

Lesson 1.1 - Change

Lesson 1.1 - Change

Learning Objectives

The student is expected to learn the following concepts after going through this unit.

➢ Change
➢ Stimulating Forces
➢ Planned Change
➢ Change Agents
➢ Unplanned Change
➢ Lewin's Three Step Model

The change means the alteration of status quo or making things different. It may refer to any alteration which occurs in the overall work environment of an organization. When an organizational system is disturbed by some internal or external force, the change may occur. The change is modification of the structure or process of a system, that may be good or even bad. It disturbs the existing equilibrium or status quo in an organization. The change in any part of the organization may affect the whole of the organization, or various other parts of organization in varying degrees of speed and significance. It may affect people, structure, technology, and other elements of an organization. It may be reactive or proactive in nature. When change takes place due to external forces, it is called reactive change. However, proactive change is initiated by the management on its own to enhance the organizational effectiveness. The change is one of the most critical aspects of effective management. It is the coping process of moving from the present state to a desired state that individuals, groups and organizations undertake in response to various internal and external factors that alter current realities.

Survival of even the most successful organizations cannot be taken for granted. In some sectors of the economy, organizations must have the capability to adapt quickly in order to survive. When organizations fail to change, the cost of failure may be quite high. All organizations exist in a changing environment and are themselves constantly changing. Increasingly, the organizations that emphasize bureaucratic or mechanistic systems are ineffective. The organizations with rigid hierarchies, high degree of functional specialization, narrow and limited job descriptions, inflexible rules and procedures, and impersonal management can't respond adequately to the demands for change. The organizations need designs that are flexible and adaptive. They also need systems that require both, and allow greater commitment and use of talent on the part of employees and managers. The organizations that do not bring about timely change in appropriate ways are unlikely to survive. One reason that the rate of change is accelerating is that knowledge and technology feed on themselves, constantly making innovations at exponential rates.

Organizational change is the process by which organizations move from their present state to some desired future state to increase their effectiveness. The goal of planned organizational change is to find new or improved ways of using resources and capabilities in order to increase an organization's ability to create value and improve returns to its stakeholders. An organization in decline may need to restructure its resources to improve its fit with the environment. IBM and General Motors, for example, experienced falling demand for their products in the 1990s and have been searching for new ways to use their resources to improve their performance and attract customers back. On the other hand, even a thriving organization may need to change the way it uses its resources so that it can develop new products or find new markets for its existing products. Wal-Mart, Google, Reliance, Tata group, Godrej like companies have been moving aggressively to expand their scale of operations and open new avenues to take advantage of the popularity of their products. In the last decade, over half of all Fortune 500 companies have undergone major organizational changes to allow them to increase their ability to create value.

Change may be regarded as one of the few constants of recorded history. Often society's "winners", both historical and contemporary, can be characterized by the common ability to effectively manager and exploit change situations. Individuals, societies, nations and enterprises who have at some time been at the forefront of commercial and/or technological expansion have achieved domination, or at least 'competitive' advantage, by being innovative in thought and/or action. They have been both enterprising and entrepreneurial. It is said that management and change are synonymous; it is impossible to undertake a journey, for in many respects that is what change is, without first addressing the purpose of the trip, the route you wish to travel and with whom. Managing change is about handling the complexities of travel. It is about evaluating, planning and implementing

operational, tactical and strategic 'journeys' – about always ensuring that the journey is worthwhile and the destination is relevant. The Industrial Revolution, which developed in Europe between 1750 and 1880, accelerated the rate of change to an extent never previously thought possible. Other economies followed and the rate of change has never declined; indeed, many would claim it has now accelerated out of control. The spear and sword gave way to the gun; the scribe to the printing press; manpower to the steam engine of James Watt; the horse and cart to the combustion engine; the typewriter to the word processor; and so the list goes on.

The Importance of Change

One can try to predict the future. However, predictions produce at best a blurred picture of what might be, not a blueprint of future events or circumstances. The effective and progressive management of change can assist in shaping a future which may better serve the enterprise's survival prospects. Change will not disappear or dissipate. Technology, civilizations and creative thought will maintain their ever accelerating drive onwards. Managers, and the enterprises they serve, be they public or private, service or manufacturing will continue to be judged upon their ability to effectively and efficiently manage change. Unfortunately for the managers of the early twenty-first century, their ability to handle complex change situations will be judged over ever decreasing time scales. The pace of change has increased dramatically; mankind wandered the planet on foot for centuries before the invention of the wheel and its subsequent "technological convergence" with the ox and horse.

In one 'short' century a man has walked on the moon; satellites orbit the earth; the combustion engine has dominated transport and some would say society; robots are a reality and state of the art manufacturing facilities resemble scenes from science fiction; your neighbour or competitor, technologically speaking, could be on the other side of the planet; and bio-technology is the science of the future.

The world may not be spinning faster but mankind certainly is! Businesses and managers are now faced with highly dynamic and ever more complex operating environments. Technologies and products, alongwith the industries they support and serve, are converging. Is the media company in broadcasting, or telecommunications, or data processing, or indeed all of them? Is the supermarket chain in general retail, or is it a provider of financial services? Is the television merely a receiving device for broadcast messages or is it part of an integrated multi-media communications package? Is the airline a provider of transport or the seller of wines, spirits and fancy goods, or the agent for car hire and accommodation?

As industries and products converge, along with the markets they serve, there is a growing realization that a holistic approach to the marketing of goods and services is required, thus simplifying the purchasing decision. Strategic alliances, designed to maximize the 'added value' throughout a supply chain, while seeking to minimize costs of supply, are fast becoming the competitive weapon of the future. Control and exploitation of the supply chain make good commercial sense in fiercely competitive global markets. The packaging of what were once discrete products (or services) into what are effectively 'consumer solutions' will continue for the foreseeable future. Car producers no longer simply manufacture vehicles, they now distribute them through sophisticated dealer networks offering attractive servicing arrangements, and provide a range of financing options, many of which are linked to a variety of insurance packages.

Utility enterprises now offer far more than their original core service. Scottish power have acquired utilities in other countries and have recently moved into water, gas and telecommunications, to become a 'unified' utilities company offering 'one-stop shopping' to domestic and commercial customers. How can we manage change in such a fast moving environment without losing control of the organization and existing core competencies? There are no easy answers and certainly no blueprints detailing best practice. Designing, evaluating and implementing successful change strategies largely depend upon the quality of the management team, in particular the team's ability to design organizations in such a way as to facilitate the change process in a responsive and progressive manner.

The Imperative of Change

Any organization that ignores change does so at its own peril. One might suggest that for many the peril would come sooner rather than later. To survive and prosper, the organizations must adopt strategies that realistically reflect their ability to manage multiple future scenarios. Drucker, for example, argued that: Increasingly, a winning strategy will require information about events and conditions outside the institution. Only with this information can a business prepare for new changes and challenges arising from sudden shifts in the world economy and in the nature and content of knowledge itself. If we take an external perspective for a moment, the average modern organization has to come to terms with a number of issues, which will create a need for internal change. Six major external changes that organizations are currently addressing or will have to come to terms with in the new millennium are:

1. A large global marketplace made smaller by enhanced technologies and competition from abroad. The liberalization of Eastern European states, the creation of a simple European currency, e-trading, the establishment of new trading blocs such as the 'tiger' economies of the Far East, and reductions in transportation, information and

communication costs, mean that the world is a different place from what it was. How does an organization plan to respond to such competitive pressures?

2. A Worldwide recognition of the environment as an influencing variable and government attempts to draw back from environmental calamity. There are legal, cultural and socio-economic implications in realizing that resource use and allocation have finite limits and that global solutions to ozone depletion, toxic waste dumping, raw material depletion, and other environmental concerns will force change on organizations, sooner rather than later. How does an individual organization respond to the bigger picture?

3. Health consciousness as a permanent trend amongst all age groups throughout the world. The growing awareness and concern with the content of food and beverage products has created a movement away from synthetic towards natural products. Concerns have been expressed about salmonella in eggs and poultry, listeria in chilled foods, BSE or 'mad cow disease' and CJD in humans, genetically engineered foodstuffs, and the cloning of animals. How does an individual organization deal with the demands of a more health-conscious population?

4. Changes in lifestyle trends are affecting the way in which people view work, purchases, leisure time and society. A more morally questioning, affluent, educated and involved population is challenging the way in which we will do business and socialize. How will people and their organization live their lives?

5. The changing workplace creates a need for non-traditional employees. Many organizations have downsized too far and created management and labour skill shortages as a result. In order to make up the shortfall, organizations are currently resorting to a core/periphery workforce, teleworking, multi-skilled workers and outsourcing. A greater proportion of the population who have not been traditional employees (e.g., women with school aged children) will need to be attracted into the labour force. Equal opportunity in pay and non-pecuniary rewards will be issues in the future. How will an individual organization cope with these pressures?

6. The knowledge asset of the company, its people, is becoming increasingly crucial to its competitive wellbeing. Technological and communication advances are leading to reduced entry costs across world markets. This enables organizations to become multinational without leaving their own borders. However, marketing via the internet, communication via e-mail and other technology applications are all still reliant on the way you organize your human resources. Your only sustainable competitive weapon is your people. How do you intend managing them in the next millennium? The same way as you did in the last?

What is important, however, is recognition that change occurs continuously, has numerous causes, and needs to be addressed all the time. The planned change is not impossible, but it is often difficult. The key point is that change is an ongoing process, and it is incorrect to think that a visionary end state can be reached in a highly programmed way.

Stimulating Forces

What makes an organization to think about change? There are a number of specific, even obvious factors which will necessitate movement from the status quo. The most obvious of these relate to changes in the external environment which trigger reaction. An example of this in the last couple of years is the move by car manufacturers and petroleum organizations towards the provision of more environmentally friendly forms of 'produce'. However, to attribute change entirely to the environment would be a denial of extreme magnitude. This would imply that organizations were merely 'bobbing about' on a turbulent sea of change, unable to influence or exercise direction. The changes within an organization take place in response both to business and economic events and to processes of management perception, choice and action.

Managers in this sense see events taking place that, to them, signal the need for change. They also perceive the internal context of change as it relates to structure, culture, systems of power and control, which gives them further clues about whether it is worth trying to introduce change. But what causes change? What factors need to be considered when we look for the causal effects which run from A to B in an organization? The change may occur in response to the:

- ➢ Changes in technology used
- ➢ Changes in customer expectations or tastes
- ➢ Changes as a result of competition
- ➢ Changes as a result of government legislation
- ➢ Changes as a result of alterations in the economy at home or abroad
- ➢ Changes in communication media
- ➢ Changes in society's value systems
- ➢ Changes in the supply chain
- ➢ Changes in the distribution chain

Internal changes can be seen as responses or reactions to the outside world which are regarded as external triggers. There are also a large number of factors which lead to what are termed internal triggers for change. Organization redesigns to fit a new product

line or new marketing strategy are typical examples, as are changes in job responsibilities to fit new organizational structures. The final cause of change in organizations is where the organization tries to be ahead of change by being proactive. For example, where the organization tries to anticipate problems in the marketplace or negate the impact of worldwide recession on its own business, proactive change is taking place.

Planned Change

Planned organizational change is normally targeted at improving effectiveness at one or more of four different levels: human resources, functional resources, technological capabilities, and organizational capabilities.

Human Resources

Human resources are an organization's most important asset. Ultimately, an organization's distinctive competencies lie in the skills and abilities of its employees. Because these skills and abilities give an organization a competitive advantage, organizations must continually monitor their structures to find the most effective way of motivating and organizing human resources to acquire and use their skills. Typical kinds of change efforts directed at human resources include:

(i)   New investment in training and development activities so that employees acquire new skills and abilities;

(ii)   Socializing employees into the organizational culture so that they learn the new routines on which organizational performance depends;

(iii)   Changing organizational norms and values to motivate a multi-cultural and diverse work force;

(iv)   Ongoing examination of the way in which promotion and reward systems operate in a diverse work force; and

(v)   Changing the composition of the top-management team to improve organizational learning and decision making.

Functional Resources

Each organizational function needs to develop procedures that allow it to manage the particular environment it faces. As the environment changes, organizations often transfer resources to the functions where the most value can be created. Critical functions grow in

importance, while those whose usefulness is declining shrink. An organization can improve the value that its functions create by changing its structure, culture, and technology. The change from a functional to a product team structure, for example, may speed the new product development process. Alterations in functional structure can help provide a setting in which people are motivated to perform. The change from traditional mass production to a manufacturing operation based on self-managed work teams often allows companies to increase product quality and productivity if employees can share in the gains from the new work system.

Technological Capabilities

Technological capabilities give an organization an enormous capacity to change itself in order to exploit market opportunities. The ability to develop a constant stream of new products or to modify existing products so that they continue to attract customers is one of an organization's core competencies. Similarly, the ability to improve the way goods and services are produced in order to increase their quality and reliability is a crucial organizational capability. At the organizational level, an organization has to provide the context that allows it to translate its technological competencies into value for its stakeholders. This task often involves the redesign of organizational activities. IBM, for example, has recently moved to change its organizational structure to better capitalize on its strengths in providing IT consulting. Previously, it was unable to translate its technical capabilities into commercial opportunities because its structure was not focused on consulting, but on making and selling computer hardware and software rather than providing advice.

Organizational Capabilities

Through the design of organizational structure and culture an organization can harness its human and functional resources to take advantage of technological opportunities. Organizational change often involves changing the relationship between people and functions to increase their ability to create value. Changes in structure and culture take place at all levels of the organization and include changing the routines an individual uses to greet customers, changing work group relationships, improving integration between divisions, and changing corporate culture by changing the top-management team.

These four levels at which change can take place are obviously interdependent, it is often impossible to change one without changing another. Suppose an organization invests resources and recruits a team of scientists who are experts in a new technology – for example, biotechnology. If successful, this human resource change will lead to the emergence of a new functional resource and a new technological capability. Top management will be forced

to re-evaluate its organizational structure and the way it integrates and coordinates its other functions, to ensure that they support its new functional resources. Effectively utilizing the new resources may require a move to a product team structure. It may even require downsizing and the elimination of functions that are no longer central to the organization's mission.

Change Agents

Organizations and their managers must recognize that change, in itself, is not necessarily a problem. The problem often lies in an inability to effectively manage change: not only can the adopted process be wrong, but also the conceptual framework may lack vision and understanding. Why is this the case? Possibly, and many practicing managers would concur, the problem may be traced to the managers' growing inability to approximately develop and reinforce their role and purpose within complex, dynamic and challenging organizations. Change is now a way of life; organizations, and more importantly their managers, must recognize the need to adopt strategic approaches when facing transformation situations. Throughout the 1980s and 1990s organizations, both national and international, strived to develop sustainable advantage in both volatile and competitive operating environments. Those that have survived, and/or developed, have often found that the creative and market driven management of their human resources can produce the much needed competitive 'cushion'.

This is not surprising: people manage change, and well-managed people manage change more effectively. Managing change is a multi-disciplinary activity. Those responsible, whatever their designation, must possess or have access to a wide range of skills, resources, support and knowledge. For example:

- ➢ Communication skills are essential and must be applied for managing teams.
- ➢ Maintaining motivation and providing leadership to all concerned is necessary.
- ➢ The ability to facilitate and orchestrate group and individual activities is crucial.
- ➢ Negotiation and influencing skills are invaluable.
- ➢ It is essential that both planning and control procedures are employed.
- ➢ The ability to manage on all planes, upward, downward and within the peer group, must be acquired.
- ➢ Knowledge of, and the facility to influence, the rationale for change is essential.

There are many terms that have been used to denote those responsible for the effective implementation of change: for example, change agents, problem owners, facilitators, project

managers or masters of change. The focal point of a change needs not to be an individual; a work group could quite easily be designated as a special task force responsible for managing the change. However, generally within, or above, any work group there is still someone who ultimately is accountable and responsible. What are the essential attributes of a change agent/master and are there any guidelines for them?

The need to encourage participation and involvement in the management of the change by those who are to be affected has been suggested. The aim is to stimulate interest and commitment and minimize fears, thus reducing opposition. It may also be necessary to provide facilitating and support services. These could assist in promoting an individual's awareness for the need for change, while counseling and therapy could be offered to help overcome fears. Management must engage in a process of negotiation, striving towards agreement. This is essential where those opposing have the power, and influence, to resist and ultimately block the change. If consensus fails then one has little alternative but to move on to explicit and implicit coercion. Somewhere in between the two extremes, the management may attempt to manipulate events in an effort to sidestep sources of resistance. For example, they may play interested parties off against each other or create galvanizing crisis to divert attention.

The techniques need not be employed in isolation. They may be most effective when utilized in combination. The core tasks facing a change agent or project manager are to reduce the uncertainty associated with the change situation and then encourage positive action. Some of the steps to assist are:

1. identify and manage stakeholders   (Gains visible commitment).

2. Work on objectives   (Clear, concise and understandable)

3. Set a full agenda   (Take a hostile view and highlight potential difficulties)

4. Build appropriate control systems   (Communication is a two-way process, feedback is required).

5. Plan the process of change   (Pay attention to: establishing roles – clarity of purpose; build a team – do not leave it to choice; nurture coalitions of support – fight apathy and resistance; communicate relentlessly – manage the process; recognize power – make the best use of supporting power bases; handing over – ensure that the change is maintained).

The change agents exist throughout the organization (but are crucial at the top) and constitute in effect a latent force. They have ability to:

> Question the past and challenge old assumptions and beliefs
> Leap from operational and process issues to the strategic picture
> Think creativity and avoid becoming bogged down in the 'how-to'
> Manipulate and exploit triggers for change

Further, some of the traits of change agents as business athletes are:

1. Able to work independently without the power and sanction of the management hierarchy.

2. Effective collaborators, able to compete in the ways that enhance rather than destroy cooperation.

3. Able to develop high trust relations with high ethical standards.

4. Possess self-confidence tempered with humility.

5. Respectful of the process of change as well as the substance.

6. Able to work across business functions and units – 'multi-faceted and multi-dexterous'.

7. Willing to take rewards on results and gain satisfaction from success.

To summarize, an effective change agent must be capable of orchestrating events; socializing within the network of stakeholders; and managing the communication process. There is a need for competent internal change agents to be assigned to the project so as to ensure cooperation, effective implementation and successful handover upon completion. The role envisaged for the external change agent includes: to assist in fully defining the problem; to help in determining the cause and suggesting potential solutions; to stimulate debate and broaden the horizons; and to encourage the client to learn from the experience and be ready to handle future situations internally; is complementary to that of the internal problem owner. It is the responsibility of the potential clients to establish the need for an objective outsider, by considering their own internal competencies and awareness of the external opportunities.

The principal problem with using internal change agents is that other members of the organization may perceive them as being politically involved in the changes and biased toward certain groups. External change agents, in contrast, are likely to be perceived as less influenced by internal polities. Another reason for employing external change agents is that

as outsiders they have a detached view of the organization's problems and can distinguish between the "forest and the trees". Insiders can be so involved in what is going on that they cannot see the true source of the problems. Management consultants for Mckinsey and Co. are frequently brought in by large organizations to help the top-management team diagnose an organization's problems and suggest solutions. Many consultants specialize in certain types of organizational change, such as restructuring, re-engineering or implementing total quality management.

Unplanned Change

Not all the forces for change are the results of strategic planning. Indeed organizations often are responsive to changes that are unplanned – especially those derived from the factors internal to the organization. Two such forces are the changes in the demographic composition of the workforce and performance gaps.

➢ *Changing Employee Demographics:* It is easy to see, even within our own lifetimes, how the composition of the workforce has changed. The percentage of women in the workforce is greater than ever before. More and more women with professional qualifications are joining the organization at the junior and the middle management levels. In addition to these, the workforce is getting older. Many of the old retired employees from government and public sector are joining the private sector, thereby changing the employee demographics. With the opening up of the economy and globalization, the workforce is also continually becoming more diverse.

To people concerned with the long-term operation of organizations, these are not simply curious sociological trends, but shifting conditions will force organizations to change. Questions regarding the number of people who will be working, what skills and attitudes they will bring to the job, and what new influences they will bring to the workplace are of key interest to human resource managers.

➢ *Performance Gaps:* If you have ever heard the phrase, "It isn't broken, don't fix it," you already have a good idea of one of the potent sources of unplanned internal changes in organizations – performance gaps. A product line that isn't moving, a vanishing profit margin, and a level of sales that is not up to corporate expectations – these are examples of gaps between real and expected levels of organizational performance. Few things force change more than sudden unexpected information about poor performance. Organizations usually stay with a winning course of action and change in response to failure; in other words, they follow a win-stay/lose-change rule. Indeed several studies have shown that a performance gap is one of the key

factors providing an impetus for organizational innovations. Those organizations that are best prepared to mobilize change in response to expected downturns are expected to be the ones that succeed.

Further, one of the greatest challenges faced by an organization is its ability to respond to changes from outside, something over which it has little or no control. As the environment changes, organizations must follow the suit. Research has shown that organizations that can best adapt to changing conditions tend to survive. Two of the most important unplanned external factors are governmental regulation and economic competition.

➢ *Government Regulation:* One of the most commonly witnessed unplanned organizational changes results from government regulation. With the opening up of the economy and various laws passed by the government about de-licensing, full or partial convertibility of the currency, etc., the ways in which the organizations need to operate change swiftly. These activities greatly influence the way business is to be conducted in organizations. With more foreign players in the competitive market, Indian industries have to find ways and mechanisms to safely and profitably run their business.

➢ *Economic Competition in the Global Arena:* It happens every day: someone builds a better mousetrap – or at least a chapter one. As a result, companies must often fight to maintain their share of market, advertise more effectively, and produce products more inexpensively. This kind of economic competition not only forces organizations to change, but also demands that they change effectively if they are to survive. On some occasions, competition can become so fierce that the parties involved would actually be more effective if they buried the hatchet and joined forces. It was this 'If you can't beat them, join them' reasoning that was responsible for the announced alliance dubbed "the deal of the decade" by one financial analyst.

Although competition has always been crucial to organizational success, today competition comes from around the globe. As it has become increasingly less expensive to transport materials throughout the world, the industrialized nations have found themselves competing with each other for shares of the international marketplace. Extensive globalization presents a formidable challenge to all organizations wishing to compete in the world economy. The primary challenge is to meet the ever-present need for change i.e., to be innovative. It can be stated that organizations change in many ways and for many reasons. The norm of pervasive change brings problems, challenges and opportunities. Those individual managers and organizations that recognize the inevitability of change and learn to innovate or adapt to and manage it while focused on creating world class best value

will be most successful. But people and organizations frequently resist change, even if it is in their best interest, especially in large and established organizations.

Lewin's Force-Field Theory of Change

A wide variety of forces make organizations resistant to change, and a wide variety of forces push organizations toward change. Researcher Kurt Lewin developed a theory about organizational change. According to his *force-field theory*, these two sets of forces are always in opposition in an organization. When the forces are evenly balanced, the organization is in a state of inertia and does not change. To get an organization to change, the managers must find a way to *increase* the forces for change, *reduce* resistance to change, or do *both* simultaneously. Any of these strategies will overcome inertia and cause an organization to change.
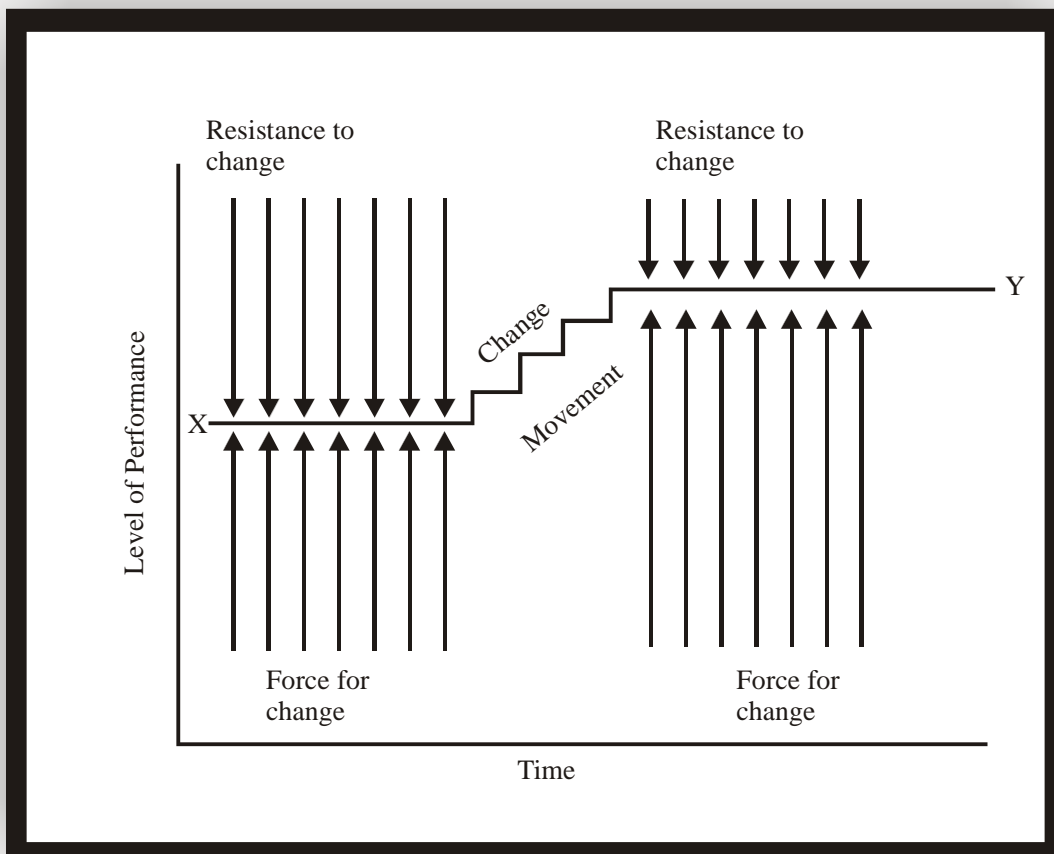

Lewin's Force-Field Theory of Change

An organization at performance level X is in balance (Figure). Forces for change and resistance to change are equal. Management, however, decides that the organization should

strive to achieve performance level Y. To get to level Y, the managers must increase the forces for change (the increase is represented by the lengthening of the up arrows), reduce resistance to change (the reduction is represented by the shortening of the down arrows), or do both. If they pursue any of the three strategies successfully, the organization will change and reach performance level Y. Kurt Lewin, whose Force-Field theory argues that organizations are balanced between forces for change and resistance to change, has a related perspective on how managers can bring change to their organization (Figure). In Lewin's view, implementing change is a three-step process:

(1) Unfreezing the organization from its present state,

(2) Making the change, or movement, and

(3) Refreezing the organization in the new, desired state so that its members do not revert to their previous work attitudes and role behaviours.
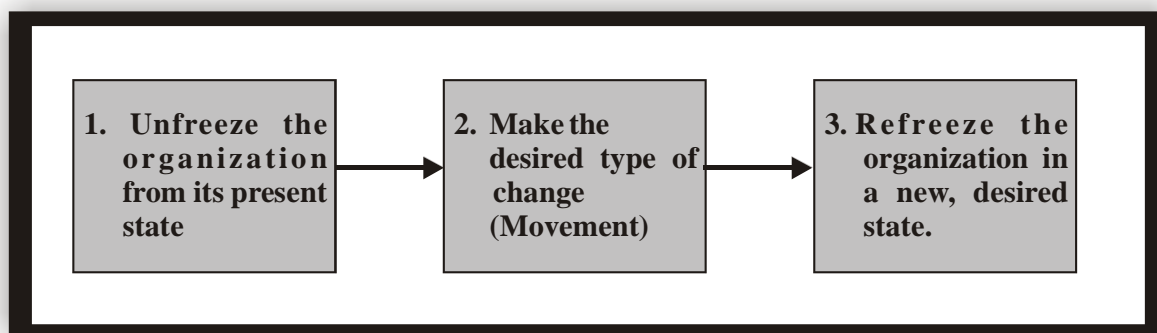
Lewin's Three-Step Change Process

Lewin warns that resistance to change will quickly cause an organization and its members to revert to their old ways of doing things unless the organization actively takes steps to refreeze the organization with the changes in place. It is not enough to make some changes in task and role relationships and expect the changes to be successful and to endure. To get an organization to remain in its new state, managers must actively manage the change process.

Self Assessment Questions

1. What is change? Discuss various stimulating forces of change.

2. What is planned change? Discuss various targets of planned change.

3. What are the traits of change agents? How do external and internal change agents differ in their roles?

4. Discuss unplanned change with appropriate examples.

5. Describe Lewin's Force-Field Theory of Change. Why is it known as Three Step Model of Change?

CASE STUDY

The personnel office of Prasant Chemicals limited informed the middle managers through a circular that a group of consultants would be calling on them later in the week to provide training on team building. The consultants would be emphasizing on how to develop team work and to build inter group relationships throughout the Company. The information also contained the approach to be adopted by the consultants and explained the five-step process of team building: problem sensing, examining differences, giving and receiving feedback, developing interactive skills, and follow up actions. The circular also included a note on the utility of team building in organisational effectiveness.

On receiving the circular, middle managers, felt tensed as they though team building as an exercise involving a lot of hocus-pocus as they experienced in sensitivity training exercises in which participants used to attack each other and let out their aggression by heaping abuse on those disliked. Therefore, the managers felt that the consultants were not needed for team building. One of the managers commented, 'now that as we understand what is involved in team building, we can go ahead and conduct session ourselves. All we have to do is to choose a manager who is liked by everyone and put him in the role of change agent/ consultant. After all, you really do not need high priced consultants to do team building stuff. You just have a good feel for human factor'. The other managers generally agreed. However, the corporate personal director turned down their suggestion and proceeded with his original programme of hiring consultants.

Questions

1. Why did middle managers show resistance to team building approach of organisation development?

2. Do you think the managers had accurate view of team building concept and role of external consultant in that?

3. Did corporate personnel office sell the concept of team building and its usefulness properly to middle managers? What actions should the department have taken?

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Unit Structure

Lesson 2.1 - Resistance to change

Lesson 2.1 - Resistance to Change

Learning Objectives

The student will have an understanding of

- ➤ What is resistance to change ?
- ➤ What are the source of resistance to change ?
- ➤ Why is it necessary to overcome the resistance to change ?
- ➤ How to overcome the resistance to change.
- ➤ How to minimize resistance to change.

The goal of planned organizational change is to find new or improved ways of using resources and capabilities in order to increase an organization's ability to create value and improve returns to its stakeholders. An organization in decline may need to restructure its resources to improve its fit with the environment. At the same time even a thriving organization may need to change the way it uses its resources so that it can develop new products or find new markets for its existing products. In the last decade, over half of all Fortune 500 companies have undergone major organizational changes to allow them to increase their ability to create value. One of the most well-documented findings from studies have revealed that organizations and their members often resist change. In a sense, this is positive. It provides a degree of stability and predictability to behaviour. If there weren't some resistance, organizational behaviour would take on characteristics of chaotic randomness.

Resistance to change can also be a source of functional conflict. For example, resistance to a reorganization plan or a change in a product line can stimulate a healthy debate over the merits of the idea and result in a better decision. But there is a definite downside

to resistance to change. It hinders adaptation and progress. Resistance to change doesn't necessarily surface in standardized ways. Resistance can be overt, implicit, immediate or deferred. It is easiest for management to deal with resistance when it is overt and immediate: For instance a change is proposed and employees quickly respond by voicing complaints, engaging in a work slowdown, threatening to go on strike, or the like. The greater challenge is managing resistance that is implicit or deferred. Implicit resistance efforts are more subtle – loss of loyalty to the organization, loss of motivation to work, increased errors or mistakes, increased absenteeism due to sickness and hence, more difficult to recognize. Similarly, deferred actions cloud the link between the source of the resistance and the reaction to it. A change may produce what appears to be only a minimal reaction at the time it is initiated, but then resistance surfaces weeks, months or even year later. Or a single change that in and of itself might have little impact becomes the straw that breaks the company's back. Reactions to change can build up and then explode in some response that seems to tally out of proportion to the change action it follows. The resistance, of course, has merely been deferred and stockpiled what surfaces is a response to an accumulation of previous changes.

Sources of Resistance

Sources of resistance could be at the individual level or at the organizational level. Sometimes the sources can overlap.

Individual Factors

Individual sources of resistance to change reside in basic human characteristics such as perceptions, personalities and needs. There are basically four reasons why individuals resist change.

➢ *Habit:* Human beings are creatures of habit. Life is complex enough; we do not need to consider the full range of options for the hundreds of decisions we have to make every day. To cope with this complexity, we all rely on habits of programmed responses. But when confronted with change, this tendency to respond in our accustomed ways become a source of resistance. So when your office is moved to a new location, it means you're likely to have to change many habits, taking a new set of streets to work, finding a new parking place, adjusting to a new office layout, developing a new lunch time routine and so on. Habit are hard to break. People have a built in tendency to their original behaviour, a tendency to stymies change.

➢ *Security:* People with a high need for security are likely to resist change because it threatens their feeling of safety. They feel uncertain and insecure about what its outcome will be. Worker might be given new tasks. Role relationships may be reorgan-

ized. Some workers might lose their jobs. Some people might benefit at the expense of others. Worker's resistance to the uncertainty and insecurity surrounding change can cause organizational inertia. Absenteeism and turnover may increase as change takes place and workers may become uncooperative, attempt to delay or slow the change process and otherwise passively resist the change in an attempt to quash it.

➢ *Selective Information Processing:* Individuals shape their world through their perceptions. They selectively process information in order to keep their perceptions intact. They hear what they want to hear. They ignore information that challenges the world they have created. Therefore, there is a general tendency for people to selectively perceive information that is consistent with their existing views of their organizations. Thus, when change takes place workers tend to focus only on how it will affect them on their function or division personally. If they perceive few benefits they may reject the purpose behind the change. Not surprisingly it can be difficult for an organization to develop a common platform to promote change across the organization and get people to see the need for change in the same way.

➢ *Economic Factors:* Another source of individual resistance is concern that change will lower one's income. Changes in job tasks or established work routines also can arouse economic fears if people are concerned they won't be able to perform the new tasks or routines to their previous standards, especially when pay is closely tied to productivity. For example, the introduction of TQM means production workers will have to learn statistical process control techniques, some may fear they'll be unable to do so. They may, therefore, develop a negative attitude towards TQM or behave dysfunctional if required to use statistical techniques.

Group Level Factors

Much of an organization's work is performed by groups and several group characteristics can produce resistance to change:

➢ *Group Inertia:* Many groups develop strong informal norms that specify appropriate and inappropriate behaviours and govern the interactions between group members. Often change alters tasks and role relationships in a group; when it does, it disrupts group norms and the informal expectations that group members have of one another. As a result, members of a group may resist change because a whole new set of norms may have to be developed to meet the needs of the new situation.

➢ *Structural Inertia:* Group cohesiveness, the attractiveness of a group to its members, also affects group performance. Although, some level of cohesiveness promotes group performance, too much cohesiveness may actually reduce performance because it

stifles opportunities for the group to change and adapt. A highly cohesive group may resist attempts by management to change what it does or even who is a member of the group. Group members may unite to preserve the status quo and to protect their interests at the expense of other groups.

Organizations have built-in mechanism to produce stability. For example, the selection process systematically selects certain people in and certain people out. Training and other socialization techniques reinforce specific role requirements and skills. Formalization provides job descriptions, rules and procedures for employees to follow. The people who are hired into an organization are chosen for fit; they are then shaped and directed to behave in certain ways. When an organization is confronted with change, this structural inertia acts as a counter balance to sustain stability.

Group think is a pattern of faulty decision making that occurs in cohesive groups when members discount negative information in order to arrive at a unanimous agreement. Escalation of commitment worsens this situation because even when group members realize that their decision is wrong, they continue to pursue it because they are committed to it. These group processes make changing a group's behaviour very difficult. And the more important the group's activities are to the organization, the greater the impact of these processes are on organizational performance.

➢ *Power Maintenance:* Change in decision-making authority and control to resource allocation threatens the balance of power in organizations. Units benefiting from the change will endorse it, but those losing power will resist it, which can often slow or prevent the change process. Managers, for example, often resist the establishment of self-managed work teams. Or, manufacturing departments often resist letting purchasing department control input quality. There are even occasions when a CEO will resist change, denying that it is his responsibility to promote socially responsible behaviour throughout a global network.

➢ *Functional Sub-optimisation:* Differences in functional orientation, goals and resources dependencies can cause changes that are seen as beneficial to one functional unit to be perceived as threatening to other. Functional units usually think of themselves first when evaluating potential changes. They support those that enhance their own welfare, but resist the ones that reduce it or even seem inequitable.

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

Managers sometimes mistakenly assume that subordinates will perceive the desired changes as they do; thus, they have difficulty in understanding the resistance. A key task is to determine and understand the reasons behind people's resistance when it occurs. Then the challenge is to find ways to reduce it or overcome that resistance.

Overcoming Resistance to Change

Kotter and Schelsinger (1979) has identified six general strategies for overcoming resistance to change.

> *Education and Communication:* Resistance can be reduced through communicating with employees to help them see the logic of a change. This tactic basically assumes that the source of resistance lies in misinformation or poor communication. If employees receive the full facts and get any misunderstanding cleared up, resistance will subside. Communication can be achieved through one-to-one discussions, memos, group presentations, or reports. Does it work? It does, provided the source of resistance is inadequate communication and that management-employee relations are characterized by mutual trust and credibility. If these conditions don't exist, the change is unlikely to succeed.

> *Participation and Involvement:* It is difficult for individuals to resist a change decision in which they would have participated. Prior to making a change, those opposed can be brought into the decision process. People can be encouraged to help design and implement the change in order to draw out their ideas and to foster commitment. Participation increases understanding, enhance feelings of control, reduces uncertainty and promotes a feeling of ownership when change directly affects people.

> *Facilitation and Support:* If employees are provided with encouragement, support, training, counseling and resources adapt to new requirements easily. By accepting people's anxiety as legitimate and helping them cope with change, managers have a better chance of gaining respect and the commitment to make it work.

> *Negotiation and Agreement: Management can* bargain to offer incentives in return for agreement to change. This tactic is often necessary while dealing with powerful resistance, like bargaining units. Sometimes specific things can be exchanged in return for help in bringing about a change. Other times, general perks can be widely distributed and facilitate to implement the change.

> *Manipulation and Cooptation:* Manipulation is framing and selectively using information and implied incentives to maximise the likelihood of acceptance. An

example would be if the management tells employees that accepting a pay cut is necessary to avoid a plant shut down, when plant closure would not really have to occur. Cooptation is influencing resistant parties to endorse the change effort by providing them with benefits they desire and non-influential role in the process.

➢ *Explicit and Implicit Coercion:* Sometimes management might use authority and the threat of negative incentives to force acceptance of the proposed change. Management might decide that if employees do not accept proposed changes, then it has to shut the plant down, decrease salaries or layoff people. Examples of coercion can be also transfer, loss of promotion, negative performance evaluations and poor letter of recommendation. The advantages and drawbacks of coercion are approximately the same as that of manipulation and cooptation.

Methods for Dealing with Resistance to Change			
Approach	**Commonly used**	**Advantages**	**Disadvantage**
Education and Communication	When there is lack of information or inaccurate information and analyses.	Once persuaded, people will often help with the implementation of the change.	Can be time consuming if lots of people are involved.
Participation and involvement	Where the initiators do not have all the information they need to design the change, and where others have considerable power to resist.	People who participate will be committed to implementing change, and nay relevant information they have will be integrated into the change plan.	Can be time consuming it participants design in inappropriate change.
Facilitation and Support	When people are resisting because of adjustment problems.	No other approach works as well with adjustment problems.	Can be time consuming, expensive and still fail.
Negotiation and Agreement	When someone or some group will clearly lose out in a change and when that group has considerable power to resist.	Sometimes it's a relatively easy way to avoid major resistance.	Can be too expensive in many cases if it alerts others of negotiate for competence.
Manipulation and Co-optation	Where other tactics will not work or are too expensive.	It can be a relatively quick and inexpensive solution to resistance problems.	Can lead to future problems if people feel manipulated.

| Explicit and implicit coercion | Where speed is essential, and the changes initiations possess considerable power. | It is speedy and can overcome any kind of resistance. | Can be risky if it leaves people mad at the initiator. |

Minimising Resistance to Change

Resistance to change be those affected is often the single most formidable obstacle to its successful realization. It is to be understood at the outset that resistance to change is not, the fundamental problem to be solved. Rather, any resistance is usually a symptom of more basic problems underlying the particular situation. To focus the attention of symptom alone will achieve at best only limited results. The effective solution is that one must look beyond the symptom that is resistance to its more basic causes. It is quite appropriate and practicable for a manager to focus on situational and environmental factors that cause resistance. Many of these are directly within management's control. Probably, efforts to minimize any resistance should be undertaken while it is still potential rather than real. There are different methods that the managers can use to minimize resistance.

Compulsion Threats and Bribery

Fundamentally, there are only two strategic options available for minimizing resistance. One is to increase the pressure that can overcome resistant behavior. The other is to reduce the very force that cause resistance. In the first strategy, the act of resistance itself is attacked directly. The causes or reasons for resistance are ignored. Thus, only the symptoms are addressed. For example, managers using their authority can threaten subordinate with disciplinary actions. But such compulsions could create counter measures that would prevent or delay the change from taking place. The change could even be sabotaged to such an extent that no benefits would be realised. Sometimes, in discriminate offers of pay increase to lure subordinates into accepting change can also fail to produce lasting benefits. This can happen when the reasons for resistance are primarily non-economic. Such actions attack the resistance rather than its causes. New problems are created and nullify any potential benefit from change. Therefore, the strategic option that aims directly at overcoming resistance itself, whether by threat or bribery, is both unwise and undesirable. The consequences of such approach will be to reduce rather than increase the possibilities for successful implementation of a change. Therefore, management should reject outright the use of either threats or bribery as methods for reducing resistance.

Persuasion, Rewards and Bargaining

The second strategic option of reducing the forces that cause resistance is more promising. The offers of appropriate rewards, can reduce the resistance. By attracting the root causes rather than symptoms, managers can improve the probabilities for bringing about change successfully. Offering a reward that is relevant to a specific reason for resistances can be a powerful lever in providing employees with an incentive to accept a change. Rewards can either monetary or non-monetary. Monetary rewards result in greater annual total compensation. Often when a change alters the content of individual job in terms of increased responsibilities, mental and physical effort required, education and experience needed, an increase in the rate of payment can be justified. Increased compensation may be justified if the change cause an individual or group to enhance contributions to company profits. The monetary reward can be in the form of fringe benefits such as improved pension scheme, a better holiday or sickness protection plan, or an enhanced medical insurance programme. When the people affected believe that an unintended change will somehow increase the value of what they are being asked to do, they are more vulnerable to feeling of unfair treatment.

A broad variety of non-monetary rewards can be offered because the needs they might satisfy range widely. For example, concern about threat and status might be met with an offer of a more impressive job title, better perks, changing the pattern of personal interactions and education and training. When the work is reorganized or the relationships within a group are restructured, the relevant reward might be more satisfying social relationships in the work situations and the opportunity to gain greater satisfaction from the work itself. Opportunity for education and training might be perceived as a way to enhance one's opportunities for personal development within the organization. The technique of bargaining is a variation of the use of persuasion through rewards. The bargaining is a process based on discussion between management and those affected by a change and their union representatives. In this process, management's objective is to gain acceptance of their proposals. Management is in no way committed in advance to accept any proposal made by the group with whom discussions are held. There is, however, an implicit understanding that management might accept some of the proposals put forward by the group in exchange for the group's acceptance of what management wants. In a sense, then, any concessions or compromises made by management in bargaining can be considered similar to the offer of rewards. The essence of bargaining is compromise. To maximize the achievement of their goals and the satisfaction of their needs, both the management and those affected by a change must give way to some of the points on which they would have to secure agreement. It is crucial that the management give careful and open-minded consideration to every complaint and grievance. In doing so, they must recognize that the employees and the

union's perception of the change are often distinctly different from their own. Typically such differences are based on the fact that management, the union and the employees have different priorities, values and concerns. Persuading employees to accept a change depends on the offer of rewards as a lever. This can be done either unilaterally or within the framework of bargaining. The success of the approach depends on how effectively management

➢ Matches rewards offered (both monetary and non-monetary) to their employee's needs and goals,

➢ Gives serious consideration to all complaints and suggestions and

➢ Gives some concession in order to achieve the major portion of their objectives.

Security and Guarantees

The most effective means for management to minimize feelings of insecurity, and in particular fears of redundancy, is to guarantee that such fears are groundless. Management can use as a lever, a pledge that there will be no redundancy as a consequence of a specific change. This can often make possible its acceptance. Implementing such a pledge can be a challenging task for the management. Essentially there are six ways in which a pledge of no redundancy in a changing situation can be redeemed.

➢ Not replacing by engagement from outside the company anyone who leaves the organization in a natural course of events (e.g., people who retire, are sacked, die or resign voluntarily).

➢ Reabsorbing work being done by subcontractors and reassigning any surplus employees to that work.

➢ Retraining redundant employees and transforming or upgrading them to their work.

➢ Reducing or eliminating any overtime work.

➢ Absorbing additional work resulting from business growth with no new additions to the workforce until all those who are surplus have been productively re-employed.

➢ Investing and implementing new areas of business activity.

Another way is to assure the employee of a guarantee of a continued income until he is working in another comfortable job, either within or outside the company. In this approach, the management undertakes to help each surplus individual find another suitable job. If this cannot be accomplished within the company, assistance with outplacement can be provided. Until this occurs, the employee's income would continue to be maintained by the company as a supplement to any unemployment benefits. Somehow, maintaining

income cannot guarantee any redundancy. Although employee might feel secure about the continuity of income they would nevertheless feel uneasy about the impending change in their personal lives. They would undoubtedly have many unanswered questions and apprehensions about new jobs and new environments. Because of these apprehensions they may still resist the change, although perhaps less intensely than if they were to be made redundant with no guarantees of any kind.

A person's feeling of insecurity can also be heightened if there is fear about inability to perform adequately in the new situation. Management can do much to reduce this fear by use of training. A carefully designed program of training can often help to make the change successful. This means matching the training provided to the true needs of the people involved. It also means providing training in a way that engages and motivates. Training programs can yield another benefit as well. The very act of establishing one provides evidence that management is doing everything possible to help those involved cope with the change. Such a reassuring demonstration of management's support should reduce the feeling of insecurity so often associated with feeling of inadequacy.

To lessen any feeling of insecurity from factors other than fear of redundancy or inadequacy, management can engage their employees in discussion. Those involved in the discussions can develop a realistic understanding of the change and its probable consequences. Such understanding can do much to dispel any fear resulting from misunderstanding or lack of information.

Understanding and Discussions

When as many as possible of those people involved in a change understand as much as possible about it and its consequences, resistance is likely to be reduced. It is management's job to develop this understanding. Resistance will be prevented to the degree that the change agent help the change affected people to develop their own understanding of the need for change, and an explicit awareness of how they feel about it and what can be done about their feelings. Such an understanding will occur only when the information provided is sufficient, factual and accurate. Management can transmit information about a proposed change and its probable consequences to those affected or concerned in a variety of ways. Fundamentally, there are only three practical media for communication; written material, audio-visual and oral, No single means, however, should be relied on exclusively. The more complex the change, the greater will be the possibility. That everyone involved is being reached with maximum of information. Several conditions must be met for understanding to be developed in a changing situation.

- ➢ Information must be readily accessible, factual and accurate.

- ➢ Information must be communicated in such language or in such a form that is readily understandable.

- ➢ Information must answer the questions that are being asked not only what is to happen, but also how, why, when, where and to whom.

- ➢ There must be a way to test and conform that real understanding has in fact been achieved.

A lack of understanding can result in heightened anxiety about the possible consequences of change. This, in turn, can result in resistant behaviour. In addition, it is likely that, because of this lack, those performing the work will derive less satisfaction from their jobs. This should be of concern to management, particularly during a change. When people do not understand what they are doing, those abilities, which are uniquely human cannot be exercised. These abilities are the application of informed and intelligent judgements to the performance of work. When anyone is deprived of the opportunity to make meaningful judgements, the result is increasing frustration. Not only will both the person and the work suffer, but so also will the organization.

Time and Timing

When management are willing to discuss openly with their employees all aspects of an impending change, it is desirable that ample time be planned between the initial mention of the change and the state of its actual initiation. Management should use this interval to ensure that all involved attain maximum understanding of the change and its probable consequences. Management should plan the length of this interval by working out a trade-off between two considerations. Often these will be in conflict with each other. The first of this is a question of how long it takes for the processes of accommodation and rationalization to occur for the most people involved. The second consideration is an evaluation of those situational factors which determine when the change must be instituted and implemented and when the benefits must be realized.

To achieve the best trade-off between these two considerations, management needs to evaluate the relative costs of two alternatives; delaying the introduction of the change to gain more preparation time in the interest of realizing optimum benefits, conforming to the intended schedule with the possibility of an increased risk of resistance and the resultant probability of reduced benefits. In many instances, management may discover that will be economic to delay the change until the possibility of its acceptance is enhanced. If management decides not to delay, resistance may cause not only reduction in the possible

benefits but also probable delays in their realization, management should plan sufficient time during the early phase of the change for accommodation and rationalization to occur and for understanding to be developed.

Involvement and Participation

Involvement and participation are perhaps the most powerful techniques management can use to gain acceptance of change. Commitment to carry out these decisions is intensified. Personal satisfaction derived from the job is increased. The extent of personal involvement can range from merely being informed, to discussing problems and voicing opinions and feelings to actually making and implementing decision (Figure).

At the most superficial level, some participation occurs when one is designated to receive information either written via distribution lists or in face-to-face briefings. At a slightly more intensive level, participation can be gained through individual or group consultations. This process is no more than an extension of the face-to-face discussion. In the process of soliciting inputs, the managers carry this approach to step further. Those present are asked to make suggestions about how the change might be accomplished. Alternately a problem might be assigned to a group for analysis and recommended actions.

Spectrum of Levels of Participation			
Active	**Management action**	**Employee action**	
	Delegating decision making authority	Management and implementing decision	
		–	Task assignment with accountability
	Group	–	Formulating proposed plans and solutions to problems
			– Planning
			– Task forces
	Soliciting inputs	–	Group suggestions and recommendations
		–	Analysis of problems and alternatives
		–	Individual suggestions
	Consultation	–	Face-to-face discussion of problem
		–	Face-to-face invitations to voice opinions
		–	Electronic exchanges
	Inclusion	–	Attendance at briefing
Passive		–	Inclusions on distribution list

Employee take pride in and derive satisfaction that their suggestions or recommendations are being consulted. These feelings are intensified when their inputs are actually adopted or acted upon. But if inputs are rejected, then those who offered them must be made to understand the reasons for it. When managers are effective in explaining why certain inputs were rejected, consultation and solicitation can still be productive. There are three reasons. First, the very fact that employees have opportunities both to express themselves and to be given serious attention can, in itself, be beneficial to attitude and morale. Second, by understanding why a suggestion was not acceptable, an employee may reach a better understanding of the change. Third, an employee may be encouraged to offer better suggestions in the future.

A basic requirement for participation is that the people involved want to participate. A second prerequisite for successful participation is that the manager or superior must feel reasonably secure in his or her position and role. When managers can bring themselves to risk their status in the eyes of the subordinates by involving them in some form of participation, they may find the consequences startling. When employees are permitted or encouraged to participate, their esteem for their managers often tend to increase rather than decrease.

The third prerequisite for participation is the absence of commitment by a manager to any single course of action. He must be open-minded to possibilities or alternative approaches. If he is convinced from the outset that his method is the best and the only means of accomplishing the change, he would not involve others and such an attempt would soon be perceived as meaningless and essentially dishonest.

The fourth condition necessary for effective participation is the manager's willingness to give credit and recognition openly to all worthwhile contributions made by others. It's the realization of the change. Also, if impracticable ideas are offered, the manager must ensure that the contribution receives full explanations about reasons for rejections.

The fifth condition is the employee's willingness to voice their comments and to offer suggestions once they have been encouraged to do so. Participation will not work with people who are passive and apathetic. When all these conditions conducive the use of participation in managing a change can yield at least eight significant benefits:

➢ Participation helps to develop a better and more complete understanding of the change, its causes and its probable consequences.

➢ Participation is a powerful way to unfreeze fixed attitude, stereotypes or cultural beliefs which are held either by management or by the workforce, and which create

a hurdle to with the accomplish the change. Through participation, these beliefs can be re-examined more objectively.

> Participation helps to increase employee's confidence in management's intentions and objectives.

> Often, as a consequence of participation, first hand ideas are contributed which results in better methods of introducing and implementing change.

> Through participation, people involve themselves in the change. They become more committed to the decision in which then took part.

> Participation sometimes serves to present poorly-conceived changes from being made.

> Through participation, staff specialists tend to broaden their outlook.

> Through participation, employees at every organizational level gain a broader perspective and develop their capabilities.

Flexibility and the Tentative Approach

It is often desirable to introduce a change initially as a tentative trial effort. A trial can be defined on the basis either of a specified period or two or of a designated segment of the operating system. There are several advantages of using the technique of positioning the change as a tentative trial:

> Those involved are able to test their reactions to the new situation before committing themselves irrevocably.

> Those involved are able to acquire more facts on which to base their attitudes and behaviours toward the change before it becomes final.

> When those involved have strong perceptions about the change before hand, they will be in a better position to regard the change with greater objectivity during the trial. As they gain experience with change during the trial, they will be able to reconsider their perception and perhaps modify also.

> Those involved are less likely to regard the change as a threat because they will feel some ability to influence what happens.

> Management is better able to evaluate the method of change and make any necessary modification before carrying it our finally.

All these advantage accrue from the opportunity to gain some limited experience of the change while the situation is still fluid and susceptible to further revision or modification. Thus, introducing a change by positioning it as a tentative trial tends to reduce its threat to those affected. Consequently, their resistance to the change in its final term will often be reduced. Management can minimize resistance to change and often generate support by actively addressing the techniques described.

Self Assessment Questions

1. Though it is said that change is the only permanent thing, a majority of us still have a tendency to resist it. Why? What can organizations do to overcome this resistance?

2. Discuss different methods of minimizing resistance to change in the organizations.

3. People have varied set of reactions when confronted with change. Discuss.

CASE STUDY

Read carefully the following two episodes:

Episode 1

We were observing the work of one of the industrial engineers and a production operator who had been assigned to work together to assemble and test a product that the engineer was developing. The engineer and the operator were in daily contact with each other. It was common for the engineer to suggest some modification in the product, discuss it with the operator and then ask her to try it out to see how it worked. It was also common for the operator to get an idea as she worked and to pass it on to the engineer, who would then consider it and at times ask the operator to try it and see if it proved useful.

Episode 2

One day we noticed another engineer approaching the same production operator. We knew that this particular engineer had no previous contact with the production operator. He had been asked to take a look at one specific problem of the new product because of his special technical qualifications. He had decided to make a change in one of the parts of the product to eliminate the problem, and he had prepared some of these parts using his new method. Here is what happened.

He walked up to the production operator with the new parts in his hand and indicated to her by a gesture that he wanted her to try assembling some units using his new part. The operator picked up one of the parts and proceeded to assemble it. We noticed that she did not handle the part with her usual care. After she had assembled the product, she turned to the new engineer and with a triumphant air, said, 'It does not work'. The new engineer indicated that she should try another part. She did so, and again it did not work. She then proceeded to assemble units using all of the new parts that were available. She handled each of them in an unusually rough manner. None of them worked. Again she turned to the engineer and said that the new product did not work.

The engineer left and later the operator, with evident satisfaction commented to the original engineer that new engineer's idea was just no good.

Questions

1. What does these two episodes indicate?
2. Discuss the above case in the lights of Change management and HRM

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UNIT – III

Unit Structure

Lesson 3.1 - Change Programs

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

According to BARNEY AND GRIFFIN, "The primary reason cited for organizational problems is the failure by managers to properly anticipate or respond to forces for change."

Thus, in a dynamic society surrounding today's organisations, the question whether change will occur is no longer relevant. Instead, the issue is how managers cope with the inevitable barrage of changes that confront them daily in attempting to keep their organisations viable and current. Otherwise the organisations will find it difficult or impossible to survive.

Meaning of Change

Unlike other concepts in organisational behaviour, not many definitions are available to define the term "change". In very simple words we can say that change means the alternation of status quo or making things different.

"The term change refers to any alternation which occurs in the overall work environment of an organisation."

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

From the above definitions we can conclude that change has the following characteristics.

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

➢ The change in any part of the organisation affects the whole of the organisation.

➢ Change will affect the various parts of the organisation in varying rates of speed and degrees of significance.

➢ Changes may affect people, structure, technology and other elements of the organisation.

➢ Change may be reactive or proactive. When change is brought about due to the pressure of external forces, it is called reactive change. Proactive change is initiated by the management on its own to increase organisational effectiveness.

Forces for Change

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

A. External Forces

External environment affects the organisations both directly and indirectly. The organisations do not have any control over the variables in such an environment. Accordingly,

the organisation cannot change the environment but must change themselves to align with the environment. A few of these factors are:

1. Technology

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

The substitution of computer control for direct supervision, is resulting in wider spans of control for managers and flatter organisations. Sophisticated information technology is also making organisations more responsive: Both the organisations and their employees will have to become more adaptable.

Many jobs will be reshaped. Individuals who do routine, specialised and narrow jobs will be replaced by workers who can perform multiple in decision making. Managements will have to increase their investment in training and education of the employees because employees skills are becoming obsolete more quickly Japanese firms have progressed rapidly because they are very fast in adopting new technological innovations.

2. Marketing Conditions

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

Moreover, the competition today has some significant new twists. Most markets will soon be international because of decreasing transportation and communication costs and the increasing export orientation of business.

The global economy will make sure that competitors are likely to come across the ocean as well as from across town. Successful organisations will be those who can change in response to the competition. Organisations that are not ready for these new sources of competition in the next decade may not exist for long.

3. Social Changes

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

4. Political Forces

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

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

B. Internal Forces

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

1. Nature of the Work Force

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

The profile of the workforce is also changing fast. The new generation of workers have better educational qualifications, they place greater emphasis on human values and question authority of managers. Then behaviour has also become very complex and leading them towards organisational goals is a challenge for the managers. The employee turnover is also very high which again puts strain on the management. The work force is changing,

with a rapid increase in the percentage of women employees, which in turn means, more dual career couples. Organisations have to modify transfer and promotion policies as well as make child care and elder care available, in order to respond to the needs of two career couple.

2. Change in Managerial Personnel

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

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

3. Deficiencies in Existing Management Structure

Sometimes changes are necessary because of some deficiencies in the existing organisational structure, arrangement and processes. These deficiencies may be in the form of unmanageable span of management, larger number of managerial levels, lack of coordination among various departments, obstacles in communication, multiplicity of committees, lack of uniformity in policy decisions, lack of cooperation between line and staff and so on. However, the need for change in such cases goes unrecognised until some major crisis occurs.

4. To Avoid Developing Inertia

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

Level of Change Programs

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

Individual Level Change Programs

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

Group Level Change Programs

Management must consider group factors while implementing any change, because most of the organisational changes have their major effects at the group level. The groups in the organisation can be formal groups or informal groups. Formal groups can always resist change for example, the trade unions can very strongly resist the changes proposed by the management. Informal groups can pose a major barrier to change because of the inherent strength they contain. Changes at the group level can affect the work flows, job design, social organisation, influence and status systems and communication patterns.

The groups, particularly the informal groups have a lot of influence on the individual members on the group. As such by effectively implementing change at the group level, resistance at the individual level can be frequently overcome.

Organisation Level Change Programs

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

1. **Strategic Change:** Strategic change is the change in the very basic objectives or missions of the organisation. A single objective may have to be changed to multiple objectives. For

example, a lot of Indian companies are being modified to accommodate various aspect of global culture brought in by the multinational or transnational corporations.

2. **Structural Change:** Organisational structure is the pattern of relationships among various positions and among various position holders. Structural change involves changing the internal structure of the organisation. This change may be in the whole set of relationships, work assignment and authority structure. Change in organisation structure is required because old relationships and interactions no longer remain valid and useful in the changed circumstances.

3. **Process Oriented Change:** These changes relate to the recent technological developments, information processing and automation. This will involve replacing or retraining personnel, heavy capital equipment investment and operational changes. All this will affect the organisational culture and as a result the behaviour pattern of the individuals.

4. **People Oriented Change:** People oriented changes are directed towards performance improvement, group cohesion, dedication and loyalty to the organisation as well as developing a sense of self actualisation among members. This can be made possible by closer interaction with employees and by special behavioral training and modification sessions. To conclude, we can say that changes at any level affect the other levels. The strength of the effect will depend on the level or source of change.

Managing Planned Change

A planned change is a change planned by the organisation, it does not happen by itself. It is affected by the organisation with the purpose of achieving something that might otherwise by unattainable or attainable with great difficulty. Through planned change, an organisation can achieve its goals rapidly.

The basic reasons for planned change are.

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

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

1. Planning for change
2. Assessing change forces
3. Implementing the change

Planning for Change

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

Once this need is identified, the following general steps can be taken.

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

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

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

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

(v)   Develop a Plan: After devising the methodology, the next step will be to put together a plan as to what is to be done. For example, if the management wants to change the promotion policy, it must decide as to what type of employees will be affected by it, whether to change the policy for all the departments at once or to try it on a few selected departments first.

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

Assessing Change Forces

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

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

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

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

(i)   If the driving forces far out weight the restraining forces, management can push driving forces and overpower restraining forces.

(ii) If restraining forces are stronger than driving forces, management either gives up the change programme or it can pursue it by concentrating on driving forces and changing restraining forces into driving ones or immobilising them.

(iii) If driving and restraining forces are fairly equal, management can push up driving forces and at the same time can convert or immobilize restraining forces.

Thus, to make the people accept the changes, the management must push driving forces and convert or immobilise the restraining forces.

Implementing Change

Once the management is able to establish favourable conditions, the right timing and right channels of communication have been established the plan will be put into action. It may be in the form of simple announcement or it may require briefing sessions or in house seminars so as to gain acceptance of all the members and specially those who are going to be directly affected by the change. After the plan has been implemented there should be evaluation of the plan which comprises of comparing actual results to the objectives. Feedback will confirm if these goals are being met so that if there is any deviation between the goals and actual performance, corrective measures can be taken.

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Lesson 3.2 - Effectiveness of Change Programs

Introduction

Well documented findings from research of individual and organisational behaviour is that organisational groups and individuals resist changes. In a sense, this is positive also because it provides a degree of stability and predictability to behaviour. If there was not some resistance, organisational behaviour would take on characteristics of chaotic randomness.

The basic question is what the causes of such resistance are. For analytical purposes, let us categorize the causes into the following:

- ➢ Individual resistance
- ➢ Group resistance
- ➢ Organisational resistance

Individual Resistance

Below are stated some reasons why people resist changes. Some of these appear to be rational and emotional. These reasons are:

1. **Economic Factors:** The economic reasons for the resistance to change may be the following:

   a. Workers may fear that the change will lead to technological unemployment. Generally, new technology is associated with the education of labour intake and therefore, people will resist a change that will affect their employment.

   b. Workers fear that they will be idle most of the time due to the increased efficiency of the new technology, which in turn may lead to retrenchment of labour force.

   c. Workers may fear that they will be demoted if they don't acquire the skills required for the new jobs.

   d. Workers resist the change which leads to setting high job standards, which in turn may reduce opportunities for bonus or incentive pay.

2. **Habits:** All human beings are creatures of habit. The modern life is so complex that nobody wants to consider the full range of options for the hundreds of decisions we have to make every day. Instead all of us rely on habits or programmed responses. For example whenever we decide to go out for dinner we generally try to go to our tried and tested restaurant instead of trying a new one every time.

Due to this nature of human beings whenever a person is confronted with a change, his basic tendency will be to resist the change. For example, whenever a person is transferred, his first reaction, most of the time, is to resist the change because it will lead to a lot more complexities like shifting the house, change of schools of the children, making adjustments in the new place, finding new friends, joining new group etc. Thus, every person will try to take the easy way out by resisting this change.

3. **Insecurity:** One of the major reasons for resistance to change is uncertainty about the impact of change, specially on job security. The fear of the unknown always has a major impact on the decision of the individuals. Not knowing what the change would bring about makes the employees anxious and apprehensive about the change.

4. **Lack of Communication:** If the workers are given an opportunity to participate in the process of change, the resistance is likely to be less. But if the change is not properly communicated that to in an acceptable manner to the employees, it is likely to cause resistance.

5. **Extent of Change:** If there is a minor change and the change involves only the routine operations, the resistance, if any, will be minimum. But the major changes like reshuffling of staff will lead to major visible resistance. Similarly, the process of change is slow, the resistance will be less as compared to rapid or sudden changes.

6. **Psychological Factors:** One of the major reasons for resistance can be the emotional turmoil that a change may cause, especially if the past experiences with the changes have not been positive. The psychological reasons for resistance to change are:

   a. Workers may not like criticism implied in a change that the present method is inadequate and unsuitable.

   b. New changes may lead to reduction of the personal pride of the workers because they fear that new work changes will do away with the need for much manual work.

   c. Workers may have the fear that the new jobs will bring boredom and monotony as a result of specialization brought by the new technology.

d. They may resist the change because harder work will be required to learn and adapt to new ideas and they do not want to take the trouble in learning new things.

e. The workers may be incapable of understanding the implications of new ideas and methods.

7. **Social Factors:** Individuals have social needs like friendship, belongingness etc. for the fulfillment of which they develop social relations in the organisation. They become members of certain informal groups. The change will bring a fear in the mind of people because there is generally dislike for new adjustments, breaking present social relationships, reduced social satisfaction, feeling of outside interference in the form of change agent etc.

Group Resistance

Most organisational changes have impact on formal groups in the organisation. Breaking up a close knit work group or changing social relationship can provoke a great deal of resistance. The main reason why the groups resist change is that they fear that their cohesiveness or existence is threatened by it. This is particularly true in case of groups which are very cohesive, where people have a very strong sense of belongingness to the group and where the group members consider their group as superior to the other groups.

Organisation Resistance

Most organisational changes have impact on informal groups in the organisation. Breaking up a close knit work group or changing social relationship can provoke a great deal of resistance. The main reason why the groups resist change is that they fear that their cohesiveness or existence is threatened by it. This is particularly true in case of groups which are very cohesive, where people have a very strong sense of belongingness to the group and where the group members consider their group as superior to the other groups.

Organisational Resistance

Organisational resistance means that the change is resisted at the level of the organisation itself. Some organisations are so designed that they resist new ideas, this is specifically true in case of organisations which are conservative in nature. Government agencies want to continue doing what they have been doing for a number of years even

though there is a need for the change in their services. Most of the educational institutions are using essentially the same teaching technologies which they were using fifty years ago. Majority of the business firms are also resistant to changes. The major reasons for organisational resistance are:

1. **Threat to Power:** Top management generally consider change is a threat to their power and influence in the organisation due to which the change will be resisted by them. The introduction of participative decision making or self managed work teams is the kind of change which is often seen as threatening by the middle and top level management. In addition they will never like to take the steps which will strengthen the position of trade unions.

2. **Group Inertia:** Sometimes, the individuals resist change because the group to which they belong resists it. The degree and force of resistance will depend upon how loyal one is to the group and how effectively group resists the change, Generally, the members of a group are influenced by the codes, patterns and attitudes of the group. Resistance to rationalisation collectively by labour in India is an example of group resistance.

3. **Organisational Structure:** Change is often resisted by the bureaucratic structures where jobs are narrowly defined, lines of authority clearly spelled and flow of information is stressed from top to bottom. Moreover, organisations are made up of a number of interdependent subsystems, one system cannot be changed without affecting the others.

4. **Threat to Specialisations:** Changes in organisation may threaten the expertise of specialised groups. For example, giving computer training to all the employees in the organisation and giving personal computers was perceived as a threat by the experts in computer department of the organisation.

5. **Resource Constraints:** Organisations need adequate financial resources for training change agents and for offering rewards to those who support change. An organisation who does not have resources for implementing the change often resists it.

6. **Sunk Costs:** The change is generally resisted by the top management, because it often leads to the problem of sunk costs. The heavy capital which is already invested in the fixed assets or the amount which has already been spent on the training of the employees will go waste if the change is introduced.

All the forces which resist the change are explained with the help of a figure given above.

Resistance to Organisational Change

The resistance to change can have some very unfavourable consequences if the change is considered or perceived to be a threat to the individual or the group it can result in:

a. Implicit defensive behaviour such as loss of loyalty to the company loss of motivation to work, persistent reduction in output, excessive absenteeism sullen hostility, increase in errors and so on.

b. Overt defensive behaviour such as civil disobedience, strikes, slowdown of work or aggressive unionism.

These signs of resistance would require that management should play a very active and constructive role in convincing all the employees that the change would be beneficial to all the parties concerned.

Overcoming Resistance to Change

Problem of overcoming resistance to change can be handled at two levels:

(i) At the individual level.
(ii) At the group level through group dynamics.

Both these attempts are complementary and sometimes these efforts may be overlapping because every individual is a member of some group, both at the formal and at the informal levels.

Efforts at the Individual Level

The management can use the following strategies to overcome resistance by the people and to introduce changes successfully:

1. **Participation and Involvement:** Individuals will find it difficult to resist the changes in which they participated. Prior to making a change, all those persons who are going to be affected by the change, can be brought into the decision making process. Their doubts and objections should be removed to win their cooperation. Getting opinions out in the open, so that they are looked at end evaluated is an important trust building task. This involvement of the workers can overcome resistance, obtain personal commitment and

increase the quality of the change decisions. But this method may lead to a lot of time consumption as well as it may be a potential for poor solutions.

2. **Effective Communication:** Inadequate or inaccurate information can be a reason for the resistance to change. An appropriate communication programme can help in overcoming this resistance. Workers can be given necessary education about the change, its process and its working through training classes, meetings and conferences. The reasons about the change must be communicated very clearly and without ambiguity. Communication can help dissipate some fear of unknown elements. Management should also see that there is a two way communication between the management and the workers so that the former comes to know about the reactions of the latter directly without delay. All this will help persuade employees about the necessity of change and once persuaded they may actively want to have the change.

3. **Facilitation and Support:** Change agents can offer facilitation and supportive efforts to overcome resistance. Facilitative support means removing physical barriers in implementing change by providing appropriate training, tools, machinery etc.

Supportive efforts include listening, providing guidance, allowing time off after a difficult period and providing emotional support. Emotional support is provided by showing personal concern to the employees during periods of stress and strain.

The drawback of this method is that it is time consuming and expensive and its implementation offers no assurance of success.

4. **Leadership:** Leadership plays a very important role in overcoming resistance to change. A capable leader can reinforce a climate of physical support for change.

The Greater the prestige and credibility of the person who is acting as a change agent, the greater will be the influence upon the employees who are involved in the change process. A strong and effective leader can exert emotional pressure on his subordinates to bring about the desired change. Most of the times, there is no resistance from the subordinates and if they resist, the leader tries to overcome resistance by leadership process.

5. **Negotiation and Agreement:** Negotiation and agreement technique is used when costs and benefits must be balanced for the benefit of all concerned parties. If people or groups are losing something significant in the change and if they have enough power to resist strongly. Negotiations before implementation can make the change go much more smoothly, even if at the later stages if some problems arise, the negotiated agreement can be referred to.

6. **Manipulation and Cooptation:** This method is used in the situation, where other methods are not working or are not available. Managers can resort to manipulation of information, resources and favours to overcome resistance. Or they can resort to cooptation which means to co-opt an individual, perhaps a key person within a group, by giving him a desirable role in designing or carrying out the change process. This technique has some doubtful ethics and it may also backfire in some cases.

7. **Coercion:** Managers may resort to coercion if all other methods fail or for some reason are inappropriate. Coercion may be in form of explicit or implicit threats involving loss of jobs, lack of promotion and the like. Managers sometimes dismiss or transfer employees who stand in the way of change. Coercion can seriously affect employee's attitudes and have adverse consequences in the long run.

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

Efforts at the Group Level

A group is a cluster of persons related in some way by common interests over a period of time. Members of the group interact with each other and develop group cohesiveness among themselves. That is why although change can be obtained individually, it is more meaningful if it is done through group. Therefore, management should consider the group and not the individual as the basic unit of change. Group dynamics offer some basic help in this regard.

Darwin Cartwright has identified the following characteristics of group as a means of overcoming resistance to change:

➢ If both the change agent and the people target for change belong to the same group, the role of group is more effective.

➢ If the people have more cohesiveness and strong belonging to the group, change is easier to achieve.

➢ The more attractive the group is to the members, the greater is the influence of the group to accept or resist a change.

- Group can exert more pressure on those factors of the members which are responsible for the group being attractive to the members. Normally attitudes, values and behaviour are more common factors determining the group attractiveness.

- The degree of prestige of a group, as interpreted by the members will determine the degree of influence the group has over its members.

- If any attempt is made to change any individual or some individuals which deviates the group norms there is likelihood of the change attempt being resisted by the group.

Thus, the management should consider the group as the basic unit of change. Group interactions should be encouraged, it should be provided full information by the management. The management should also explain the rationale of change and try to convince that the interests of the group members would not be adversely affected. Group dynamics also help in providing various training programmes for accepting and implementing change.

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Introduction

Any organisational change whether introduced through a new structural design or new technology or new training programme, basically attempts to make employees change their behaviour. It is, because unless the behavioural pattern of the members change the change will have a little impact on the effectiveness of the organisation. Behavioural changes are not expected to be brought about overnight. These are the most difficult and marathon exercises. A commonly accepted model for bringing about changes in people was suggested by KURT LEWIN in terms of three phase process-**unfreezing, changing and refreezing**. Lewin's model provides a useful vehicle for understanding change process in the organisation.

1. Unfreezing

Unfreezing means that old ideas and attitudes are set aside to give place to new ideas. It refers to making people aware that the present behaviour is inappropriate, irrelevant, inadequate and hence unsuitable for changing demands of the present situation. The management creates an atmosphere wherein the employees have self motivation for innovative discourses and practices in the organisation.

According to **Edgar Schien** the following elements are necessary during this unfreezing phase:

➢ The physical removal of the individuals, being changed, from their accustomed routines, sources of information and social relationships.

➢ The undermining and destruction of social support.

➢ Demeaning and humiliating experience to help individuals, being changed, to see their old attitudes or behaviour as unworthy and think to be motivated to change.

➢ The consistent linking of reward with willingness to change and of punishment with unwillingness to change.

Unfreezing, thus, involves discarding the orthodox and conventional methods and introducing dynamic behaviour, most appropriate to the situation. By discarding the primitive way of doing things. People are made to accept new alternatives.

2. Changing

Unlike unfreezing changing is not uprooting of the old ideas, rather the old ideas are gradually replaced by the new ideas and practices. It is the phase where new learning occurs. In order to change, it is not enough to sense that the current behaviour is inadequate. The necessary requirement is that various alternatives of behaviour must be made available in order to fill the vacuum created by unfreezing phase. During the phase of changing, individuals learn to behave in new ways, the individuals are provided with alternatives out of which to choose the best one. KELMAN explains this changing phase in terms of the following elements.

➢ Compliance: Compliance occurs when individuals are forced to change either by rewards or by punishment.

➢ Internalisation: Internalisation occurs when individuals are forced to encounter a situation and calls for new behaviour.

➢ Identification: Identification occurs when individuals recognize one among various models provided in the environment that is most suitable to their personality.

3. Refreezing

Refreezing is on the job practice. The old ideas are totally discarded and new ideas are fully accepted. It is reinforced attitudes, skills and knowledge. During this phase individuals internalise the new beliefs, feelings and behaviour learned in the changing phase. He practices and experiments with the new method of behaviour and sees that it effectively blends with his other behavioural attitudes. It is very important for the manager concerned to visualize that the new behaviour is not extinguished soon.

Ferster and Skinner have in this connection introduced the main reinforcement schedules namely-continuous and intermittent reinforcements. Under the continuous reinforcement, individuals learn the new behaviour within no time. But one major risk of this reinforcement is that the new behaviour ceases very soon. Intermittent reinforcement on the other hand, consumes a long span of time but it has the greatest advantage of ensuring a long lasting change.

Change Agents

For planning the change, every organisation requires change agents. These are the persons who initiate and manage change in the organisations. Change agents are catalysts to manage changes. They are specialised in the theory and practices of managing changes. The change agents may also help management recognise and define the problem or the need for the change and may be involved in generating and evaluating potential plans of action. The change agent may be a member of the organisation or an outsider such as a consultant. An internal change agent is likely to know the organisation's people, tasks and political situations, which may be very useful in interpreting data and understanding the system. They have ability, knowledge and experience of directing people for changes and development. But sometimes, an insider may be too close to the situation to view it objectively. In addition, a regular employee will have to be removed from his regular duties to concentrate on the transition. The external change agent is in a position to view the organisation meant for change from a total systems view point and is much less affected by the organisational norms. He is likely to have easy access to the top management.

Since it is the top management on whose initiative the consultant is engaged. Top managers engage consultants with specialised knowledge in the theory and methods of change. Consultant change agents can offer a more objective perspective than insiders can. But experts outside the organisation are not well versed with the internal environment. So they are not in a position to manage the changes effectively. External experts are not well aware of the desires and attitudes of the employees, therefore the changes suggested by them are resisted by the employees.

Unless the change agent is a member of top management, his power to bring about change must emerge from some source other than the hierarchical position and legitimate authority within the organisation. Although, the support of top management is essential, it is not enough MICHAEL BEER prescribes five sources of power for the change agent:

➢ High status given by the members of the client organisation, based on their perception that the change agent is similar to them in behaviour, language, values etc.

➢ Trust in the change agent based on his consistent handling of information and maintaining a proper role in the organisation.

➢ Expertise in the practice of organisational change.

➢ Established credibility based on experience with previous clients of previous projects with the client organisation.

> ➢ Dissatisfied constituencies inside the organisation who see the change agents as the best opportunity to change the organisation to meet their needs.

Change Options

What can a change agent change? There are four subject matters which can be changed by the change agents. They are structure, technology, people and physical setting. These are discussed in detail as follows:

(i) Structure

An organisational structure is defined by how the tasks are formally divided, grouped and coordinated. Changing conditions require structural changes. As a result, the change agent might need to modify the organisation's structure. Attitudinal change, change in plant layout and new techniques can succeed only when the structure is changed according to the change in the environment. Authority, responsibility, functions and performance are changed according to the needs of the change. The matrix design is used for absorbing the changes. Change agents can alter one or more of the key elements in an organisation's design or they can introduce major modifications in the actual structural design. They might consider redesigning jobs or work schedules. Another option can be to modify the organisation's compensation system.

(ii) Technology

Under change management, technological change is also done. The introduction of new equipment and work process is technological innovation. Automation and computerisation have become common change processes at the beginning of the twenty first century. Change agents introduce new tools and techniques. Efficient handling of equipment and machines is invented by technology. Computerisation has changed the work culture in the new century. Thus, major technological changes involve the introduction of new equipment, tools or methods, automation or computerisation.

(iii) People

This category involves changing the attitudes and behaviour of organisational members through processes of communication, decision making and problem solving. The change agents help the individuals and groups within the organisation to work more effectively together. They inspire the employees to change to adapt to the environment. The changes can give fruitful results if the employees have developed a positive attitude

and behaviour to make the changes a success. Unless the employees accept the change, the change agents cannot ensure the process of change. If there is a lack of agreement with the employees, stress or tension occurs.

(iv) Physical Setting

Change agents decide space configurations interior design, equipment placement, plan layout and tool arrangement under physical setting. Management thoughtfully considers work demands, formal interaction requirements, and social needs while making such changes. The changes made in these settings are helpful for the organisational development. The physical setting considers information, flow process, flow and outcome. The smoothness of the flow increases the effectiveness of changes. Working conditions are changed, designed and redesigned to mobilise effectiveness of the settings.

The basic objectives of change agents are, thus, to increase effectiveness, individual performance and satisfaction irrespective of whether the change agents are internal or external. The change agents play the role of a researcher, counselor, case analyst and professionally qualified friend. Under the direction of the change agents, the organisation implements the change, through Lewin's unfreeze, change and refreeze process. In the final step, evaluation and control, the change agent and the top management group assess the degree to which the change is having the desired effect. That is, progress towards the goals of the change is measured, if necessary, appropriate changes are made.

Action Research

Action research is another view of the organisational change process. It is an organisational change process that is based on a research model specifically one that contributes towards the betterment of the sponsoring organisation and contributes to the advancement of knowledge of organisations in general.

In Action Research, the change agent is usually an outside person, who is involved in the total change process, from diagnosis to evaluation. This person usually contracts with the sponsoring organisation to engage in organisational research, whereas the typical change agent is called in to make a specific change. Action Research provides a scientific methodology for managing planned change. The process of Action Research consists of five steps as explained below:

(i)   **Diagnosis:** In the first step, the change agent gathers information about problems, anxieties and required changes from members of the organisation. The information

is gathered by asking questions, interviews, review of records and listening to employees. The diagnosis will help the agent in finding out what is actually ailing the organisation.

(ii) **Analysis:** The information gathered in the first step is analysed in this step. The type consistency and patterns of problems are studied. This information is analysed into primary concerns, problem areas and possible actions.

(iii) **Feedback:** In this step, the change agent will share will the employees what has been found in steps one and two. Thus, the employees will be actively involved in any change programme. In determining what the problem is and how to create the solution. The change agent, in participation with the employees, develop action plans for bringing about any needed change.

(iv) **Action:** Action plans decided in the previous step are set in motion in this step. The employees and the change agent carry out the specific actions to correct the problems that have been identified.

(iv) **Evaluation:** As action research provides a scientific methodology for managing the planned change, in the final step, the change agent evaluates the effectiveness of the action plans. Using the initial data as the benchmark, any subsequent changes can be compared and evaluated.

Action research is a very important change process. It is a problem focused method. The change agent looks for problems and on the basis of the problems he decides the change action. Since employees are actively involved in the change process, the resistance to change is reduced. The evaluation of the organisation and any changes taken to improve it over a period of change can provide valuable information to both the organisation and the researcher.

Human Reactions to Change

Human reaction to a change does not always depend upon logic. Generally, depends upon how a change will affect one's needs and satisfaction in the organisation. We can say that attitudes are very important in determining the resistance to change because an employee's perception of the likely impact of change will depend upon his attitudes. Attitudes, as we all know, are not always a matter of logic, but are entirely different from it.

Therefore, there is a very close relationship between change and human attitudes. The reactions to change may occur in any of the following forms:

1. **Acceptance:** All changes are not necessarily resisted. If an employee perceives that a change is likely to affect him favourably, he accepts it. For example, if the workers have to stand before a machine throughout the shift, they will like the introduction of a new machine, which will allow them to sit while working. Thus, resistance to change is offset by their desire to have better working conditions. Sometimes, people themselves want change and new experiences as they are fed up with the monotonous old practices and procedures.

2. **Resistance:** Whenever a person thinks that the effects of change are likely to be unfavourable to him, even if they are really not so, he will try to protect himself by resisting the change. Resistance means opposition to change. Human resistance to change may be in any of the following forms:

a) Hostility or aggression is the immediate reaction of an individual to change. The hostility can be expressed verbally, but hostility and aggression combined is of a more intense character and can also take physical forms.

b) The individual may develop apathy towards his work. As the interest of the individual is in the interest, the result will be spoilage of materials, idling of time and decline in performance.

c) Absenteeism and tardiness and also signs of resistance.

d) Development of anxiety and tension in the employees is the sure sign of resistance. As a result of this, the employee finds himself uncomfortable, shaky and tensed up on this job.

e) At the group level, additional signs of resistance are there. Showdowns are strikes are usual symptoms of group resistance. Another strategy of group resistance is "restriction of output ".

Opposition to change may be logical and justified in some cases. Sometimes people do not resist change but they oppose the changing agent or the mode of implementing change.

3. **Indifference:** Acceptance and resistance to change are two extreme reactions. Sometimes, the employees fail to realise the impact of change or some people feel that they will not be affected by the change. In both of these cases, they will remain indifferent to change.

4. **Forced acceptance:** Sometimes people resist the change in the initial stages, but if change forces are stronger than the resistance forces, people have to accept the change. This is called forced acceptance or the situation where people are forced to accept the change.

There is nothing unusual about the above reactions. Any change likely to destabilise a person's adjusting alignment with the environment KEITH DAVIS observed that.

"People develop an established set of relations with their environment. They learn how to deal with each other, how to perform their jobs and what to do expect next. Equilibrium exists, individuals are adjusted when change comes along, it requires individuals to make new adjustments as the organisation seeks a new equilibrium. When employees are unable to make adequate adjustments to changes which occur, the organisation is in a state of imbalance of disequilibrium. Management's general human relations objective regarding change is to restore and maintain the group equilibrium and personal adjustment which change upsets."

To conclude we can say that change may be forced on an organisation or an organisation may change in response to the environment or an internal need. Whatever the case changes must be properly planned and members should be properly prepared to accept these changes enthusiastically, because the real world is turbulent, requiring organisations and their members to undergo dynamic change if they are to perform at competitive levels.

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Lesson 3.4 - Job Redesign: Quality of Work Life and Job Enrichment

Introduction

Many difficulties developed from classical job design. There was excessive division of labor and overdependence on rules, procedures, and hierarchy. Workers became socially isolated from their coworkers because their highly specialized jobs weakened their community of interest in the whole product. Deskilled workers lost pride in their work and became bored with their jobs. Higher-order (social and growth) needs were left unsatisfied. The result was higher turnover and absenteeism, declines in quality, and alienated workers. Conflict often arose as workers sought to improve their conditions and organizations failed to respond appropriately.

Management's response to this situation was a tighten controls, to increase supervision, and to organize more rigidly. Although these actions were intended to improve the situation, they only made it worse because they further dehumanized the work. Management made a common error by treating the symptoms rather than identifying and attacking the causes of the problems. The real cause was that in many instances the job itself simply was not satisfying. The odd condition developed for some employees that the more they worked, the less they were satisfied. Hence the desire to work declined.

A factor contributing to the problem was that the workers themselves were changing. They became more educated, more affluent (partly because of the effectiveness of classical job design), and more independent. They began reaching for higher-order needs, something more than merely earning their bread. Perhaps classical design can achieve great gains for a poor, uneducated, often illiterate work force that lacks skills, but it is less appropriate for the new work force in educated and industrialized nations. Design of jobs and organizations had failed to keep up with widespread changes in worker aspirations and attitudes.

Employers now had two reasons for redesigning jobs and organizations for a better QWL.

- ➢ Classical design originally gave inadequate attention to human needs.
- ➢ The needs and aspirations of workers themselves were changing.

Options Available

Several options for solving these problems were available to management:

> ➢ Leave the job as it is, and employ only workers who like the rigid environment and routine specialization of classical design. Not all workers object to this form of work; some may even relish it because of the security and task support that it provides.

> ➢ Leave the job as it is, but pay workers more so that they will accept the situation better. Since classical design usually produces economic gain, management can afford to share the gain with workers.

> ➢ Mechanize and automate routine jobs so that the workers who are unhappy with the specialized job are no longer needed. Let industrial robots do the routine work.

> ➢ Redesign jobs to have the attributes desired by people, and design organizations to have the environment desired by people. This approach seeks to improve QWL.

Although any of the four options might be useful in certain situations, the one that has captured the interest of both employers and employees is the last option. There is a need to give workers more of a challenge, more of a whole task, more opportunity to use their ideas.

Close attention to QWL provides a more humanized work environment. It attempts to serve the higher-order needs of workers as well as their more basic needs. It seeks to employ the higher skills of workers and to provide an environment that encourages them to improve their skills. The idea is that human resources should be developed and not simply used. Further, the work should not have excessively negative conditions. It should not put workers under undue stress. It should not damage or degrade their humanness. It should not be threatening or unduly dangerous. Finally, it should contribute to, or at least leave unimpaired, worker's abilities to perform in other life roles, such as citizen, spouse, and parent. That is, work should contribute to general social advancement.

Quality of Work Life

The term Quality of Work Life aims at changing the entire organisational climate by humanising work, individualising organisations and changing the structural and managerial systems. It takes into consideration the socio-psychological needs of the employees. It seeks to create such a culture of work commitment in the organisations which will ensure higher productivity and greater job satisfaction for the employees.

Quality of work life refers to the favourableness or unfourableness of the job environment of an organisation for its employees. It is generic term which covers a person's feelings about every dimension of his work e.g. economic incentives and rewards, job security, working conditions, organisational and interpersonal relationships etc. The term QWL has different meanings for different people. A few important definitions of QWL are as follows:

According to Harrison

"QWL is the degree to which work in an organisation contributes to material and psychological well being of its members."

According to D.S.Cohan

"QWL is a process of joint decision making, collaborations and building mutual respect between management and employees."

According to the American Society of Training and Development "QWL is a process of work organisation which enables its members at all levels to participate actively and effectively in shaping the organisations' environment, methods and outcomes. It is a value based process which is aimed towards meeting the twin goals of enhanced effectiveness of the organisation and improved quality of life at work for the employees".

QWL influences the productivity of the employees. Researchers have proved that good QWL leads to psychologically and physically healthier employees with positive feelings.

To summarise, QWL is the degree to which employees of an organisation are able to satisfy their personal needs through experience in the organisation. It main aim is to create a work environment where employees work in cooperation with each other and contribute to organisational objectives.

Scope of QWL

Quality of work life is a multi dimensional aspect. The workers expect the following needs to be fulfilled by the organisations:

1. **Compensation:** The reward for work should be above a minimum standard for life and should also be equitable. There should be a just and equitable balance between the effort and the reward.

2. **Health and Safety:** The working environment should be free from all hazards detrimental to the health and safety of the employees. The main elements of a good physical environment for work should be reasonable hours of work, cleanliness, pollution free atmosphere, risk free work etc.

3. **Job Security:** The organisation should offer security of employment. Employees should not have to work under a constant concern for their future stability of work and income.

4. **Job Design:** The design of jobs should be such which is capable of meeting the needs of the organisation for production and the individual for satisfying and interesting work. Quality of work life can be improved if the job allows sufficient autonomy and control, provides timely feedback on performance and uses a wide range of skills.

5. **Social Integration:** The workers should be able to feel a sense of identity with the organisation and develop a feeling of self esteem. This includes the elimination of discrimination and individualism, whilst encouraging teams and social groups to form.

6. **Social Relevance of Work:** Work should not only be a source of material and psychological satisfaction, but also a means of social welfare. An organisation that has greater concern for social causes can improve the quality of work life.

7. **Scope for Better Career Opportunities:** The management should provide facilities to the employees for improving their skills both academic and otherwise. The management should always think of utilising human resources for expansion and development of the organisations.

Principles of QWL

According to N.Q.Herrick and M.Maccoby there are four basic principles, which will humanise work and improve the QWL:

1. **The Principle of Security:** Quality of work cannot be improved until employees are relieved of the anxiety, fear and loss of future employment. The working conditions must be safe and fear of economic want should be eliminated. Job security and safety against occupational hazards is an essential precondition of humanisation of work.

2. **The Principle of Equity:** There should be a direct and positive relation between effort and reward. All types of discrimination between people doing similar work and with same level of performance must be eliminated. Equity also requires sharing the profits of the organisation.

3. **The Principle of individualism:** Employees differ in terms of their attitudes, skills, potentials etc. Therefore, every individual should be provided the opportunities for development of his personality and potential. Humanisation of work requires that employees are able to decide their own pace of activities and design of work operations.

4. **The Principle of Democracy:** This means greater authority and responsibility to employees. Meaningful participation in decision making process improves the quality of work life.

Techniques for Improving QWL

The quality of work life movement is of recent origin and has a long way to go. Individual as well as organised efforts are required to improve the quality of work life for millions of workers in the country. Some of the techniques used to improve the QWL are as given below:

1. **Flexible Work Schedules:** There should be flexibility in the work schedules of the employees. Alternative work schedules for the employees can be flexi time, staggered hours, compressed work week etc. Flexi time is a system of flexible working hours, staggered hours schedule means that different groups of employees begin and end work a different intervals. Compressed work week involves longer hours of work per day for fewer days per week.

2. **Job Redesign:** Job redesigning or job enrichment improves the quality of the jobs. It attempts to provide a person with exciting, interesting, stimulating and challenging work. It helps to satisfy the higher level needs of the employees.

3. **Opportunity for Development:** Career development is very important for ambitious and achievement oriented employees. If the employees are provided with opportunities for their advancement and growth, they will be highly motivated and their commitment to the organisation will increase.

4. **Autonomous Work Groups:** Autonomous work groups are also called self managed work teams. In such groups the employees are given freedom of decision making. They are themselves responsible for planning, organising and controlling the activities of their groups. The groups are also responsible for their success or failures.

5. **Employee's Participation in Management:** People in the organisation should be allowed to participate in the management decisions affecting their lives. Quality circles, Management by objectives, suggestion system and other forms of employee's participation in management help to improve the QWL.

6. **Job Security:** Employees want stability of employment. Adequate job security provided to the employees will improve the QWL to a large extent.

7. **Equitable Justice:** The principle of equitable administrative justice should be applied in disciplinary actions, grievance procedures, promotions, transfers, work assignments etc. Partiality and biasness at any stage can discourage the workers and affect the QWL.

Job Enrichment

Fredrick Herzberg gave greater emphasis on job enrichment in his two factor theory. He assumed that in order to motivate personnel, the job must be designed to provide opportunities for achievement, recognition, responsibility, advancement and growth. This technique entails enriching the job so that these factors are included.

It simply means, adding a few more motivators to job to make it more rewarding. A job is enriched when the nature of the job is made more exciting, challenging and creative or gives the job holder more decision making, planning and controlling powers.

According to **Beatty and Schneider**, "Job enrichment is a motivational technique which emphasizes the need for challenging and interesting and interesting work.

It suggests that jobs be redesigned so that intrinsic satisfaction is derived from doing the job. In its best applications, it leads to a vertically enhanced job by adding functions from other organisational levels, making it contain more variety and challenge and offer autonomy and pride to the employee".

Job enrichment is thus, an important practice in meeting "whole man" needs. It represents a new and popular non-monetary motivational technique. It applies to improvement of job in such a way that it has more motivators than before and at the same time maintaining the degree of maintenance factors.

Characteristics of an Enriched Job

According to **Herzberg**, an enriched job has eight characteristics. These characteristics are as explained below:

1. **Direct Feed Back:** There should be a direct feed back of the employee's performance. Employees should be able to get immediate knowledge of the results they are achieving. The job evaluation can be inbuilt in the job or provided by a supervisor.

2. **Client Relationships:** When an employee serves a client or customer directly, he has an enriched job. The client can be outside the organisation or inside.

3. **New Learning:** An enriched job allows the employee to learn more. He should feel that he is growing mentally. An employee, who is doing some intellectual work, is having an enriched job.

4. **Scheduling Own Work:** Freedom to schedule one's own work contributes to enrichment. Deciding when to tackle which assignment is an example of self scheduling. Employees who perform creative work have more opportunity to schedule their assignments as compared to employees performing routine jobs.

5. **Unique Experience:** An enriched job has some unique qualities or features as compared to the other jobs.

6. **Control Over Resources:** One approach to job enrichment is that each employee should have control over his own resources and expenses.

7. **Direct Communication Authority:** An employee holding the enriched job will be allowed to communicate directly with people who used his output.

8. **Personal Accountability:** An enriched job holds the incumbent responsible for the results. He receives praise for good work and blame for poor work. From the above features of job enrichment we conclude that the management should take the following measures to enrich the job:

   a) Give sufficient freedom to the employees in deciding about work methods, pace, sequence etc.

   b) Increase responsibility

   c) Encourage participation

   d) Provide feedback to the employees.

   e) Make the personnel understand how tasks contribute to a finished product of the enterprise.

   f) Give adequate benefits to the employees. Management should provide extrinsic and intrinsic rewards to the employees depending upon their motivational patterns.

   g) Management should provide adequate welfare measures to the employees. People should perceive that management is sincere and caring about them.

Advantages of Job Enrichment

Job enrichment is a very useful technique to motivate employees. The advantages of job enrichment are as follows:

a) In the routine jobs, the employees find their jobs very boring and monotonous. The number of such employees is generally considerable. The frustration of these employees can be removed by making the job interesting with the job enrichment.

b) Job enrichment helps in reducing the rates of employee turnover and absenteeism.

c) Job enrichment motivates the employees intrinsically by giving them opportunities for growth advancement and self realisation.

d) Task enforcement is made easy with the help of job enrichment and the skills of workers are increased.

e) The enriched jobs give more job satisfaction to the employees.

f) Job enrichment is advantageous to the organisation as there is qualitative as well as quantitative improvement in output and there is higher satisfaction of the workers.

g) Employees tend to be more creative when they work in an enriching context of complex and challenging jobs.

Limitations of Job Enrichment

As job enrichment is based on the two factor theory given by **Herzberg**, the same criticism of the two factor theory applies to it also. Some problems arise when job enrichment is actually applied in practice. Moreover, it does not offer the results as anticipated. The limitations of job enrichment are as follows:

1. The first basic problem is that majority of workers do not want the type of changes which are introduced by job enrichment. They do not really want challenging jobs, as the basic human tendency is to shirk responsibility. Workers put wages and job security above all.

2. Job enrichment is basically limited to the unskilled and semiskilled jobs. Jobs of highly skilled professionals already contain many challenging elements. As such there is no scope of applying job enrichment in their cases.

3. Technology may not permit the enrichment of all the jobs. With specialised machinery, tasks and processes, it may not be possible to make the jobs very meaningful.

4. Job enrichment is a highly costly affair. In most of the cases, the cost involved is more than the gains in productivity.

5. Sometimes, the employees may prefer to have job enrichment but may not have the necessary capabilities and qualifications to meet the new challenges.

6. In the short run, job enrichment may have negative effects. After an increase in job responsibility, it is not unusual for organisations to experience a drop in productivity, as workers become accustomed to the new systems. In the long run, however, there will be increased productivity.

7. People being bored in their jobs, it is likely, therefore, that after a period of time they will become bored in their enriched jobs also. Thus, enrichment may become static after some time and additional enrichment will be required.

8. There is, generally, a tendency on the part of the management to impose job enrichment on workers rather than applying it with their consent; it will have a negative impact on the employees.

9. The top managers and personnel, generally apply, their own scale of values of challenge and accomplishment to other people's personalities this evokes more resistance from workers.

Despite these limitations, job enrichment is a valuable motivational technique, but management must use it selectively and give proper recognition to the complex human and situational variables. **Robert N.Ford** and many others have gone on to generalise that job enrichment is the solution to all behavioral problems facing modern management. Though, this type of generalisation does not seem entirely justified, but still the importance of job enrichment as an effective motivational technique cannot be ruled out.

Those planning job enrichment programs need to ask such questions as the following about employee needs and attitudes:

➢ Can the employee tolerate (and welcome) responsibility?
➢ How strong are the employee's growth and achievement needs?
➢ What is the employee's attitude and experience regarding group work?
➢ Can the employee intellectually and emotionally handle more complexity?
➢ How strong are the employee's drives for security and stability?
➢ Will the employees view the job changes as significant enough to justify the costs?
➢ Can a job be over enriched?

There are many contingency elements to consider when exploring the possibility of job enrichment as a QWL approach. Both employee attitudes and their capabilities to handle enriched tasks are crucial. Although it is tempting to consider job enrichment as "good," it is more consistent with human values to recognize and respect individual differences among employees.

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Introduction

As technology increases, specialization also tends to increase. As work gets broken into smaller parts, integration is required to put them back together again to make a whole product, a whole organization, and a whole society. This integration is much more difficult in a high-technology society than in a low-technology one, because high technology tends to make a system more complex and make its parts more interdependent.

The flow of technology is not a continuous stream but rather a series of bursts of new developments. As a consequence, the price that technology requires for the progress it brings is that people must adapt to unexpected changes. The technological revolution produces, perhaps with a time lag, an associated social revolution. Technology is moving so fast that it is creating social problems long before society is able to develop solutions. At the workplace new forms of organization, new ways of supervision, new reward structures, and a host of other changes are being required in order to absorb technology. For adjustment to technology what is needed is more mobility-economic as well as social, occupational as well as geographic, managerial as well as employee.

Technology and Occupations

As technology changes, jobs also change. Technology tends to require more professional, scientific, and other white-collar workers to keep the system operating. In most advanced installations the ratio of white-collar to blue-collar employees has increased. Since people by nature are not efficient machines, it seems appropriate to replace routine jobs with automated systems that can do the job faster and better, thus releasing people to do more advanced work, which usually is white-collar work. Technology generally upgrades the skill and intellectual requirements of the total work force.

Information Technology

A major tool intended for improving white-collar productivity and communications is information technology. This includes the use of computers, software, and telecommunications for a wide variety of applications. Customer orders can be filled faster, budget analy-

ses can be performed more accurately, complex-manufacturing processes can be controlled with less variations, and orders to suppliers can be transmitted rapidly.

Benetton, the international marketer of colorful sportswear, uses computers to create electronic links between its manufacturing facilities, its sales people, its warehouse workers, and its retailers. As a consequence, it has dramatically reduced the time it takes to develop new products while increasing the speed at which it can fill customer orders.

Information technology offers tremendous potential benefits to organizations. It can reduce human labor in automated processes, bring vast amounts of detailed information to bear on decisions, transfer data with great speeds among networked users, and facilitate the tracking of product flows (such as Federal Express does with the package it transport). It has been used to create electronic mail systems, expedite brainstorming sessions, and allow employees around the world to hold electronic conferences or work as a team on design projects. All these applications require its human users to adapt in new ways-to not working face-to-face with others, to sitting at a keyboard and screen for long periods, and to using their minds rather than direct contact with their hands.

The modern need for higher skills means that a premium is put upon education in the labor market. More education and training become necessary in order to avoid a surplus of underdeveloped people and a shortage of highly developed people.

Multiprofessional Employees

The need for an educated work force with high-level skills has increased the demand for multi professional employees. These are people trained in two or more professions or intellectual disciplines, such as engineering and law or accounting and science. Since these people are competent in more one discipline, they are able to perform some of the integrative work required by modern work systems. The demand is especially high for multi professional managers who are qualified in some technical specialty in addition to management so that they can more easily manage technical work.

A Knowledge Society

The steady advancement of technology has led to the development of a knowledge society in the United States. A knowledge society is one in which the use of knowledge and information dominates work and employs the largest proportion of the labor force. The distinguishing feature of a knowledge society is that it emphasizes intellectual work more than manual work-the mind more than the hands. Examples of knowledge jobs are those

of news editors, accountants, computer programmers, and teachers. Even the surgeon, who must use a delicate manual skill, is primarily working from a knowledge or intellectual base.

Intellectual work requires a different quality of motivation than manual work. Normally a person can be persuaded by the use of authority to dig a ditch. The threat of penalty usually is enough to get results. However, it takes more sophisticated motivation to lead a person to do research or to write creative advertising copy. Intellectual work requires internal motivation and a more positive motivational environment. If employers of knowledge workers fail to provide this type of environment, their employees will work less effectively.

Work Systems and People

There are two basic ways in which work is organized. The first relates to the flow of authority and is known as organizational structure of merely organization, as discussed earlier.

The second relates to the flow of work itself from one operation to another and is known as procedure. Other names are "method," "system," and "work flow." People usually recognize the human side or organizational structure because of the superior-subordinate relationship that it establishes, but more often than not they ignore or overlook the human side of work flow. They see work flow as an engineering factor that is separate from human factors. In the usual case, however, work flow has many behavioral effects because it sets people in interaction as they perform their work.

Initiation of Action

One important point about a work system is that it determines who will "initiate" an activity and who will "receive" it. At each step in the flow of work one person sends material to the next person who will work on it. Along the way, staff experts give instructions. This process of sending work and/or instructions to another is an initiation of action on another person. Receivers of an initiation often feel psychologically inferior, because they may receive it from someone who "just shouldn't be pushing them around."

Further problems tend to arise when an initiation affects "sensitive" areas such as how much work employees do (as in time study) and their rates of pay (as in job evaluation). In general we can conclude that initiations of action that place job or personal pressures on a receiver tend to be trouble spots.

System Design for Better Teamwork

Another point about procedure is that it requires people to work together as a team. Teamwork can be engineered out of a work situation by means of layouts and job assignments that separate people so that it is impractical for them to work together, even though the work flow requires teamwork. In one instance two interdependent employees were unnecessarily assigned to separate shifts, which prevented them from coordinating their work. In another instance, one operator fed parts to two separate lines that were in competition, and each line regularly claimed that the operator favored the other.

Integration of the technology, structure, and human factors was needed to create a productive system in the textile mill. When just one element is changed, a mismatch is likely to emerge. Management needs to stay in close touch with the workers to understand their needs and avoid making costly changes that have negative side effects.

Communication Patterns

It is well known that plant layout and work flow have much to do with the opportunities that people have to talk with one another. In an insurance office, for example, the layout of desks was such that people who needed to talk to coordinate their work were separated by a broad aisle. Employees met the problem by loudly calling across the aisle, but this eventually had to be stopped because of the disturbance. The result was poor communication. In another company, sewing machines were located so that talking was discouraged, but management soon discovered that another layout that permitted talking led to higher productivity. Apparently, talking relieved the monotony of routine work.

Alienation

Alienation may result from poor design of socio-technical systems. Since work systems are planned by someone other than the operators, often the operators do not understand why the system operates the sway it does. In addition, since the division of labor lets each operator perform only a small portion of the total work to be done, jobs begin to lose their social significance and appear meaningless. Workers no longer see where they fit in the scheme of things; no longer do they see the value of their efforts. When these feelings become substantial, an employee may develop alienation, which is a feeling of powerlessness, lack of meaning, loneliness, disorientation, and lack of attachment to the job, work group, or organization. When workers are performing an insignificant task, frustrated by red tape, isolated from communication with others, prevented from engaging in teamwork, and controlled by initiation of action from others, then alienation is bound to develop.

The relationship of alienation to technology is only a general one. In some instances mass production may be welcomed by employees because it reduces their physical labor, improves working conditions, and provides them with new equipment. In other instances even professional workers may find satisfaction in formal work patterns.

The relationship between organizational formalization (standard practices, job description, and policies) and alienation was explored in a study of both professional and nonprofessional employees. Somewhat surprisingly, higher formalization actual seemed to reduce alienation among the employees. Apparently, increased rules at procedures decreased role ambiguity and increased the employee's level of organisational commitment. When alienation threatens to become serious, management needs to take corrective action, but it should act carefully, since alienation has may causes.

Effects of Work System

The evidence is clear that work systems have a substantial effect on human behavior. They do this by

1. Determining who initiates action on whom, and some of the conditions in which the initiation occurs.
2. Influencing the degree to which the employees performing interdependent activities can work together as a team.
3. Affecting the communication patterns of employees.
4. Creating possibilities for unnecessary procedures, generally called red tape
5. Providing tasks that seem insignificant and weak in power, thereby contributing to alienation.

The general conclusion is that relationships among workers in a system can be just as important as relationships of the work in that system. In the design of any system it is folly to spend all one's time planning work relationships but ignoring worker relationships. The limitations and difficulties with job enrichment lead to three conclusions. First, job enrichment and QWL programs generally are desirable for both human and performance needs. They help both employees and the firm. Second, there is a contingency relationship. QWL improvements work letter in some situations than in others.

A third conclusion is that QWL programs bring costs as well as benefits, and both must be evaluated to determine the desirability of a change. The key issue is how favorable the net benefits are.

With the many contingencies that exist in job enrichment, the best strategy is to study the need for it carefully and then try it in the most appropriate places first. As success is achieved, there can be a gradual move toward more applications. The organization that suddenly becomes sold on job enrichment an d then takes a blanket approach to it is likely to generate more problems than it can handle.

Enriched Work Systems

The Socio-Technical Model

The classical design of jobs was to construct them according to the technological imperative, that so, to design them according to the needs of technology and efficiency and give little attention to other criteria. Job enrichment went a large step toward emphasizing the human (social) side by exploring how jobs could be redesigned to make them more motivating and satisfying. An even more comprehensive approach is to provide a careful balance of the human imperative and the technological imperative. Work environments, and the jobs within them, are required to fit people as well as technology. The socio-technical systems approach considers not only how inputs are transformed into outputs, but also how employees and the organization can develop interpersonal and social relationships for mutual gain. Both technical and social systems receive high priority, and they are simultaneously managed for the best possible integration. This is a new set of values and a new way of thinking that goes beyond the concern for a high quality of work life.

The basic assumptions of socio-technical systems include the following:

➢ Employees are resources that can and should be developed.

➢ Self-control and self-regulation by employees is desirable and possible.

➢ Collaborative relationships are easiest when organizational levels and status differences are minimized.

➢ Related tasks should be grouped and individuals should be given multiple tasks and broad responsibilities.

➢ Employee input is invited, expected, and reinforced.

➢ The organization and its jobs are subject to continual evaluation and change.

Socio-technically designed organizations seek to find a "best fit" among workers, jobs, technology, and the environment. Accordingly, the best design will be different to fit different arrangements of these variables. Since the design must fit the present situation, socio-technical systems must be regularly readjusted among the factors in order to maintain

the best fit. Consequently, socio-technical organizations often seem to be in a constant stage of change.

Two specific approaches to finding a better socio-technical fit are the use of natural work teams and flexible work schedules, which are discussed next. Then we will provide an overview of some major organizational experiments will enriched work systems.

Natural Work Teams

The next step above enriched jobs is to focus on work teams. When jobs have been designed so that a person performs an entire sequence of tasks to make a whole product or a subunit of it, then that person is performing a natural work module. The work flows naturally from start to finish and gives an individual a sense of skill variety, task identity, and task significance. In a similar manner several employees may be arranged into a natural work team that performs an entire unit of work with considerable autonomy. In this way employees whose task requires them to work together are better able to learn one another's needs and to develop team work. Natural work teams even allow those who are performing routine work to develop a greater feeling of task significance, because they are attached to a larger team that performs a major task. It is surprising how our desire to develop specialization often leads to separation of people who are needed to make natural work teams.

Consider experience of a telephone company with its service-order department. Originally the service representatives and typists who prepared service orders were in separate areas of the office, and each took orders in rotation as they were received. Then different teams of representatives were assigned their own geographical region and a few typists were moved to be with them, working only on their service orders. The employees now became a natural work team that could cooperative in performing a whole task. The result was that orders typed on time increased from 27 percent to between 90 and 100 percent, and service-order accuracy exceeded the expected standard.

The next step above enriched jobs and natural work teams is enriched socio-technical work systems in which a whole organization or a major portion of it is built into a balanced human-technical system. The objective is to develop complete employment enrichment. This requires changes of a major magnitude, particularly in manufacturing that has been designed along specialized lines. The entire production process may require reengineering in order to integrate human needs, and layouts may require changes to permit teamwork. The fundamental objective is to design a whole work system that serves the needs of people as well as production requirements.

Flexible Work Schedules

Flexible working time, also known as "flexitime," or "flextime," is an example of employment enrichment. It gives workers more autonomy but in a manner different from job enrichment. With flextime employees gain some latitude for the control of their work environment – a factor beyond the design of the job itself – to fit his or her own lifestyle or to meet unusual needs, such as a visit to a physician. The idea is that, regardless of starting and stopping times, employees will work their full number of hours each day. Employees always work within the restraints of the organization's business hours, and if a job requires teamwork, all employees on a team must flex their work together.

An office provides an example. The office is open from 7 A.M. to 7 P.M., and employees may work their eight hours anytime during that period. One employee is an early riser and prefer to arrive at work at 7 A.M., leaving at 3.30 P.M. in order to shop or engage in sports. Another employee is a late riser and prefers to come to work at 10 A.M., leaving at 6.30 P.M. Another employee arranges her work period to fit a commuter train schedule. Still another employee prefers to take two hours for lunch and occasional shopping. Each employee sets a schedule to fit personal needs. A certain percentage of workers must be at the office for certain core hours in order to meet the public, but otherwise their schedule is relatively free.

An advantage to the employer is that tardiness is eliminated, since the employee works a full number of hours regardless of arrival time. Since employees are able to schedule outside activities such as appointments during their working day, they tend to have fewer one-day absences for these purpose. Perhaps the main benefit is that greater autonomy leads to greater job satisfaction, and sometimes productivity improves as well."

Self Assessment Questions

1. How can one relate the quality of work life to change and development?
2. Describe the process of change
3. Is it right that social, cultural and technological changes pave way to organisational change? Explain
4. What does resistance to change means? How to overcome it?

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UNIT - IV

Unit Structure

Lesson 4.1 - Introduction to Organisation Development

Lesson 4.2 - Foundations of Organization Development

Lesson 4.3 - Recent Organisation Development Strategies

Lesson 4.1 - Introduction to Organisation Development

Learning Objectives

➢ To define the concept of organization Development

➢ To study the history of organization development

➢ To analyse the characteristics of organization OD

Definition

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 Beckhand

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

Organization renewal is the process of initiating, creating and confronting needed changes so as to make it possible for organizations to become or remain viable, to adapt to new conditions, to solve problems, to learn from experiences, and to move toward greater organizational maturity.

OD can be defined as a planned and sustained effort to apply behavioral science for system improvement, using reflexive, self-analytic methods. –Richard schmuch & Milles

Organization development is a process of planned change – change of and organization's culture from one which avoids and examination of social processes (especially decision making, planning, and communication) to one which institutionalizes and legitimizes these examinations. –Warner Burke et al

In the behavioral science, organization development is a long-range effort to improve an organization's problem-solving and renewal processes, particularly through a more effective and collaborative management of organization culture-with special emphasis on the culture of formal work teams-with the assistance a change agent, or catalyst, and the use of the theory and technology of applied behavioral science including action research. – Wendell L.french & cecil H. Bell.

Organization development (OD) is a prescription for a process of planned change in organizations in which the key prescriptive elements relate to

(1) The nature of the effort or program (it is a long-range, planned, system wide process);

(2) The nature of the change activities (they utilize behavioral science interventions of an educational, reflexive, self-examining, learn-to-do it-yourself nature);

(3) The targets of the change activities (they are directed toward the human and social processes of organizations, specifically individuals' beliefs, attitudes, and values, the culture and processes of work groups-viewed as basic building blocks of the organization

(4) Desired outcomes of the change activities (the goals are needed changes in the target of the interventions that cause the organization to be better able to adapt, cope, solve its problems, and renew itself). Organization development thus represents a unique strategy for system change, a strategy largely based in the theory and research of the behavioural sciences, and a strategy having a substantial prescriptive character.

There are eight characteristics of organization development interventions from more traditional interventions:

1. An emphasis, although not exclusively so, on group and organizational processes in contrast to substantive content.

2. An emphasis on the work team as the key unit for learning more effective modes of organizational behavior.

3. An emphasis on the collaborative management of work-team culture.

4. An emphasis on the management of the culture of the total system.

5. Attention to the management of system ramifications.

6. The use of the action research model.

7. The use of a behavioral scientist-change agent sometimes referred to as a "catalyst" or "facilitator."

8. A view of the change effort as an ongoing process.

Another characteristic, number9, a primary emphasis on human and social relationships, does not necessarily differentiate OD from other change efforts, but it is nevertheless an important feature.[9]

Emerging Concept: Organization Transformation (OT)

Over the years the practice of OD has evolved and matured, clarifying its values, theories, methods, and interventions, as well as adding new values, theories, and so forth. These paradigm-shifting changes were referred to as "organization transformation" or "Organizational Transformation." Some authors believe OT is an extension of OD; others believe OT represents a new discipline in its own right. It is too early to categorize organization transformation; for now, we see it as an extension of OD. Some forces leading to the emergence of OT can be identified.

Organization transformations can occur in response to or in anticipation of major changes in the organization's environment or technology. In addition, these changes are often associated with significant alterations in the firm's business strategy, which, in turn, may require modifying corporate culture as well as internal structures and processes to support the new direction. Such fundamental change entails a new paradigm for organizing and managing organizations. It involves qualitatively different ways of perceiving, thinking, and behaving in organizations

History of Organization Development

Systematic organization development activities have a recent history and, to use the analogy of a mangrove tree, have at least four important trunk stems. One trunk stem consists of innovations in applying laboratory training insights to complex organizations. A second major stem is survey research and feedback methodology. Both stems are intertwined with a third, the emergence of action research. The fourth stem is-the emergence of the

(Tavistock) socio-technical and socio-clinical approaches. The key actors in these stems interact with each other and are influenced by experiences and concepts from many fields.

The Laboratory Training Stem

Laboratory training, essentially unstructured small-group situations in which participants learn from their own actions. It began to develop about 1946 from various experiments in using discussion groups to achieve changes in behavior in back-home situations. In particular, an Inter-Group Relations workshop held at the State Teachers College in New Britain, Connecticut, in the summer of 1946 influenced the emergence of laboratory training. This workshop was sponsored by the Connecticut Interracial Commission and the Research Center for Group Dynamics, then at MIT.

Survey Research and Feedback

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

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

Action Research Stem

Participant action research, is used with the most frequency in OD. The laboratory training stem in the history of OD has a heavy component of action research; the survey feedback stem is the history of a specialized form of action research; and Tavistock projects have had a strong action research thrust, William F.Whyte and Edith L.Hamilton used action research in their work with Chicago's Tremont Hotel in 1945 publication; Kurt Lewin and his students conducted numerous action research projects in the mid-1940s and early 1950s. the work of these and other scholars and practitioners in inventing and utilizing action research was basic in the evolution of OD.

Socio-technical and Socio-clinical Stem

A fourth stem in the history of OD is the evolution of socio-clinical and socio-technical approaches to helping groups and organizations. The clinic was founded in 1920 as an outpatient facility to provide psychotherapy and insights from the treatment of battle neurosis in World War I. A group focus emerged early in the work of Tavistock in the context of family therapy in which the child and the parent received treatment simultaneously. The action research mode also emerged at Tavistock in attempts to give practical help to families, organizations, and communities.

Second-Generation OD

Practitioners and researchers are giving consider able attention to emerging concepts, interventions, and areas of application that might be called second-generation OD. Each, to some extent, overlaps with some or all of the others. Second generation OD, in particular, has focus on organizational transformation.

Increasingly, OD professionals distinguish between the more modest, or evolutionary, efforts toward organization improvement and those that are massive and, in a sense, revolutionary.

Smith, and Wilemon differentiate "incremental" change strategies and "fundamental" change strategies. Organizational transformation is seen as requiring more demands on top leadership, more visioning, more experimenting, more time, and the simultaneous management of many additional variables. Managed teams and cross-functional teams get started. In addition, as self-managed teams have assumed many functions previously performed by management, supervisors and middle managers have used team-building approaches within their own ranks to help re-conceptualize their own roles.

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Lesson 4.2 - Foundations of Organization Development

Learning Objectives

➢ To identify the phases of organization development

➢ To understand the foundations of organization development

➢ To describe the different kinds of organization development

At least four kinds of knowledge are required of OD practitioners and leaders who desire to create problem-solving, self-renewing organizations: knowledge of how organizations work; knowledge of how change occurs; knowledge of how to intervene in organizations to produce desired changes; and knowledge of how to diagnose and solve problems.

The knowledge of how organizations work comes mainly from basic behavioral science research and theory. It entails an understanding of the dynamics of individuals, groups, and goal-oriented social systems. Knowledge of how change occurs involves understanding the processes of change and changing. In the case of organization development, gaining this knowledge is difficult because the phenomena are so complex and are themselves changing as they are being studied. Knowledge of how to intervene in organizations relates to change, but goes beyond it to investigate the processes of consultation and "helping." What constitutes effective intervention? What are the ingredients of effective client-consultant relationships? When is help helpful? Other applied disciplines, such as education, psychotherapy, social work, and management, provided insights that are used in OD.

The action arena of OD is organizations. The name of the game is planned change. Organization improvement programs require an understanding of change processes and knowledge of the nature of organizations. Kurt Lewin was the great practical theorist whose action and research programs provided much of the early foundation for understanding change processes in social situations.

The second idea proposed by Lewin analyzes what must occur for permanent change to take place. He explained change as a three-stage process: unfreezing the old behavior, moving to a new level of behavior, and freezing the behavior at the new level. This is a useful model for knowing how to move an equilibrium point to a new, desired level and keep it there.

Ronald Lippitt, Jeanne Watson, and Bruce Westley later refined Lewin's three phases into a seven-phase model of the change process as follows:

Phase 1. The development of a need for change. This phase corresponds to Lewin's unfreezing phase.

Phase 2. The establishment of a change relationship. This is a crucial phase in which a client system in need of help and a "change agent" from outside the system establishes a working relationship with each other.

Phase 3. The clarification or diagnosis of the client system's problem.

Phase 4. The examination of alternative routes and goals; establishing goals and intentions of action.

Phase 5. The transformation of intentions into actual change efforts. Phase 3, 4, and 5 correspond to Lewin's moving phase.

Phase 6. The generalization and stabilization of change. This corresponds to Lewin's freezing phase.

Phase 7. Achieving a terminal relationship.

Their following are the principles of organizational change

1. To change a subsystem or any part of a subsystem, relevant aspects of the environment must also be changed.

2. To change behavior on any one level of a hierarchical organization, it is necessary to achieve complementary and reinforcing changes in organization levels above and below that level.

3. The place to begin change is at those points in the system where some stress and strain exist. Stress may give rise to dissatisfaction with the status quo and thus become a motivating factor for change in the system.

4. If thoroughgoing changes in a hierarchical structure are desirable or necessary, change should ordinarily start with the policy-making body.

5. Both the formal and the informal organization of an institution must be considered in planning any process of change.

6. The effectiveness of a planned change is often directly related to the degree to which members at all levels of an institutional hierarchy take part in the fact-finding and the diagnosing of needed changes and in the formulating and reality testing of goals and programs of change.

There are various foundations for the development of organization. They are discussed below:

Culture and Group

This question of planned change or any "social engineering" is identical with the question: What "conditions" have to be changed to bring about a given result and how can one change these conditions with the means at hand?

One should view the present situation-the status quo-as being maintained by certain conditions or forces. A culture-for instance, the food habits of a certain group at a given time-is not a static affair but a live process like a river which moves but still keeps a recognizable form. In other words, we have to deal, in group life as in individual life, with what is known in physics as "quasi-stationary" process.

Food habits of a group, as well as such phenomena as the speed of production in a factory, are the result of a multitude of forces. Some forces support each other, some oppose each other. Some are driving forces, others restraining forces. Like the velocity of a river, the actual conduct of a group depends upon the level (for instance, the speed of production) at which these conflicting forces reach a state of equilibrium. To speak of a certain culture pattern-for instance, the food habits of a group-implies that the constellation of these forces remains the same for a period or at least that they find their state for equilibrium at a constant level during that period.

Basic Requirements

One condition that seems so basic as to be defined axiomatic is the generation of valid information. Without valid information, it would be difficult for the client to learn and for the interventionist to help.

A second condition almost as basic flows from our assumption that intervention activity, no matter what its substantive interests and objectives. Should be so designed and executed that the client system maintains its discreteness and autonomy. Thus, free, informed choice is also a necessary process in effective intervention activity.

Finally, if the client system is assumed to be ongoing (that is, exiting over time), the clients require strengthening to maintain their autonomy not only vis-à-vis the interventionist but also vis-à-vis other systems. This means that their commitment to learning and change has to be so strong that it can be transferred to relationships other than those with the

interventionist and can do so (eventually) without the help of the interventionist. The third basic process for any intervention activity is therefore the client's internal commitment to the choices made.

Intergroup Proplems in Organizations

The first major problem of groups is how to make them effective in fulfilling both organizational goals. The second major problems are how to establish conditions between groups which will enhance the productivity of each without destroying intergroup relations and coordination. This problem exists because as groups become more committed to their own goals and norms, they are likely to become competitive with one another and seek to undermine their rivals' activities, thereby becoming a liability to the organization as a whole. The overall problem, then, is how to establish collaborative intergroup relations in those situations where task interdependence or the need for unity makes collaboration a necessary prerequisite for organizational effectiveness.

Organzational Culture

Organizational culture as a concept has a fairly recent origin. Although the concepts of "group norms" and " climate" have been used by psychologists for a long time the concept of "culture" has been explicitly used only in the last few decades. Katz and kahn (1978), in their second edition of the social psychology of organizations, referred to roles, norms, and values but presented neither climate nor culture as explicit concepts.

Sociotechnical System Principles

The socio-technical systems (STS) approach is devoted to the effective blending of both the technical and social systems of an organization. These two aspects must be considered interdependently, because arrangements that are optimal for one may not be optional for the both dual focus and joint optimization. The approach has more relevance today than ever before, as organization personnel seek more fruitful means of empowerment and as their organizations strive for greater productivity and viability in increasingly turbulent environments.

Fundamental Interventions of Organization Development

OD intervention refers to the range of planned, programmatic activities clients and consultants participate in during the course of an organization development program. Largely these are diagnostic and problem-solving activities that ordinarily occur with the

assistance of a consultant who is not a regular member of the particular system or subsystem culture.

Classifications of OD Interventions

These are a number of ways of classifying OD interventions, depending on the dimensions one wishes to emphasize. Several classification methods are based on the *type of causal mechanism* hypothesized to underlie the particular technique used. For example, feedback, which refers to receiving new data about oneself, others, or group dynamics, is assumed to have potential for constructive change if it is not too threatening.

Techniques for providing more *awareness of changing organizational norms* are assumed to result in modification of behavior, attitudes, and values, Increased interaction and communication may affect changes in attitudes and behavior. Homans, for example, suggests that increased interaction leads to positive sentiments, and Murphy refers to "tunnel vision" or "autism" which develops in individuals and groups in isolation. Confrontation, a surfacing and addressing of differences in perceptions, values, attitudes, feelings, or norms, is assumed to help remove obstacles to effective interaction if handled in constructive ways. Education is designed to upgrade

(1) Knowledge and concepts,

(2) Out-molded beliefs and attitudes, or

(3) Skills and has long been accepted as a change mechanism.

Depth of intervention is another useful dimension for classifying interventions. Interventions can be distinguished in terms of the accessibility of the data and the degree of individuality or self-exposure involved. For example, we see a family T-group involving a work group and formal leader ("family" group) as a deeper intervention than a task-oriented team-building (problem-solving) workshop with such a group.

A different approach to classifying OD interventions is provided by Robert Blake and Jane Mouton when they list the major interventions in terms of their underlying cause and mechanisms. They describe the following kinds of interventions:

(1) A discrepancy intervention, which calls attention to a contradiction in action or attitudes that then leads to exploration;

(2) A theory intervention, in which behavioral science knowledge and theory are used to explain present behavior and assumptions underlying the behavior;

(3) A procedural intervention, which represents a critiquing of how something is being done to determine whether the best methods are being used;

(4) A relationship intervention, which focuses attention on interpersonal relations (particularly ones where there are strong negative feelings) and surfaces the issues for exploration and possible resolution;

(5) An experimentation intervention, in which two different action plans are tested for their consequences before final decision on one is made;

(6) A dilemma intervention, in which an imposed or emergent dilemma is used to force close examination of the possible choices involved and the assumption underlying them;

(7) A perspective intervention, which draws attention away from immediate actions and demands and allows a look at historical background, context and future objectives in order to assess whether or not the actions are still on target;

(8) An organization structure intervention, which calls for examination and evaluation of structural causes for organizational effectiveness; and

(9) A cultural intervention, which examines traditions, precedents, and practices-the fabric of the organization's culture-in a direct, focused approach.

These are largely process consultation interventions, and they tend to occur within the context of a broader intervention, such as team building or in intergroup activities.

The time and comprehensiveness involved in the intervention can be another way of distinguishing between interventions. Some interventions, such as the use of a simple questionnaire, may take only minutes; others such as the role analysis process (called "Operation KPE" in the Dayal and Thomas article) may take two hours relative to one job incumbent. Team building of different varieties may be an intervention taking place over one to three or more days and will include within it a variety of brief interventions. It should be added that successful interventions will probably always have a broader context; even the simplest of interventions needs to occur in the setting of some pre-work, which serve to make the intervention acceptable to the client, and needs follow-up to maximize the odds of success.

Another way of classifying OD interventions might be in terms of the emphasis on task versus process. Some team-building activities, for example, may have a high focus on interpersonal and group processes, such as the quality of communications or the dynamics of informal leadership and influence processes occurring in the group. Other activities

might have a more task-related orientation, such as goal setting or the reallocating of responsibilities. This dichotomy of task and process can be somewhat misleading, however because they are highly interrelated.

Finally, another way of classifying OD interventions is in terms of the size and complexity of the client group. For example, the client group may consist of

(a)   Individuals,

(b)   Dyads or triads,

(c)   A self-managed team,

(d)   An intact work team, including the formal leader,

(e)   Intergroup configurations (two or more interfacing units),

(f)   All of the managers of an organization, or

(g)   Everybody in the total organization.

As we move from interventions with individuals, to dyads, to group, to inter-groups and then to the total organization, the interdependencies and the number of dimensions to be concerned about obviously increases. For example, an intervention that is successful in dealing with two groups in conflict must also successfully deal with the intra-group communications problems and conflict that become manifest. That is one reason it is usually a wise step to help teams deal with internal problems and increase their interpersonal and group skills before undertaking intergroup activities.

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Lesson 4.3 - Recent Organisation Development Strategies

Learning Objectives

- ➤ To understand the recent organization development intervention
- ➤ To list out the phases of organization development
- ➤ To examine strategies of organization development implementation

Organization development and transformation interventions that are relatively new or are in the process of development and refinement. All have a strong foundation of "systems" thinking. Some are relatively abstract and difficult to explain.

Appreciative inquiry" and the learning organization," but all can be translated into specific interventions. All are difficult to implement successively. Because some of these interventions are nontraditional and may not be easily recognized as organization development and transformation, it might be useful to review the kind of intervention.

"Successful Self-Directed Teams and Planned Change: "begins with an overview of the transition from first-generation planned change (OD) to second-generation planned change (OT). They then go on to assert that self-directed teams (SDTs) are part of this second- generation OT and are rapidly growing in popularity.

"Survey Guided Appreciative Inquiry: A Case Study," presents a description of an appreciative inquiry intervention that was blended with a survey feedback process.

Inventing the Future: Search Strategies for Whole Systems Improvement," describes a future search conference that "brings together thirty to sixty people for two or three day. Together they do a series of structured tasks, looking at the organization's past, present, and preferred future."

"Meeting the Global Competitive Challenge: Building Systems That Learn on a Large Scale describes "getting the whole system in the room," an intervention used successfully at the Ford Motor Company and at Boeing Aerospace and Electronics division.

In "Centers of Excellence,": "a logical grouping of related skills or disciplines," "an administration entity focused on the well-being and development of people," and "a place where individuals learn skills and share knowledge across function boundaries."

Building a learning organization," A learning organization is an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights." He cites Honda, coring, and General Electric.

In "Teaching smart people how to learn," Chris Argyris descries " single loop" and "double loop" learning and discusses how highly skilled professionals can be trapped into patterns of defensive reasoning.

Implementation Guidelines and Issues

The phases of OD programmes are as follows:

1. Entry
2. Contracting
3. Diagnosis
4. Feedback
5. planning change
6. Intervention
7. Evaluation

Entry represents the initial contact between consultant and client; this includes exploring the situation that led the client to seek a consultant and determining whether there is a good match between the client, the consultant, and the problematic situation.

Contracting involves establishing mutual expectations; reaching agreement on expenditures of time, money, and resources; and generally clarifying what each party expects to get and give to the other.

Diagnosis is the fact-finding phase, which produces a picture of the situation through interviews, observations, questionnaires, examination of organization documents, and the like. This phase has two steps: collecting information and analyzing it.

Feedback represents returning the analyzed information to the client system. In this phase, the clients explore the information for understanding, clarification, and accuracy;

they own the data as their picture of the situation and their problems and opportunities.

Planning change involves the clients' deciding what actions to take on the basis of information they have just learned. Alternatives are explored and critiqued; action plans are selected and developed.

Intervention involves implementing sets of actions designed to correct the problems or seize the opportunities.

Evaluation represents assessing the effects of the program: What changes occurred? Are we satisfied with the results?

Cummings and Worley also explore implementation issues. They identify five sets of activities required for effective management of OD and OT programs:

(1) Motivating change,
(2) Creating a vision,
(3) Developing political support,
(4) Managing the transition, and
(5) Sustaining momentum.

These activities include specific steps for the consultant to take to ensure effective implementation. For example, motivating change involves creating readiness for change and overcoming resistance to change.

Creating a vision involves providing a picture of the future and showing how individuals and groups will fit into that future, as well as providing a road map and interim goals.

Developing political support involves obtaining the support of key individuals and groups and influencing key stakeholders to move the change effort for ward.

Managing the transition means planning the needed transition activities, getting commitments of people and resources, and creating necessary structures and milestones to help people locomote from "where we are" to "where we want to be."

Sustaining momentum involves providing resources for the change effort, helping people develop new competencies and skills, and reinforcing the desired new behaviors.

These are the details consultants and leaders must attend to when implementing organization development and transformation programs.

Strategies of Organization Development Implementation

Trust Building

Scholars have widely acknowledged that trust can lead to cooperative behavior among individuals, groups, and organizations. Today, in an era when organizations are searching for new ways to promote cooperation between people and groups to enhance the value they create, it is not surprising that interest in the concept of trust and, in particular, how to promote or actualize it is increasing. For example, many organizations have sought to increase cooperation between people and groups by reengineering their structures into flatter, more team-based forms, in which authority is decentralized to "empowered" lower-level employees.

Creating Readiness for Change

Readiness, which is similar to Lewin's (1951) concept of unfreezing, is reflected in organizational members' beliefs, attitudes, and intentions regarding the extent to which changes are needed and the organization's capacity to successfully make those changes. Readiness is the cognitive precursor to the behaviors of either resistance to, or support to the behaviors of either resistance to, or support for, a change effort. Schein (1979) has argued "the reason so many change efforts run into resistance or outright failure is usually directly traceable to their not providing for an effective unfreezing process before attempting a change induction"

Models of Organization Development

The most commonly considered expression of power in organization research and practice in downward power, which is the influence of a superior over a subordinate. This kind of influence in the form of one having power over another is a central focus in much of our traditional leadership research and training, such as Theory X versus Theory Y or task oriented versus people oriented style. Upward power refers to attempts by subordinates to influence their superiors. Until recently, subordinates were considered relatively powerless. But a small and growing body of research indicates that subordinates can and do influence their superiors in subtle ways. A third direction, sideways power, refers to influence attempts directed at those people who are neither subordinates nor superiors in one's immediate reporting chain of authority. Horizontal power, interdepartmental power,

external relationships, and lateral relationships are all terms that reflect expressions of sideways power.

T – Group Training

Efforts to improve group functioning through training have traditionally emphasized the training of group leadership. And frequently this training has been directed toward the improvement of the skills of the leader in transmitting information and in manipulating groups.

Impact of Organizational Intervention

As our knowledge increases, it begins to be apparent that these competing change strategies are not really different ways of doing the same thing-some more effective and some less effective-but rather that they are different ways of doing different things. They touch the individual, the group, or the organization in different aspects of their functioning. They require differing kinds and amounts of commitment on the part of the client for them to be successful, and they demand different varieties and levels of skills and abilities on the part of the practitioner. Strategies which touch the more deep, personal, private, and central aspects of the individual or his relationships with others fall toward the deeper end of this continuum. Strategies which deal with more external aspects of the individual and which focus on the more formal and public aspects of role behavior tend to fall toward the surface end of the depth dimension. This dimension has the advantage that it is relatively easy to rank change strategies upon it and to get fairly close consensus as to the ranking.

Self Assessment Questions

1. Define organization development
2. What are the characteristics of organization development?
3. Trace the History of organization development
4. Distinguish between first generation organization development from second generation organization development
5. What is organization Transformation ?
6. What is organization development intervention ?
7. What are the classifications of organization development intervention ?
8. Describe various foundation pillars of organization development intervention
9. Discuss various types of organization development intervention
10. What is traditional organization development ?

11. What is a recent organization development method ?

12. Enumerate the phases involved in implementation of organization development ?

13. Explain the strategies adopted in the implement of organization development

CASE STUDY

Changing General Motors

As Japanese auto producers continue to take more and more sales away from General Motors, the world's largest automaker has realized that a major change within the company is essential if it is to successfully meet the Japanese competition. Such change at General Motors (BM) must begin with new relations with its union, the United Automobile Workers (UAW). In the past, the relationship has been adversarial, and GM recognized that the relationship must be changed to one of trust and cooperation.

General Motors and the UAW agreed to mutually fund and support a Human Resources Centre dedicated to task of maximizing their human resources while creating a new spirit of cooperation. The Human Resource Centre hopes to meet its change challenge through eight ongoing programs:

1. Health and Safety Program – a five-day program of both classroom and hands-on workshops aimed at eliminating job-related injuries and deaths.

2. Quality of Work Life Program-A program designed to "democratize" the workplace by encouraging all employees to participate in the decision making process.

3. Attendance Procedure Program-A program designed to reduce absenteeism through a process of awarding bonuses for good attendance.

4. Tuition Assistance Plan-a plan providing from $50 to $5.000 for workers who wish to go to school to improve their skills.

5. Paid Education Leave-a plan to pay union leaders who take leave to study the problems facing the auto industry.

6. Preretirement Program-a program to aid workers deal with the problems of retirement planning.

7. Joint Skill Development and Training-a plan that charges committees at the plant level with the task of developing comprehensive training programs based on the actual needs of the workforce.

8. Area Centres for Skill Development and Training-provides needed training for the workforce.

The funding level contributed by both GM and the UAW and the personal support given to individual programs indicate that the overall plan is off to a good start with both sides predicting a new era of mutual cooperation. (Source: UAW-G Human Resource Center Booklet, 1986).

Discuss the above case in detail.

Exercise: Forces for Change

The purpose of this exercise is to help the reader gain a better understanding of the forces of change. This exercise may be completed by a single reader, but greater insight may be gained by completing the exercise as part of a group.

Time Required – 45 Minutes

Step 1: Individual activity (completed prior to exercise)

Step 2: Small-group activity (completed prior to exercise)

Step 3: Discussion-45 minutes

Procedure

Step 1: Study the forces for Change Outline, which follows:

The Forces for Change Outline

One of the frameworks for analyzing change requires identifying two different kinds of forces. First are the Driving Forces, or those forces that are instrumental in causing the change. Second are the Restraining Forces, or those forces that tend to maintain the status quo. Thus, change is generally seen as a slow process in which the Driving Forces overcome the Restraining Forces. At any point in time. The situation may seem to be somewhat stable with the two types of forces opposing each other in an unsteady balance, as follows:

Present situation

Driving Forces | **Restraining Forces**
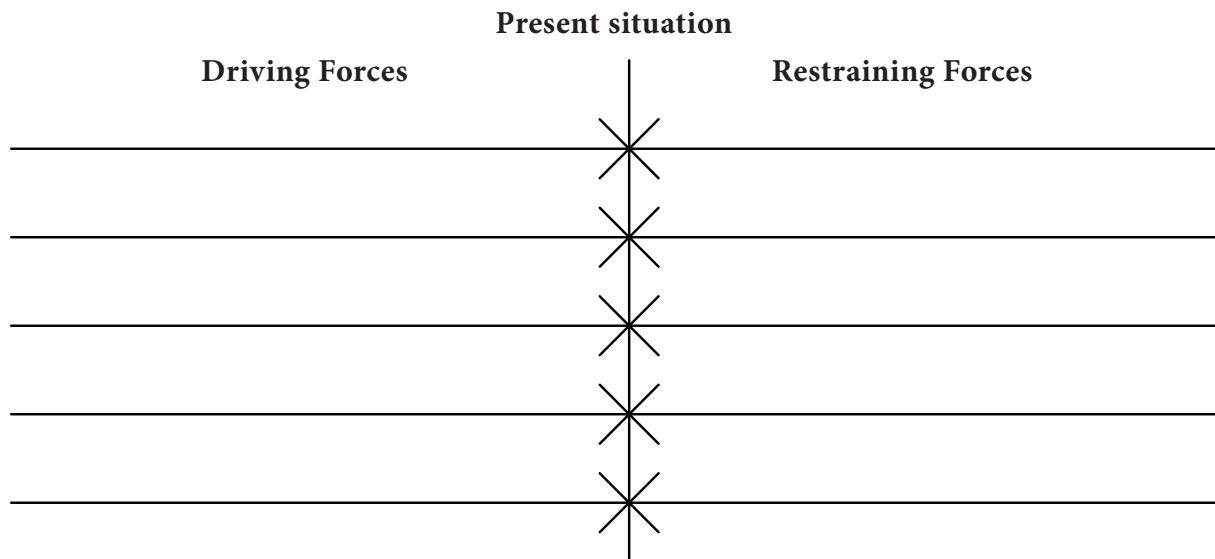
Efforts to manage the change process come down to the following actions:

1. Promoting the change by facilitating the Driving Forces.
2. Promoting the change by weakening or eliminating the Restraining Forces.
3. Resisting the change by weakening or eliminating the Driving Forces.
4. Resisting the change by facilitating the Restraining Forces.
5. Redirecting the change by manipulating the forces.

Step 2: Each small group should analyze one of the following business changes, by completing The Change Analysis Sheet.

1. Increased use of robotics.
2. Concern for the quality of work.
3. More women in the workplace.
4. Shortage of skilled labour.
5. Loss of the work ethic.
6. Poor workmanship in the workplace.
7. Continued competition from the Japanese and the four Tigers of Asia.

Step 3: A representative from each group will present the group's findings for discussion.

The Change Analysis Sheet (Part One)

1. Assigned Change for Analysis:

2. Driving forces:

_____

3. Restraining Forces:

_____

The Change Analysis Sheet (Part Two)

1. Promote change by facilitating the Driving Forces:_____

_____

_____

2. Promote change by weakening or eliminating Restraining Forces_____

_____

_____

3. Resist the change by weakening or eliminating the Driving Forces:_____

_____

_____

4. Resist the change by facilitating the Restraining forces:_____

_____

_____

5. Redirect the change by manipulating the Forces:_____

_____

_____

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Unit Structure

Lesson 5.1 - Organisational Development Intervention

Lesson 5.1 - Organization Development Intervention

Introduction

An intervention is a deliberate process by which change is introduced into peoples' thoughts, feelings and behaviors. The overall objective of any intervention is to confront individuals, teams or units of people in a non-threatening way and allow them to see their self-destructive behavior and how it affects themselves and colleagues. It might involve several people who have prepared themselves to talk to the target group that has been engaging in some sort of self-destructive behavior. In a clear and respectful way, they inform the persons of factual information regarding their behavior and how it may have affected them. The immediate objective of an intervention is for the target to listen and to accept help. Organization Development (OD) intervention would be a combination of the ways a manager can influence the productivity of his/her team by understanding how managerial style impacts organizational climate and more importantly how to create an environment of high performance.

Most OD interventions are plans or programs comprised of specific activities designed to effect change in some facet of an organization. Numerous interventions have been developed over the years to address different problems or create various results. However, they all are geared toward the goal of improving the entire organization through change. In general, organizations that wish to achieve a high degree of organizational change will employ a full range of interventions, including those designed to transform individual and group behavior and attitudes. Entities attempting smaller changes will stop short of those goals, applying interventions targeted primarily toward operating policies, management structures, worker skills, and personnel policies. OD interventions can be categorized in a number of ways, including function, the type of group for which they are intended, or the industry to which they apply. W.L. French identified major families of interventions based

on the type of activities that they included, such as activity groups included teambuilding, survey feedback, structural change, and career-planning.

Organization Development Interventions

OD interventions could be carried out at individual, interpersonal, group, inter-group and organizational levels. Examples of interventions on the individual level are: coaching and counseling, management consultation, training and development, role playing, transactional analysis, life and career planning activities. On the person-to-person, dyad/triad level the interventions include shuttle diplomacy, mediation and process consultation. At the group level OD interventions involve team-building, leadership training, communication training and other educative efforts, survey feedback, problem solving consultation. At the inter-group level, organizations use interventions such as shuttle diplomacy and mediation and team-building. At the organizational level the interventions might include combinations of the above, as well as strategic planning, problem analysis, interviews and questionnaires, confrontation meetings and making recommendations for structural or procedural changes (French & Bell, 1984).

Structural Intervention

Structural interventions are those that are aimed at changes in task, structural and technological subsystems of organizations. Job designs, quality circles, Management by objectives bolstered by knowledge of OD experiments are included under the category of structural interventions. Elements of OD may include finding ways to adapt to the changing context while maintaining and enhancing the organization's integrity and internal integration. OD involves establishing structures, processes and a climate that allow it to effectively manage its important and pressing business (e.g. projects, problems, crises, etc.) while giving adequate attention to strategic issues (e.g., long term development and renewal, planning and envisioning, engaging new opportunities, crisis prevention, etc.)

Structure is an integral component of the organization. Nystrom and Starbuck (1981) have defined structure as the arrangement and interrelationship of component parts and positions in an organization. Structural OD intervention provides guidelines on:

- ➤ Division of work into activities;
- ➤ Linkage between different functions;
- ➤ Hierarchy;
- ➤ Authority structure;

- ➢ Authority relationships; and
- ➢ Coordination with the environment.

Organizational structure may differ within the same organization according to the particular requirements. Structure in an organization has three components (Robbins, 1989):

- ➢ *Complexity,* referring to the degree to which activities within the organization are differentiated. This differentiation has three dimensions:

- ➢ *Horizontal* differentiation refers to the degree of differentiation between units based on the orientation of members, the nature of tasks they perform and their education and training,

- ➢ *Vertical* differentiation is characterized by the number of hierarchical levels in the organization, and

- ➢ *Spatial* differentiation is the degree to which the location of the organization's offices, facilities and personnel are geographically distributed;

- ➢ *Formalization* refers to the extent to which jobs within the organization are specialized. The degree of formalization can vary widely between and within organizations;

- ➢ *Centralization* refers to the degree to which decision making is concentrated at one point in the organization.

Designing Organizational Structures

Some important considerations in designing an effective organizational structure are:

- ➢ *Clarity* The structure of the organization should be such that there is no confusion about people's goals, tasks, style of functioning, reporting relationship and sources of information.

- ➢ *Understanding* The structure of an organization should provide people with a clear picture of how their work fits into the organization.

- ➢ *De-centralization* The design of an organization should compel discussions and decisions at the lowest possible level.

- ➢ *Stability and adaptability* While the organizational structure should be adaptable to environmental changes, it should remain steady during unfavorable conditions.

Principles of Organization Structure

Modern organizational structures have evolved from several organizational theories, which have identified certain principles as basic to any organization.

a. Specialization

Specialization facilitates division of work into units for efficient performance. According to the classical approach, work can be performed much better if it is divided into components and people are encouraged to specialize by components. Work can be specialized both horizontally and vertically (Anderson, 1988). Vertical specialization in a research organization refers to different kinds of work at different levels, such as project leader, scientist, researcher, field staff, etc. Horizontally, work is divided into departments like genetics, plant pathology, administration, accounts, etc.

Specialization enables application of specialized knowledge which betters the quality of work and improves organizational efficiency. At the same time, it can also influence fundamental work attitudes, relationships and communication. This may make coordination difficult and obstruct the functioning of the organization. There are four main causal factors which could unfavorably affect attitudes and work styles. These are differences in:

➢ Goal orientation;
➢ Time orientation;
➢ Inter-personal orientation; and
➢ The formality of structure (Lawrence and Lorsch, 1967).

b. Coordination

Coordination refers to integrating the objectives and activities of specialized departments to realize broad strategic objectives of the organization. It includes two basic decisions pertaining to:

(i) Which units or groups should be placed together; and

(ii) The patterns of relationships, information networks and communication (Anderson, 1988).

In agricultural research institutions, where most of the research is multi disciplinary but involves specialization, coordination of different activities is important to achieve

strategic objectives. Efficient coordination can also help in resolving conflicts and disputes between scientists in a research organization.

Hierarchy facilitates vertical coordination of various departments and their activities. Organizational theorists have over the years developed several principles relating to the hierarchy of authority for coordinating various activities. Some of the important principles are discussed below.

c. *Unity of Command*

Every person in an organization should be responsible to one superior and receive orders from that person only. Fayol (1949) considered this to be the most important principle for efficient working and increased productivity in an organization.

d. *The Scalar Principle*

Decision making authority and the chain of command in an organization should flow in a straight line from the highest level to the lowest. The principle evolves from the principle of unity of command. However, this may not always be possible, particularly in large organizations or in research institutions. Therefore Fayol (1949) felt that members in such organizations could also communicate directly at the same level of hierarchy, with prior intimation to their superiors.

e. *The Responsibility and Authority Principle*

For successfully performing certain tasks, responsibility must be accompanied by proper authority. Those responsible for performance of tasks should also have the appropriate level of influence on decision making.

f. Span of Control

This refers to the number of specialized activities or individuals supervised by one person. Deciding the span of control is important for coordinating different types of activities effectively. According to Barkdull (1963), some of the important situational factors which affect the span of control of a manager are:

➢ Similarity of functions;
➢ Proximity of the functions to each other and to the supervisor;
➢ Complexity of functions;

- ➢ Direction and control needed by subordinates;
- ➢ Coordination required within a unit and between units;
- ➢ Extent of planning required; and
- ➢ Organizational help available for making decisions.

Departmentalization

Departmentalization is a process of horizontal clustering of different types of functions and activities on any one level of the hierarchy. It is closely related to the classical bureaucratic principle of specialization (Luthans, 1986). Departmentalization is conventionally based on purpose, product, process, function, personal things and place (Gullick and Urwick, 1937).

Functional Departmentalization is the basic form of departmentalization. It refers to the grouping of activities or jobs involving common functions. In a research organization the groupings could be research, production, agricultural engineering, extension, rural marketing and administration.

Product Departmentalization refers to the grouping of jobs and activities that are associated with a specific product. As organizations increase in size and diversify, functional departmentalization may not be very effective.

The organization has to be further divided into separate units to limit the span of control of a manager to a manageable level (Luthans, 1986). In an agricultural research institution, functional departments can be further differentiated by products and purpose or type of research.

In contrast to functional departmentalization, product-based departmentalization has the advantage of:

- ➢ Less conflict between major sub-units;
- ➢ Easier communication between sub-units;
- ➢ Less complex coordination mechanisms;
- ➢ Providing a training ground for top management;
- ➢ More customer orientation; and
- ➢ Greater concern for long-term issues.

In contrast, functional departmentalization has the strength of:

➢ Easier communication with sub-units;

➢ Application of higher technical knowledge for solving problems;

➢ Greater group and professional identification;

➢ Less duplication of staff activities;

➢ Higher product quality; and

➢ Increased organizational efficiency (Filley, 1978).

Departmentalization by Users is grouping of both activities and positions to make them compatible with the special needs of some specific groups of users.

Departmentalization by Territory or Geography involves grouping of activities and positions at a given location to take advantage of local participation in decision making. The territorial units are under the control of a manager who is responsible for operations of the organization at that location. In agricultural research institutions, regional research stations are set up to take advantage of specific agro-ecological environments. Such departmentalization usually offers economic advantage.

Departmentalization by Process or Equipment refers to jobs and activities which require a specific type of technology, machine or production process. Other common bases for departmentalization can be time of duty, number of employees, market, distribution channel or services.

De-Centralization and Centralization

De-centralization refers to decision making at lower levels in the hierarchy of authority. In contrast, decision making in a centralized type of organizational structure is at higher levels. The degree of centralization and de-centralization depends on the number of levels of hierarchy, degree of coordination, specialization and span of control. According to Luthens (1986), centralization and de-centralization could be according to:

➢ Geographical or territorial concentration or dispersion of operations;

➢ Functions; or

➢ Extent of concentration or delegation of decision making powers.

Every organizational structure contains both centralization and de-centralization, but to varying degrees. The extent of this can be determined by identifying how much of

the decision making is concentrated at the top and how much is delegated to lower levels. Modern organizational structures show a strong tendency towards de-centralization.

Strategic OD Interventions

Strategic Planning - A dynamic process which defines the organization's mission and vision, sets goals and develops action steps to help an organization focus its present and future resources toward fulfilling its vision. Many organizations today were facing external threats to their survival, whether it be from takeovers, technological obsolescence or global competition. In its infancy, OD would have responded to such challenges by preaching participative management, a not so subtle way of challenging top management to redistribute power to lower levels. During the later years, OD reversed fields to serve the power structure through confining its techniques to lower levels and the bottom line, such as Quality of Work Life (QWL) programs. This subservient role for OD had continued up to recent times where the power structure tolerates and even encourages OD so long as it fine-tunes the existing situation without threatening the essence of the power system. Now, however, that essence is threatened by outside forces. A "new" OD is emerging to deal more directly with helping the power structure to change not only itself but also the strategic alignment of the firm with its environment. OD can, if properly devised, provide a more effective process than political bargaining for assisting the dominant coalition to address pressing strategic issues that have so far eluded formal approaches to strategic planning. OD must engage the most cherished agenda of the power elite- the strategy of the company, its top management structure for delivering on strategy, and the manner in which they will lead.

Technology and OD Solutions

Elements of OD may include finding ways to adapt to the changing context while maintaining and enhancing the organization's integrity and internal integration. OD involves establishing structures, processes and a climate that allow it to effectively manage its important and pressing business (e.g. projects, problems, crises, etc.) while giving adequate attention to strategic issues (e.g., long term development and renewal, planning and envisioning, engaging new opportunities, crisis prevention, etc.). Technologies are also used to enable OD interventions and improve human connectivity and better team work.

Sensitivity Training

Sensitivity training is a method of laboratory training where an unstructured group of individuals exchange thoughts and feelings on a face-to-face basis. Sensitivity training

helps give insight into how and why others feel the way they do on issues of mutual concern. Training in small groups in which people develop a sensitive awareness and understanding of themselves and of their relationships with others. Sensitivity training is based on research on human behavior that came out of efforts during World War II to ascertain whether or not an enemy's core beliefs and behavior could be modified by the application of certain psychological techniques. These techniques have been gradually perfected over the years by efforts of business and industry leaders to persuade people to buy products, including the radio and television industry to ascertain how an audience might be habituated to certain types of programming.

Kurt Lewin is credited with being the 'father' of sensitivity training in the United States. Laboratory Training began in 1946 when Kurt Lewin and his staff at the Research Center for Group Dynamics at Massachusetts Institute of Technology were training community leaders. A workshop was developed for the leaders 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 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 information about their own behavior.

Tavistock Clinic, an outgrowth of the Tavistock Institute of Medical Psychology, founded in 1920 in London. initiated sensitivity training in the United Kingdom in 1932, under the headship of a psychiatrist John Rawlings Rees. Dr. Rees conducted tests on American and British soldiers to ascertain whether, under conditions of induced and controlled stress, groups could be made to behave erratically. In particular they wanted to know whether people would let go even firmly held beliefs under 'peer pressure' to conform to a predetermined set of 'popular' beliefs. This Tavistock method was similar to those procedures used in the mental hospitals' to correct the attitudes of prisoners; where, it was called re-education. Sensitivity training evolved in the United States of America; at Stanford's Research Institute's Center for the Behavioral Sciences, at the Sloan School at the Massachusetts Institute of Technology, and at the various National Training Laboratories (NTLs), where concepts popularly known as 'T-Groups' (therapy groups) and 'sensitivity training' were developed.

A controlled stress situation is created by a group leader ('facilitator') with the ostensible goal of achieving a consensus or agreement which has, in reality, been predetermined. By using peer pressure in gradually increasing increments, up to and including yelling at, cursing at, and isolating the holdouts, weaker individuals were intimidated into caving in. They emerge with a new value structure in place, and the goal is achieved. The method was refined and later popularized by other schools of behavioral

science, such as Ensalen Institute, the NTL Institute for Applied Behavioral Sciences, and the Western Training Laboratories in Group Development."

Sensitivity training is a type of experience-based learning in which participants work together in a small group over an extended period of time learning through analysis of their own experiences. The primary setting is the T Group (T for training) in which a staff member sets up an ambiguous situation which allows participants to choose the roles they will play while observing and reacting to the behavior of other members and in turn having an impact on them. The perceptions and reactions are the data for learning. T-Group theory emphasizes each participant's responsibility for his own learning, the staff person's role of facilitating examination and understanding, provision for detailed examination required to draw valid generalizations, creation of authentic interpersonal relationships which facilitate honest and direct communication, and the development of new skills in working with people. Goals of sensitivity training are to allow participants to gain a picture of the impact that they make on others and to facilitate the study of group dynamics and of larger organizational concepts such as status, influence, division of labor, and styles of managing conflict. Some believe that sensitivity is talent, while others believed that sensitivity is something which is not so much developed, as allowed to exist. It is a trait called "empathy". Sensitivity is found wanting in people as they are often preoccupied with their own problems that they don't "have time" for others. Their tension disallows them to pay attention to someone or to relate to what the person is saying, Most believe that sensitivity to others could be developed. Some people have this ability, but most just fake it. Sensitivity training involves a small group of individuals focusing on the here-and-now behavior and attitudes in the group. In short, the individuals discuss whatever comes up naturally in the group. For example, one participant might criticize an opinion expressed by another, and both the opinion and the criticism could become the focus of the entire group. The intent of this process, which might take several days at 12 hours or more per day, is for participants to learn how they affect others and how others affect them. In turn, "sensitivity" learning can help participants become more skilled in diagnosing interpersonal behavior and attitudes on the job.

Sensitivity could be enhanced by adopting the following view points:

1) Everybody is entitled to their feelings, no matter how illogical they are;
2) There is no such thing as 'blame'... Everybody involved is equally at fault;
3) A person should not attack, but express their feelings about others' actions
4) Leaving a problem unresolved will make it worse with time;
5) Nobody is perfect which includes one self

Encounter Groups were nontraditional attempts at psychotherapy that offered short-term treatment for members without serious psychiatric problems. These groups were also known as sensitivity (or sensory) awareness groups and training groups (or T-groups). Encounter groups were an outgrowth of studies conducted at the National Training Laboratories in by Kurt Lewin. The use of continual feedback, participation, and observation by the group encouraged the analysis and interpretation of their problems.

Other methods for the group dynamics included Gestalt therapy (working with one person at a time with a primary goal of increasing awareness of oneself in the moment, also known as holistic therapy) and meditation. Encounter groups were popularized by people such as Dr. Fritz Perls and Dr. Will Schutz (of the Esalen Institute) and had their greatest impact on the general population in the 1960s and 1970s. These groups fell out of favor with the psychiatric community because of criticism that many of the group leaders at the time were not trained in traditional group therapy and that the groups could sometimes cause great harm to people with serious emotional problems.

Survey-Feedback

Survey feedback technology is probably the most powerful way that OD professionals involve very large numbers of people in diagnosing situations that need attention within the organization and to plan and implement improvements. The general method requires developing reliable, valid questionnaires, collecting data from all personnel, analyzing it for trends and feeding the results back to everyone for action planning. "Walk-the-talk" assessment: Most organizations have at least some leaders who "say one thing and do another." This intervention, which can be highly threatening, concentrates on measuring the extent to which the people within the organization are behaving with integrity.

Survey Feedback in OD

The most important step in the diagnostic process is feeding back diagnostic information to the client organization. Although the data may have been collected with the client's help, the OD practitioner usually is responsible for organizing and presenting them to the client. A flexible and potentially powerful technique for data feedback that has arisen out of the wide use of questionnaires in OD work is known as 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 intervention to improve it.

Survey feedback is a major technique in the history and development of OD. It is a powerful intervention tool and it can reach large numbers of participants. There are five general steps included in a normal survey feedback. The first involves gathering members of the firm in order to plan the survey. This is when the objectives of the survey is determined. The second step involves administering the survey to all of the organization's members, rather than restricting it to managers and coordinators. Next step would be to analyze the data reported through the surveys. In the fourth step the data is fed back to the organization. Finally, the firms should hold meetings to discuss the feedback and try to determine what, if any, action is needed and how to implement it. OD practitioners could be more involved in some of these steps by training someone to go to the firms and help them interpret the feedback and devise intervention plans.

Limitations

There are limitations to survey feedback that OD practitioners should be aware of. These include:

1. Ambiguity of purpose - there can be disagreement over how the data should be analyzed and returned.

2. Distrust - OD practitioners need to ensure participants that their contributions are confidential.

3. Unacceptable topics - some firms have topics they do not want to explore, which constricts the scope of the survey.

4. Organizational disturbance - this process may disturb the employees, and possibly the whole firm

Process Consultation

The concept of **process consultation** as a mode of inquiry grew out of insight that to be helpful one had to learn enough about the system to understand where it needed help and that this required a period of very low key inquiry oriented diagnostic interventions designed to have a minimal impact on the processes being inquired about (Schein, 1988). Process consultation as a philosophy acknowledges that the consultant is not an expert on anything but how to be helpful and starts with total ignorance of what is actually going on in the client system. One of the skills, then, of process consulting is to "access one's ignorance," to let go of the expert or doctor role and get attuned to the client system as much as possible. Only when one has genuinely understood the problem and what kind of help is needed, can one begin to recommend and prescribe. Even then it is likely that they will not fit the

client system's culture and will therefore, not be refrozen even if initially adopted. Instead, a better model of help is to start out with the intention of creating in insider/outsider team that is responsible for diagnostic interventions and all subsequent interventions. When the consultant and the client have **joint ownership** of the change process, both the validity of the diagnostic interventions and the subsequent change interventions will be greatly enhanced. The flow of a change or managed learning process then is one of continuous diagnosis as one is continuously intervening. The consultants must be highly attuned to their own insights into what is going on and his or her own impact on the client system. Stage models which emphasize up front contracting do not deal adequately with the reality that the psychological contract is a constantly evolving one and that the degree to which it needs to be formalized depends very much on the culture of the organization.

Lewin's concept of action research is absolutely fundamental to any model of working with human systems and such action research must be viewed from a clinical perspective as a set of interventions that must be guided primarily by their presumed impact on the client system. The immediate implication of this is that in training consultants and change agents one should put much more emphasis on the clinical criteria of how different interventions will affect client systems than on the canons of how to gather scientifically valid information. Graduate members should be sent into field internships as participant observers and helpers before they are taught all the canons of how to gather and analyze data. Both are necessary, but the order of priority is backward in most training programs.

Edgar Schein's Process Consultation

"One cannot understand a System until one tries to change It. Literature is filled with the notion that one first diagnoses a system and then intervenes to change it. This basic model perpetuates a fundamental error in thinking, an error that Lewin learned to avoid in his own change projects and that led him to the seminal concept of "action research." The conceptual error is to separate the notion of **diagnosis** from the notion of **intervention**. That distinction comes from scientific endeavors where a greater separation exists between the researcher and the researched, particularly where the physical processes are assumed to be somewhat independent of the psychological processes. The consulting industry has perpetuated this model by proposing as a major part of most projects a diagnostic phase in which large numbers of interviews, questionnaires and observations are made the basis of a set of recommendations given to the client. Consultants differ on whether they feel they should also be accountable for the implementation of the recommendations, but they tend to agree that the consultant's basic job is done with a set of recommendations "for future intervention." If interviews or surveys are done, the attempt is made to be as scientifically objective as possible in gathering the data and to interfere minimally during

this phase with the operation of the organization. If one cannot understand an organization without trying to change it, it would not be possible to make an adequate diagnosis without intervening. Either consultants using the classical model are getting an incorrect picture of the organization, or they are intervening but are denying it by labeling it "just diagnosis." This risk forces the diagnostician to think about the nature of the "diagnostic intervention" and to apply clinical criteria for what is safe, rather than purely scientific criteria of what would seemingly give the most definitive answer.

OD specialists must approach consulting work from a clinical perspective that starts with the assumption that everything to do with a client system is an intervention and that, unless intervened, will not learn what some of the essential dynamics of the system really are. Starting from that assumption, there is a need to develop criteria that balance the amount of information gained from an intervention with the amount of risk to the client from making that intervention. If the consultant is going to interview all the members of top management, he must ask whether the amount of information gained will be worth the risk of perturbing the system by interviewing everybody and if the answer is "yes," must make a further determination of what is to be learned from the reactions of the management to being interviewed.

That is, the interview process itself will change the system and the nature of that change will provide some of the most important data about how the system works, i.e. will respondents be paranoid and mistrusting, open and helpful, supportive of each other or hostile in their comments about each other, cooperative or aloof and so on. The best information about the dynamics of the organization will be how the organization deals with the consultant, because his or her very presence is de facto an intervention. Yet the focus in many traditional consultation models is on the "objective data obtained in the interview" with nary a reference to how the interviewer felt about the process and what could be inferred from the way he or she was received.

'Human systems cannot be treated with high level of objectivity' is, therefore, an important insight that is all too often ignored in our change and consultation literature. In practice change agents have learned from their own experience that "diagnostic" activities such as observations, interviews and questionnaires are powerful interventions and that the process of learning about a system and changing that system are, in fact, one and the same. This insight has many ramifications, particularly for the ethics of research and consulting. Many researchers and consultants assume that they can "objectively" gather data and arrive at a diagnosis without having already changed the system. In fact, the method of gathering data influences the system and therefore, must be considered carefully. For example, asking someone in a questionnaire how they feel about their boss gets the respondent thinking

about an issue that he or she might not have focused on previously and it might get them talking to others about the question in a way that would create a common attitude that was not there before.

Team Building

Richard Beckhard, one of the founders of the discipline referred to as organization development gave a systematic framework for the most effective interventions to achieve positive organization change. Beckhard's team development model serves as a guide for executives and project managers. There are a variety of situations where new teams are formed. The project-based, cross-functional work team has become the basis of industry in the 1990's. Virtual team organization is rapidly becoming the model for flexibility and agility in organizing quickly and effectively to get jobs done. New teams usually have a clear task focus in the early going and there is usually a clear understanding of the short term goals. The new team members are also generally technically competent and there usually is a challenge in the project that will draw on their technical capabilities. While the early activities of a team are clearly focused on task and work issues, relationship problems tend do develop as they do in any human system. By the time these interpersonal issues surface the team may be well along in its activities. The issues may become very difficult and very costly to work out later in the game. There is a significant benefit if a new team takes a short time at the beginning of its life to examine collaboratively how it is going to work together. Beckhard provides a tool to set the stage for most effective team-work and high performance. Team Building as an OD intervention can take many forms. The most common pattern is beginning with interviews and other preliminary work, followed by a one-to three-day session. During the meeting the group diagnoses its function as a unit and plans improvements in its operating procedures.

Developing Winning Teams

Every organization uses some kind of formal teamwork to get projects done. Many of them create teams up by giving them a vague, imperfect plan, sending them on their own way somehow expecting victory. Even if individual players are talented and creative, teams with firm goals and ways to achieve them alone succeed. Winning teams thrive on structure that's created from the bottom up, yet guided by strong, confident leadership from the top of the organization. A good team relationship requires nurturing from a strong leader.

Types or team roles were defined by Dr. R. Meredith Belbin based on his studies at a Management College are as follows:

Overall nature of activities	Belbin roles	Description
Doing / acting	Implementer	Well-organized and predictable. Takes basic ideas and makes them work in practice. Can be slow.
	Shaper	Lots of energy and action, challenging others to move forwards. Can be insensitive.
	Completer/ Finisher	Reliably sees things through to the end, ironing out the wrinkles and ensuring everything works well. Can worry too much and not trust others.
Thinking / problem-solving	Plant	Solves difficult problems with original and creative ideas. Can be poor communicator and may ignore the details.
	Monitor/ Evaluator	Sees the big picture. Thinks carefully and accurately about things. May lack energy or ability to inspire others.
	Specialist	Has expert knowledge/skills in key areas and will solve many problems here. Can be disinterested in all other areas.
People / feelings oriented	Coordinator	Respected leader who helps everyone focus on their task. Can be seen as excessively controlling.
	Team worker	Cares for individuals and the team. Good listener and works to resolve social problems. Can have problems making difficult decisions.
	Resource/ investigator	Explores new ideas and possibilities with energy and with others. Good net-worker. Can be too optimistic and lose energy after the initial flush.

Overall functions	Belbin role
Leading	Coordinator
	Shaper
Doing	Implementer
	Completer/finisher
Thinking	Monitor/Evaluator
	Plant
	Specialist
Socializing	Resource/investigator
	Team Worker

Balanced Teams

Teams work best when there is a balance of primary roles and when team members know their roles, work to their strengths and actively manage weaknesses. To achieve the best balance, there should be:

➢ One Coordinator or Shaper (not both) for leader

➢ A Plant to stimulate ideas

➢ A Monitor/evaluator to maintain honesty and clarity

➢ One or more Implementer, Team worker, Resource investigator or Completer/ finisher to make things happen

➢ Identify types when starting up teams and ensure have a good balance or handle the imbalances

Communication in Teams

Communication, the most basic of management essentials, is needed to ensure timely feedback and immediate updates in teams. In teams, clarity, frequency and responsiveness are the keys of communication. Most of the communication is nonverbal and the verbal forms used need to be clear and delivered often. Regular meetings in a place or via conference call or other technology are essential for teams. Team coordinators should keep the agenda posted electronically in an area the whole team can access and encourage them to add to it. They should make answering team members' emails and phone calls a priority. Although team members hardly need to be affectionate to each other to work well together, some level of personal interaction is crucial for team bonding. Supporting tools that can be obtained inexpensively or free like telephone and email, instant messaging systems, collaboration software, group bulletin boards or discussion areas and chat rooms are all useful for working and meeting together. Varying methods of communicating and learning which methods work best for which team members are vital steps. One of the most often neglected pieces to building a team is providing a safe place for interaction and discussion without the manager. Teams need a staff room. Members often develop ideas they might not feel comfortable expressing in public. Teams need them and if they ignore this need, they eliminate a chance for a more free change of ideas. Accomplishments must be acknowledged and celebrated, as a group when possible and appropriate. Organizations adopt several ways to achieve this, such as creating a periodic newsletter and email with a section in it for accolades, institution of a peer-to-peer award system, sending greeting cards or gift certificates from websites dedicated to these purposes. The principles of managing teams well are similar to the principles of managing anybody or anything well.

Characteristics of High Performing Teams' Members

- ➤ Share a common purpose / goals
- ➤ Build relationships for trust and respect
- ➤ Balance task and process
- ➤ Plan thoroughly before acting.
- ➤ Involve members in clear problem-solving and decision making procedures
- ➤ Respect and understand each others' "diversity"
- ➤ Value synergism and interdependence
- ➤ Emphasize and support team goals
- ➤ Reward individual performance that supports the team.
- ➤ Communicate effectively
- ➤ Practice effective dialogue instead of debate Identify and resolve group conflicts
- ➤ Vary levels and intensity of work
- ➤ Provide a balance between work and home.
- ➤ Critique the way they work as a team, regularly and consistently
- ➤ Practice continuous improvement
- ➤ Creating a team environment

Practices to Facilitate Development of Teams in Organizations

Organization Development facilitators should enable firms to hire team players by putting all job candidates through demanding office-wide scrutiny. Performance Incentives should be designed in such a manner that they are group-based and performance appraisals should include team working as a criterion. Intra-team conflicts should be resolved in the early stages Unresolved conflicts caused due to employees' mutual bickering can kill office morale and productivity. Organizations are deploying paid ombudsmen to help staffers get along and stifle office conflicts As conflicts often arise in work teams, timely interventions to diffuse tensions and strengthen members' interpersonal commitment should be introduced. A good team relationship requires nurturing from a strong leader. Leaders might cling to the idea of success being based on individuals, but the value of a great group must not be ignored by the leader. Effective interpersonal interaction would take place among team players communicate more effectively.

OD process should result in the development of a comprehensive and sustainable in-house leadership training program that would foster teamwork. The training programs should enable employees to learn how to handle different types of personalities. Towards

the completion phase of team building intervention, team members should be capable of avoiding reciprocal rudeness and maintenance of unconditional politeness, escaping the trap of cliques, prevention of polarization of members into opposing factions, perpetrating the value of teams, overcoming the phenomenon of groupthink which occurs out of excessive demand for unanimity and illusion of invulnerability of the group, understanding the power of group synergy and social-facilitation in raising an organization's productivity are quintessential qualities of the members of winning teams.

Organizational Innovation

Definition of Innovation

Innovation is a process of receiving and using new ideas to satisfy the stakeholders of an organization. It is the conversion of new knowledge into new products and services. Innovation is about creating value and increasing efficiency, and therefore growing business. It is a spark that keeps organizations and people moving ever onward and upward. "Without innovation, new products, new services, and new ways of doing business would never emerge, and most organizations would be forever stuck doing the same old things the same old way

Hard versus Soft Innovation

Hard Innovation is organized Research and Development characterized by strategic investment in innovation, be it high-risk-high-return radical innovation or low-risk-low-return incremental innovation. Soft Innovation is the clever, insightful, useful ideas that just anyone in the organization can think up. Innovation is the key driver of competitive advantage, growth, and profitability. There are many parts of the whole field of innovation: strategy innovation, new product development, creative approaches to problem solving, idea management, suggestion systems, etc. Innovation is neither singular nor linear, but systemic. It arises from complex interactions between many individuals, organizations and their operating environment. Firms which are successful in realizing the full returns from their technologies and innovations are able to match their technological developments with complementary expertise in other areas of their business, such as manufacturing, distribution, human resources, marketing, and customer service.

Innovation requires a vision change, risk and upheaval. Innovation is not done for innovation's sake. There must be a driving motivator compelling the organization to develop the systems, resources and culture needed to support innovation. In today's environment, that driver is survival in a world of rapid change. Innovation is customer-driven and bottom-

line focused. The purpose of innovation is to find better ways to delight customers while meeting the needs of all other stakeholders and creating a financially viable organization. Innovation requires a foundation of ethics as it would flourish only in an environment of mutual trust and respect, not only within the organization but also within the surrounding community and global environment. Only such organizations develop a truly innovative approach to problems and opportunities.

Innovation requires innovative thinking, which is a skill needed among every member of the organization. It is the ability to constantly look for new possibilities, generate ideas, think together productively, make sound decisions and gain the commitment needed for rapid and effective implementation. Innovation begins with a clean slate in which prior assumptions and the way things have always been done are set aside in order to look at possibilities with a fresh perspective. Innovation looks at the whole system. Creating solutions in one area that causes problems in another is not innovation; it's chaos. Innovation requires a diverse, information- and interaction-rich environment. People with different perspectives, working together toward a common objective, with accurate, up-to-date information and the proper tools are the only source of innovation.

Innovation requires a risk-tolerant environment. The creation of anything new involves risk and the possibility of failure. An innovative environment honors nice tries that didn't work as learning experiences and part of the innovation process. Innovation involves and rewards every member of the organization. There are no longer "thinkers" and "doers," "owners" and "workers." Innovation requires the very best thinking and doing from everyone and treats everyone as an "owner," equitably sharing the rewards generated by those best efforts. Innovation is an on-going process. It will never be a static state, which, once achieved, can be placed on a shelf and forgotten. It requires constant renewal, reinvention and dedication. Innovation requires a learning orientation as only by creating an environment where every member of the organization is continuously learning more about its products, services, processes, customers, technologies, industry and environment an organization could successfully innovate year after year.

Blocks to Innovation

Managers tend to nurture self-defeating Beliefs that fantasy and reflection are a waste of time and that playfulness is for children only serve as block to innovation. Feelings and intuition good besides reason, logic, numbers and practicality are. Similarly, thinking that problem solving is serious business in which no fun or humor are allowed would ruin chances of innovation. Preference to tradition over change and the feeling that one is less creative are other barriers. Self-Imposed or Emotional Blocks such as fear of failure, inability

to tolerate ambiguity and hang out until the best solution can be developed, inability to relax or incubate, or excessive zeal to succeed quickly could mar innovations. Lack of persistence, stress or depression could also affect innovations. Work Obstacles include lack of cooperation and trust among colleagues, autocratic management, too many distractions and easy intrusions, lack of acknowledgment or support of ideas and bringing them to action,

Intellectual or Expressive Blocks could result from lack of or incorrect information, inadequate skill to express or record ideas verbally, visually and mathematically and lack of intellectual challenge. Societal Pressures, Bombardment of information and pressure to keep up, acceleration of the pace of life and time are threats to innovation. An organization could be assessed to be innovative if at least 25% of their revenues come from products and services developed in the past five years. consistently outperform competition in things like customer service, quality, time to market, return on investment and profitability, routinely solicit, listen to, and act on suggestions from people from every level and function of organization, encourage and stimulate interaction between departments and promote cross-functional projects and improvement processes like Total Quality Management, reengineering, excellence, etc., regularly train people at all levels and in every function how to think and work together more effectively.

It is imperative that people in organization regularly have time available to think through situations, look at the big picture, improvise ideas and experiment with possibilities, information is to be freely and readily available to everyone in organization rather than on a need-to-know-basis. Organizations should regularly review and update its assumptions, mission and goals and encourage everyone in the organization to do so Ownership, rewards and risks, are to be distributed widely through organization through stock ownership plans, or profit sharing plans. People can be taught, encouraged and coached or counseled to be more creative. Four basic creative strengths such as Flexibility, Fluency, Elaboration and Originality can be easily encouraged in employees.

The Seven Levels of Change Model

Change could be understood at as seven increasing levels of difficulty, from easy to virtually impossible. Each level is more radical, complex, and challenging than the one preceding it. This Levels of Change model can be superimposed on the visions of any department, division or organization, and then imbedded within its goals, culture, and day-to-day environment. When a group moves from learning to *doing*, the model quickly becomes an integral component of organizational behavior.

Level 1: Efficiency—Doing Things Right

At Level 1, the theme is *Efficiency*. The easiest change to make is learning to do things right. This is often done with the help of an expert who understands an operation and explains standard procedures in the hope of improving efficiency. Changes at Level 1 are largely personal adjustments to new standards and procedures; they incur low risk and require little effort.

Level 2: Effectiveness—Doing The Right Things

At Level 2, the theme is *Effectiveness*. An organization develops an overall picture by first gaining a thorough understanding of all aspects of an activity, then focusing on actions that will give the largest contribution. According to the Pareto Principle, 20 percent of all the things being done, generally speaking, yield 80 percent of the payoff. To maximize effectiveness, shift energy to that 20 percent (the *right* things), and apply Level 1 thinking to Level 2 priorities to *do the right things right*. Continuous improvement is often defined as *simultaneously* doing the right things and doing them right. Someone who has made enough Level 1 and Level 2 changes to become comfortable in a new situation is now *competent*. Thus moving through Level 1 and Level 2—efficiency and effectiveness—involves change primarily at a personal level.

Level 3: Cutting—Doing Away With Things

At Level 3, the theme is *Cutting*. Experts use the Pareto Principle to cut out the 80 percent of actions that yield only 20 percent of the value, and redirect those freed-up resources to higher levels of change. In the simplest case, Level 3 change focuses on eliminating waste. If this can be done systemically keeping all organizational relationships, processes, and subsystems in perspective, major results can be achieved. At this level, practitioners must initiative to correct processes quickly, easily and inexpensively, without asking for upper management approval. Level 3 changes involve low risk and low effort, but they can directly improve an organization's efficiency and be highly visible, both internally and externally.

Level 4: Enhancing—Doing Things Better

At Level 4, the theme is *Better*. Here experts analyze an organization's core activities (the fruitful 20 percent remaining after Level 3) and find out how to improve them. Methods are found to speed up testing, move up deadlines, increase function, or cut downtime. Work process redesigns are large-scale efforts to bring about Level 4 changes in combination with

Level 3. Level 4 changes make things more effective, more efficient, more productive, or more valuable.

Level 5: Copying—Doing Things Other People are Doing

At Level 5, the theme is *Copying*. We see here the first clear transition from incremental thinking to fundamental change. Copying, learning from others, and "reverse engineering" can dramatically boost innovation, quickly and more cheaply than starting from scratch. *Benchmarking* how other laboratories operate (regardless of their industry) and then enhancing their discoveries and achievements (using Level 4 change) is the hallmark of the adaptable innovator. Many managers are still uncomfortable at this level, partly because they are inwardly focused and therefore remain unaware that others are doing things worth copying. In many organizations, a "Not Invented Here" mentality resists imitation, forcing continual reinvention of the wheel.

Level 6: Different—Doing Things No One Else is Doing

At Level 6, the theme is *Different*. We take a fork in the road—by doing something very different or very differently. Such trailblazing and risk-taking can bring about genuinely new things, often by synthesizing seemingly unconnected concepts, technologies, or components—or by totally shifting perspective about possible uses of a product.

In process-oriented operations, Level 6 at the extreme combines Levels 3,4 and 5—cutting, enhancing, copying, and adapting—into reengineering: revolutionizing processes and procedures so they become unrecognizable.

Level 7: Impossible—Doing What Can't be Done

At Level 7, the theme is *Breakthrough*. Technology, market constraints, resource limitations, or company culture too often pose seemingly insurmountable barriers. Discoveries at this level frequently build on paradigm shifts or audacious visions. They produce bold, brilliant, significant and long-term forays into the unknown. Change at this level reflects the highest degree of imaginative thinking and is almost invariably seen by others as a revolutionary or shocking departure from convention. Very few such changes are implemented as they were first conceived; instead, they are quickly barraged with

Level 4 criticisms aimed at eliminating their weaknesses. Those that survive often produce innovative spikes of new thinking, performance, or technology. Level 7 changes can alter an existing industry or create a new one. Lockheed Corporation's famous Skunk Works,

for example, has continuously produced quantum leaps in aircraft and space technologies. Lower levels of change imply evolutionary, or incremental, improvements, while higher levels result in revolutionary advances.

Learning Organization

A learning organization is one that learns continuously and transforms itself. All organizations learn, but not always in a beneficial way. It is possible for an individual to learn, but not share this knowledge with the organization. On the other hand organizations can learn and not share this knowledge with the staff at lower ranks. A learning organization is one that has a heightened capability to learn, adapt, and change. It is an organization in which learning processes are analyzed, developed, monitored, and aligned with the innovative goals of the organization. (Cummings and Worley, 1993). It is critical in today's global competitive marketplace for an organization to maintain its position in a rapidly changing environment. A learning organization can acquire and apply knowledge faster than the competition and therefore maintain a leading edge. The need to survive in a changing economy has pushed organization learning to the fastest growing intervention in organizational development. New techniques emerge promising corporations the ability to become learning organizations.

Among practitioners, the strongest case yet for organizational learning is made by those who argue that the rate at which individuals and organizations learn may become the only sustainable competitive advantage, especially in knowledge-intensive industries, according to Locke and Jain, (1995). A firm whose core competency is the rapid realization of new technology into products could be described as a learning organization. Characteristics of the successful organization are: a continuous improvement orientation, customer focus, team relationships, flat and flexible organization structures, empowerment, and vision- and value-driven leadership. These characteristics contrast sharply with those of many organizations, which emphasize meeting static objectives, supervisor focus, strongly hierarchical relationships, vertical and fixed organizational structures, compliance with rules, and control oriented leadership.

When considering the impact of OD on organization learning an OD practitioner may emphasize an open systems framework, create models for defining shared organizational visions, and create approaches to mental models. The idea of a learning organization is consistent with the theories of OD but there is a large discrepancy between the number of descriptive articles written on the subject and the number of experiments on them. OD has not been creating learning organizations all along. There are a number of implications for OD which flow from the definition of a learning organization. First there has to be

a significant shift between OD's focus and theories of change to one on theories which emphasize change and learning. What needs to be learned is a new way of thinking about organization action and improvement. Learning at the organizational level involves creating systems to capture knowledge and support knowledge creation, as well as empowering continuous transformation.

Organizations Learn

All learning is individual learning, and there is no such thing as organizational learning except metaphorically. All learning takes place inside human heads and an organization can learn only by learning from its members or by ingesting new members who have new knowledge that the organization did not already possess.(Locke and Jain, 1995) With this in mind, it is also useful to identify learning at three different levels: individual, group and organizational. Learning organizations concentrate on systems-level organizational learning. It is more then the sum of employees mental capacity and ability to learn. It occurs when organizations merge and then institutionalize employee's intellectual capital and learning that are stored in their memories and their core competencies.

Organizations also serve as holding environments for learning, which is stored in people's memories and values, as well as in organizational memory in the form of policies, procedures, and written documents. Learning organizations create practices, which enable organizational wide collecting of information that can be shared so that all individuals have access to the same information. They embed among people new structures and practices, which enable learning to occur more effectively. Organizations preserve behaviors, norms, values, and "mental maps" over time.

An organization builds its culture as it addresses and solves problems of survival. It also creates core competencies that represent a collective learning of its employees, which include past and present employees. As new members of the organization join and old ones leave the knowledge and competencies are transferred because they remain part of the culture. A central feature to most conceptualizations of organizational learning is the idea that there is a higher order of learning involved than the type of technical, skill-based learning associated with training departments. This depth of learning for individuals is more cognitive and transformative. It is not a rote skill, but learning that transforms or changes perspectives, structures, and routines. Learning is not one transformation of the organization but a continuous transformation and the transformation of the mind. Some believe that this requires a shift of practice in OD from OD as the exclusive practice of an expert professional to OD as a tool, which must be transferred to many members of the organization.

Effects of Organizational Learning Experiences

Organizations can learn the wrong thing, for example how to manufacture something no one wants, or can reach false conclusions. Learning does not always result in the benefit of the organization's goals and researchers need to move away from a conception of organizational learning as an "efficient" instrument to an appreciation of its "inefficiencies". Some counterproductive performance implications are provided.

Superstitious learning occurs when an organization interprets certain results as outcomes of learning when in fact there may be little or no connection between actions and outcomes. In a typical situation, a number of factors jointly produce an organizational outcome. Success learning involves concluding that what made for success in the past will make for success in the future. This can be disastrous when the business environment changes drastically. A competency trap develops when an organization settles on an inferior technology based on its initial experimentation and persists in using it despite the availability of superior technologies. (Locke and Jain, 1995)

Process through which Organizations Learn

Organizational learning consists of four interrelated processes: discovery, intervention, production, and generalization. The learning process begins with the discovery of errors or rifts between actual and desired conditions. Diagnosing includes finding the cause of the gap and inventing appropriate solutions to close it. Production processes involve implementing solutions and generalization includes drawing conclusions about the effect of the solutions and applying that knowledge to other relevant situations. These four learning processes help the organization's members to generate knowledge necessary to change and improve the organization. (Cummings and Worley, 1993)

Most models of learning in organizations stress the element of leadership and management, culture, and systems for communication, information, and knowledge. In learning organization leaders and managers give critical support to the learning of teams and individuals. Leaders and managers have enough influence to create a successful learning environment. They have the ability to furnish the systems that encourage learning. They can assist in the development of employees' knowledge, skills, and abilities with the aid of personal development plans, job rotations, and assignments across several divisions. In learning environment, managers encourage people to contribute ideas and go as far as soliciting their input and giving feedback on their ideas. When information is shared on a regular basis across the organization, people's commitment to learning strengthens.

Organizations learn from direct experience and from the experience of others. Learning from direct experience generally involves working through incremental refinement procedures. The rational for learning from direct experience comes from the common observation that practice improves performance. It involves a systematic "organizational search" whereby the organization "draws from a pool of alternative routines, adopting better ones when they are discovered" and/or trial and error experimentation. Learning from the experience of others may involve a number of approaches, ranging from merely observing others to actively seeking knowledge from outside the organization, then using it to improve its own processes and performance. (Locke and Jain, 1995)

Three perspectives on learning and change are normative, developmental, and capability. These different approaches shape the direction that companies take to become learning organizations. Normative and developmental perspectives assume that organizations learn only when certain conditions are met. Normative based approaches are the most common and companies using such approaches begin by deciding to leverage learning in pursuit of a particular business goal. Leaders are important because they set the tone, establish the vision, and create supporting structures and systems. Internal task forces test for individual's commitment, help identify present and future conditions, measure and prioritize gaps, and make decisions about where and how to intervene.

Normative approaches foster a willingness to experiment. The results of these new initiatives are checked constantly and used to adjust interventions, launch new project phases, and periodically assesses the learning organization strategy. Developmental approaches assume that companies become learning organizations in a series of stages. These approaches seek fundamental changes in an entire system and favor organizational-wide development effort. Developmental approaches begin with the recognition that the organization is not meeting its objectives. It is typical for a consultant to partner with the company's leaders to conduct as assessment using diagnostic tools to gauge progress through each stage. The transition from one stage to another does not have to be even, different parts of the organization may move forward at different times.

Capability-based approaches assume that organizations learn naturally as they respond to change, no matter what the conditions are. It assumes that no one form of learning is superior over another. To improve learning, an organization must discover, affirm, and enhance the current patterns of learning. Leaders need to identify those patterns so that they can make informed decisions about what to learn, who should learn it, and when and where learning should happen. These approaches are not proactive and "unfold as journeys of discovery" in which consultants and leaders guide the company to uncover insights into the kind of learning that is the best. There are a variety of useful diagnostic tools that reflect

the three perspectives. All of the tools emphasize organizational learning. Some of these tools focus only on individual and team building and most measure learning at two or three levels. Most emphasize the systems and processes for facilitating the flow of information between employees, for managing knowledge, and for rewarding learning in performance appraisals. Most also stress a culture that emphasizes learning while at the same time caring about employees.

Factors that can Undermine Organizational Learning

Organizations are often faced with a number of barriers to learning, the most important being the lack of learning orientation. In order to identify the tools and techniques of organizational learning it will be useful to identify possible barriers to avoid. Barriers to organizational learning can be classified into three broad categories, individual- and group-level, organizational, and environmental. Since an organization can learn only through its members, any limitations the members have with respect to learning will limit organizational learning. (Locke and Jain, 1995) Argyris has stated that most people, including highly qualified and successful professionals, do not know how to learn. The fundamental requirement for learning is an active mind. The lack of learning most basically stems from not thinking, either due to passivity or an active refusal to think either in general or about a specific issue. Some people do not learn from experience because they do not conceptualize the meaning and implications of what happened in the past. It is believed that the most effective learners are the most mentally active and are able to conceptualize what happened in the past and anticipate the future. (Argyris, 1993)

Learning barriers at the organizational level include organizational features such as corporate culture, management practices (for example, defensive routines), reward mechanisms, and an emphasis on organizational consensus, which may create groupthink and organizational inertia which limit learning and future growth. Others include failure of the organization to translate newly acquired knowledge into organizational policies, procedures, and routines as well as a focus on the exploitation of existing capabilities and opportunities, in preference to exploitation and experimentation. There are many more barriers to contend with and they often work in subtle ways to undermine learning. (Locke and Jain, 1995). Environmental barriers pertain to markets, industries, technology, public policy, and external stakeholder concerns. Environmental factors are generally thought to be outside of the control of an organization, but an organization is part of the environment and therefore has the power to also shape the environment. As never before, an organization must be aware of its environment and change it in order to remain successful in the present context.

Impact of OD on Learning Organization

It is important to consider what the practice of OD already offers to the process of organizational learning to ascertain the direction in which this application is headed for the future. The literature presents three ways in which OD may contribute to the focus of learning organizations: supportive systems of interaction, guiding values, and a sense of structural alternatives. Supportive systems interaction: OD rests on a technology-cum-values for inducing useful "systems of interaction" between people. Researchers draw on Argyris' concept of Model I (closed or degenerative) and Model II (open or regenerative) to depict the range of interaction patterns. A substantial proportion of managers lean toward the degenerative model in practice but away from it in personal preference. They blame their work sites and claim that there is nothing that they can do to change it. In training sessions they are shocked to learn that their own behavior, as well as the work site, is degenerative. Learning organizations also require a regenerative interaction, both in its start up phases as well as in the long run. Here OD can contribute in theory and practice. This is one of the most challenging aspects of creating a learning organization because when practitioners are focused on dialogue or on changing mental models they are faced with deeply embedded norms.

The learning organization approach faces that issue of the institutionalization of the products and allied processes. The learning organization continually expands its capacity to create its future. This involves a basic mind-shift from "focusing on parts to dealing with wholes, from viewing people as helpless reactors to empowering them as observant participants, and from reacting to the past and the present toward evolving a common future". (Watkins and Golembiewski, 1995) These sound very much like OD values mentioned earlier and at the structural level the OD tools include job enrichment at operating levels of the organization, flow-of-work or divisional models at executive levels, and structural and policy empowerment throughout organizations. OD has developed the tools and processes which make it possible to create learning organizations. These tools generate a sense of alternative strategies, of the availability of different approaches to building learning organizations.

Changes in OD is Implied by the Learning Organization

The literature talks of sculpting learning organizations by clipping away all that prevents learning and building new systems and capacities to enhance learning. It is suggested that there is no blueprint or set of standard tools for creating learning organizations, but rather the idea functions like a vision of the organization in terms what it might be in contrast to what it is today. The achievement of that vision requires the work of everyone

in the organization, not just the OD practitioner or top executives. There are no specific changes in OD practice that can be assigned to the formation of a learning organization. The learning organization requires an integrated use of management tools such as cross-functional self managed teams, training tools such as career development, and organization development tools such culture change and action research. While there may eventually be many tools for OD suggested by the learning organizational literature, there are two core processes at the issue. The first concept is dialogue and the other relates to shifts in practices of OD.

An underlying process in designing learning organizations is the use of extended dialogue at the micro and macro levels. Some new approaches used by designers of organizational learning includes action science that uses dialogue as a process of creating shared meaning by changing the mental models of individuals who are the recipients of the shared values and learned theories of action of the organization. Organizations and individuals are able to transform governing values from those dominated by control or self-protection to those consistent with learning and growth. They are able to achieve this objective by combining advocacy with inquiry, taking a closer look at actual dialogue in order to uncover the data on which inferences are made, and recognizing the constructive rules governing both inferences and action.

Basic Tenets of Learning Organization

Peter M. Senge describes a learning organization as an organization "where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together" (Senge 1990). At the core of a learning organization are five disciplines of the learning environment. Senge stresses that disciplines are to be practiced. These disciplines cannot be learned and achieved without practice over time. The five disciplines are interrelated and include:

➢ **Personal Mastery:** learning to expand our personal capacity to create the results we most desire, and creating an organizational environment which encourages all its members to develop themselves toward the goals they choose.

➢ **Mental Models**: reflecting upon, continually clarifying, and improving our internal pictures of the world, and seeing how they shape our actions and decisions. Mental models are the assumptions and stories we carry with us about others and ourselves. Mental models help us function but do not always correlate with reality.

- ➢ **Shared Vision:** building a sense of commitment in a group, by developing shared images of the future we seek to create, and the principles and guiding practices by which we hope to get there. Everyone contributes to the shared vision. Creating a vision is an evolutionary process.

- ➢ **Team Learning:** transforming conversational and collective thinking skills, so that groups of people can reliably develop intelligence and ability greater than the sum of individual members' talents. This is our collective capacity to do something. In team learning there is less authority and more emphasis on collaboration and facilitation. There is a great deal of trust among and between members.

- ➢ **Systems Thinking:** It is a way of thinking about, and a language for describing and understanding, the forces and interrelationships that shape the behavior of systems. This discipline helps us see how to change systems more effectively, and to act more in tune with the larger processes of the natural and economic world. Systems' thinking serves as the cornerstone for the other disciplines (Senge 1994).

Systems' thinking incorporates eleven ideas called 'laws' which could be listed as follows:

1. Today's problems are the results of yesterday's solutions. For example, workload could be a result of procrastination or faulty delegation.

2. The cure can be worse than the disease: The steps taken by organizations to solve problems of indiscipline or misuse of office could bring in fresh problems like lowering morale among employees.

3. Faster is slower: Haste makes waste.

4. The easy way-out usually leads back in: Flying away from reality would only compound to the problems.

5. The harder one tries to push the system, the system pushes back: Some times, it could be wise to circumvent the system rather than directly confronting it.

6. Cause and effect are not closely related in time and space: It takes time for an effort to yield result and the result might be seen elsewhere other than the place of effort.

7. Most of the changes are produced by few of the causes: This idea reflects the Pareto principle or the 80:20 rule.

8. Behavior grows better before it grows worse: The real intentions behind people's overt behaviors tend to be exposed sooner or later.

9. Dividing an elephant does not make two half-elephants: Restructuring organizations and shuffling of teams could be a costly mistake.

10. You can have the cake and eat it too, but not at the same time: Each individual in an organization must at first identify what one's desired end-results (cakes) and design the path appropriately so that work is intrinsically satisfying.

11. There is no blame: In the ultimate analysis, every action would have its own justification.

Learning about the five disciplines will help staff develop an understanding of themselves and the organization. In addition, the key guiding principles outlined below draw attention to the environment progressive learning organizations want to create:

➢ Focus on the customer
➢ Commitment to quality
➢ Teamwork and partnerships
➢ Incorporation of best practices and continuous improvement
➢ Continuous learning and education
➢ Continuous change when it leads to improvement

An overarching element of these guiding principles is the notion of continuous learning and education. The firms strive to build an environment where the focus is on the individuals who make up the organization as well as the organization itself. In order to begin, the firms must develop a culture of learning. All staff are required to be key partners in this endeavor. For the learning initiative to be a success, each staff member must take individual responsibility for personal growth and learning that works toward a role each member has in shaping the organization. There is an important connection between who we are as individuals and the effectiveness and success of our (Shaughnessy 1995). Becoming a learning organization requires a commitment to the ongoing process of learning, growth, and development that is shared by all participants.

Senge (1990) defines the Learning Organization as the organization in which one cannot 'not-learn' because learning is so insinuated into the fabric of life. Also, he defines Learning Organization as "a group of people continually enhancing their capacity to create what they want to create." Learning Organization is an "Organization with an ingrained philosophy for anticipating, reacting and responding to change, complexity and uncertainty." The concept of Learning Organization is increasingly relevant given the increasing complexity and uncertainty of the organizational environment. Senge (1990)

remarks: "The rate at which organizations learn may become the only sustainable source of competitive advantage." McGill (1992) define the Learning Organization as "a company that can respond to new information by altering the very "programming" by which information is processed and evaluated."

Organizational Learning vs. Learning Organization

Ang & Joseph (1996) contrast Organizational Learning and Learning Organization in terms of process versus structure. McGill though. (1992) do not distinguish between Learning Organization and Organizational Learning. They define Organizational Learning as the ability of an organization to gain insight and understanding from experience through experimentation, observation, analysis and a willingness to examine both successes and failures. The changes within the phases of OD practice must be considered along with a system- diagnosis focused on learning. While the design of the learning organization is similar to the open systems espoused by OD, there is an attempt to freeze systematic and habitual practices to insure continuous improvement. The focus is on systematic enablers and barriers versus short-term symptoms. One feature of organizational diagnosis is to examine the current level of investment in learning as exploration and to identify the threshold of real skill development that has resulted from previous change efforts. Organizations have a history of exploiting new ideas and technologies without paying the same amount of attention to the more time intensive process of creative exploration. Organizations have developed a habit of quick fix solutions that result in bad superficial learning while ignoring the development of a sufficient threshold of adaptability. Canadian economist Nuala Beck has created a knowledge ratio, which is an index of a company's investments in knowledge workers and in knowledge creation. Indicators predict organizations that will thrive in the new information economy. These measures constitute one reliable index of macro system learning in the learning organization. (Beck, 1992)

Intervention Focused on Long Term Empowerment

There are no specific interventions employed by organization developers working to create learning organizations even though there are many tools and strategies. Organization developers at General Electric and Johnsonville Foods have emphasized the importance of long term strategies that empower. Organizations are described by some consultants as a collective group that can collect its own data and share it with the entire organization instead of the consultant collecting the data and presenting it to a select group of top executives. The trend of consulting seems to be headed towards OD practitioners giving up their technology and teaching everyone OD. In order to create structures for this kind of system wide dialogue and transformation, individuals at all levels of the organization are

being called on to become process consultants: to facilitate dialogue, to collect diagnostic data, and to share it up the organization. By making OD accessible, organizations will be better able to utilize it successfully. At firms like the General Electric every member of the organization participates in Work Out sessions intended to teach skills of consensus, negotiation, and decision making to individuals representing a multitude of levels and functions. Over time, these individuals are expected to be able to continuously do what organization developers might have once facilitated as inter-group conflict resolution or work redesign.

One of the strongest tools for building the learning organization is the use of action technologies. Action research has many strong new variations such as participatory action research, action learning, and action science. Since action research is grounded in the context but yet data based, it is a highly flexible tool for learning among groups and organizations. These action technologies involve groups and the organization in both diagnosing and implementing their own changes. In addition, a central skill in action research is reflection. Through the process of making change, individuals learn how to work more effectively in teams, how to learn from actual work activities through reflection, and how to manage a change effort.

Research on the Effectiveness of Organizational Learning

The primary purpose of organizational learning is to make companies more adaptive and capable of altering functions and departments in response to poor performance or changes in the work environment. Whether the purpose is realized depends on the factors that link organizational learning to actions and that link actions to targeted outcomes. Research has showed that organizational learning has had a positive effect on the perceived and actual financial performance of companies. For individual employees, organizational learning has had a significant effect on employee-performance measures in such areas as continuous improvement, customer focus, employee commitment, and overall work performance. Research also shows that experimentation significantly enhances innovation but not competitiveness; continuous improvement and knowledge acquisition enhance competitiveness, but not innovation. The client of the OD intervention is the organization of the future. The OD effort to create a learning organization is one in which the goal is to put systems in place that will help the organization face the challenges it will meet 20 years in the future. The learning organization is a compelling argument for increasing efforts to move beyond short-term work aimed at only the top management. Organizations need to be looking toward learning not for survival but for generatively. The learning organization is a tentative road map to a never-ending journey.

Adaptive Learning vs. Generative Learning

Adaptive learning, is about coping. Senge (1990) notes that increasing adaptive quality is only the first stage; companies need to focus on Generative Learning or "double-loop learning" (Argyris 1977). Generative learning emphasizes continuous experimentation and feedback in an ongoing examination of the very way organizations go about defining and solving problems. In Senge's (1990) view, Generative Learning is about creating - it requires "systemic thinking," "shared vision," "personal mastery," "team learning," and "creative tension" between the vision and the current reality. Generative learning requires new ways of looking at the world. In contrast, Adaptive Learning or single-loop learning focuses on solving problems in the present without examining the appropriateness of current learning behaviors. Adaptive organizations focus on incremental improvements, often based upon the past track record of success. Essentially, they don't question the fundamental assumptions underlying the existing ways of doing work. The essential difference is between being adaptive and having adaptability. To maintain adaptability, organizations need to operate themselves as experimenting or self-designing organizations, i.e., should maintain themselves in a state of frequent, nearly-continuous change in structures, processes, domains, goals, etc., even in the face of apparently optimal adaptation. Operating in this mode is efficacious, perhaps even required, for survival in fast changing and unpredictable environments. The reason is that probable and desirable consequences of an ongoing state of experimentation are that organizations learn about a variety of design features and remain flexible. Senge (1990) argues that the leader's role in the Learning Organization is that of a designer, teacher and steward who can build shared vision and challenge prevailing mental models. He is responsible for building organizations where people are continually expanding their capabilities to shape their future. That is, leaders are responsible for learning.

Relationship Between Strategy and Learning Organizations

The key is not getting the right strategy but fostering strategic thinking. Shell, a transnational corporation leveraged the concept of Learning Organization in its credo "planning as learning". Faced with dramatic changes and unpredictability in the world oil markets, Shell's planners realized a shift of their basic task: "We no longer saw our task as producing a documented view of the future business environment five or ten years ahead. The real target was the microcosm (the 'mental model') of decision makers." They re-conceptualized their basic task as fostering learning rather than devising plans and engaged the managers in ferreting out the implications of possible scenarios. This conditioned the managers to be mentally prepared for the uncertainties in the task environment. The key ingredient of the Learning Organization is in how organizations process their managerial experiences. Learning Organizations' managers learn from their experiences rather than

being bound by their past experiences. In generative learning organizations, the ability of a manager is not measured by what he knows (the product of learning), but rather by how he learns - the process of learning. Management practices encourage, recognize and reward openness, systemic thinking, creativity, efficacy and empathy.

Role of Information Systems in the Learning Organization

Huber (1991) explicitly specifies the role of IS in the Learning Organization as primarily serving Organizational Memory, it can serve the other three processes, Knowledge Acquisition, Information Distribution and Information Interpretation. At the level of planning, scenario planning tools can be used for generating the possible futures. Similarly, use of intranets, e-mail and bulletin boards can facilitate the processes of Information Distribution and Interpretation. Archives of the communications can provide the elements of the Organizational Memory. Organizational Memory needs to be continuously updated and refreshed. The IT basis of OM suggested by Huber (1991) lies at the basis of organizational rigidity when it becomes "hi-tech hide bound" (Kakola 1995) and is unable to continuously adapt its "theory of the business" (Drucker).

Assessment of a Learning Organization

Creating the environment to become a learning organization is as important as knowing when a firm becomes one. Both processes require an ongoing effort of growth and change. Belasen, in leading the Learning Organization, mentions qualities used to characterize a learning organization. Organizations that strive to be a learning organization should have these qualities:

- Learning collaboratively, openly, and across boundaries

- Valuing how we learn as well as what is learnt

- Investing in staying ahead of the learning curve in a particular industry

- Gaining a competitive edge by learning faster and smarter than competitors

- Turning data into useful knowledge quickly and at the right time and place

- Enabling every employee to feel that every experience provides him or her with a chance to learn something potentially useful, even if only for leveraging future learning

- Exhibiting little fear and defensiveness, and learning from what goes wrong ("failure" learning) and what goes right ("success" learning)

➢ Taking risks while simultaneously avoiding jeopardizing the basic security of the organization

➢ Investing in experimental and seemingly tangential learning

➢ Supporting people and teams who want to pursue action-learning projects

➢ Depoliticizing learning by not penalizing individuals or groups for sharing information and conclusions

In addition, as a learning organization, an organization would begin to operate in a different manner and will:

➢ Use learning to reach its goals

➢ Help people value the effects of their learning on their organization

➢ Avoid repeating the same mistakes

➢ Share information in ways that prompt appropriate action

➢ Link individual performance with organizational performance

➢ Tie rewards to key measures of performance

➢ Take in a lot of environmental information at all times

➢ Create structures and procedures that support the learning process

➢ Foster ongoing and orderly dialogues

➢ Make it safer for people to share openly and take risks (Belasen 2000)

Inter-Group OD Interventions

Inter-Group

Team building intervention intends to increase communications and interactions between work related groups to reduce the amount of dysfunctional competition and to replace a parochial independent point of view with an awareness of the necessity for interdependence of action calling on the best efforts of both the groups. Inter-group interventions are integrated into OD programs to facilitate cooperation and efficiency between different groups within an organization. For instance, departmental interaction often deteriorates in larger organizations as different divisions battle for limited resources or become detached from the needs of other departments. Conflict resolution meetings are one common inter-group intervention. First, different group leaders are brought together to get their commitment to the intervention. Next, the teams meet separately to make a list of their feelings about the other group(s). Then the groups meet and share their lists. Finally,

the teams meet to discuss the problems and to try to develop solutions that will help both parties. This type of intervention helps to gradually diffuse tension between groups caused by lack of communication and misunderstanding.

Rotating Membership

Such interventions are used by OD change agents to minimize the negative effects of inter-group rivalry that result from employee allegiances to groups or divisions. The intervention basically entails temporarily putting group members into their rival groups. As more people interact in the different groups, greater understanding results. OD joint activity interventions serve the same basic function as the rotating membership approach, but it involves getting members of different groups to work together toward a common goal. Similarly, common enemy interventions achieve the same results by finding an adversary common to two or more groups and then getting members of the groups to work together to overcome the threat. Examples of common enemies include competitors, government regulation, and economic conditions.

Characteristics of Inter-Group Conflict

Inter group conflicts are characterized by perception of the other as the "enemy", stereotyping, constipated, distorted and inaccurate communication and stoppage of feedback and data input. Each group begins to praise itself and its products more positively and believes that it can do no wrong and the other can do no right. There might even be acts of sabotage against the other group. Using the idea of a common enemy outside the group that both groups dislike to bring them closer, increasing interaction and communication under favorable conditions and finding a super - ordinate goal that both groups desire. Rotating members of the group, Training, etc are helpful strategies that have been used to deal with inter-group conflict Inter-group team building intervention: The aim of this type of intervention is to increase communication and interaction, reduce unhealthy competition. Blake, Shepard and mouton came up with a method which is used between groups that are strained and overly hostile.

The process is to obtain commitment from the leaders of each group on their willingness to find procedures that will improve inter group relations. Groups are put in different rooms. The task of each group is to generate two lists. They should put down thoughts, attitudes, perceptions and feelings about the other group, predict what the other group will say about them. The groups come together and share their lists. No comments or discussions, only clarity. The groups reconvene to discuss their reactions to what they have learned about themselves from what the other group has said identify issues that still

need to be resolved between the two groups. The two groups come together and share their lists, they set priorities, and they generate action steps and assign responsibilities. A follow up meeting is convened to ensure that the action steps have been taken. The method can be used with more than two groups where the hostility between the groups may not be extreme or severe. In this method, each group, separately compiles two types of lists namely a positive feedback list, a bug list and an empathy list. The two groups come together and share the lists; there is no discussion, except for seeking clarification. The total group generates a list of major problems and unresolved issues between the two groups. These issues are ranked in terms of importance. Sub groups are formed with members from each group, who then discuss and work through each item. The sub-groups report to the larger group. On the basis of the report back and all the other information gathered, the group proceeds to: generate action steps for resolving the conflict, assign responsibilities for each step and record a date by which the steps ought to have been carried out. With this method the two groups work together effectively

Walton`s approach to third party peacemaking interventions has a lot in common with group interventions but it is directed more towards, interpersonal conflict. Third party interventions involve confrontation and Walton outlines confrontation mechanisms. A major feature of these mechanisms is the ability to diagnose the problem accurately.

The diagnostic model is based on four elements namely the conflict issues, precipitating circumstances, conflict-related acts and the consequences of the conflict. It is also important to know the source of the conflict. Sources could be substantive issues, which is conflict related to practices, scarce resources, and differing conceptions of roles and responsibilities. Sources of conflicts could also be emotional issues, involve feelings between the parties, such as anger, hurt, fear, resentment, etc. The former require bargaining and problem solving. The latter require restructuring perceptions and working through negative feelings.

Ingredients of a productive confrontation include the following. Mutual positive motivation, which refers to the willingness on both parties resolve the conflict; Balance of power without any power differentials between the parties involved in a confrontation; Synchronization of confrontation efforts wherein the two parties address the conflict simultaneously; and Differentiation and integration of different phases of the intervention must be well paced. The intervention involves working through negative feelings and ambivalent positive feeling. The intervention must allow sufficient time for this process to take place. Conditions that promote openness should be created. This could be done through setting appropriate norms and creating a structure that encourages openness. Reliable communicative signal refers to using language that is understood by the parties involved in

the confrontation. Optimum tension in the situation means that the stress experienced by both parties ought to be sufficient to motivate them but not too excessive. General principles on negotiation involve approaches to people, interests, options and criteria. People have different feelings and perceptions therefore it is important to separate people from feelings. Interest. Looking at party interests provide a vehicle for resolving conflict rather sticking to inflexible positions that entrench the conflict. Options ought to be generated in order to come up with best option for resolving conflict. Criteria for evaluating the success of the intervention ought to be clear and objective.

Self Assessment Questions

1. Explain Organisational development interventions in detail

2. What are learning organisations and how does OD interventions effectiveness related to them?

3. Explain intergroup OD intervention

CASE STUDY - I

Shravan, President of Apex Door, has a problem. No matter how often he tells his employees how to do their jobs, they invariably "decide to do it their way", as he puts it and arguments ensue between Shravan, the employee and the employee's supervisor. One example is the door-design department, where the designers are expected to work with the architects to design doors that meet the specifications. While it's not "rocket science", as Shravan puts it, the designers invariably make mistakes- such as designing in too much steel, a problem that may cost Apex tens of thousands of wasted rupees, once you consider the number of doors in, say a 30 storey office tower.

The current training process is as follows. None of the jobs has a training manual, although several have somewhat out-of-date job descriptions. The training for new people is all on the job. Usually, the person leaving the company trains the new person during the one or two week overlap period, but if there's no overlap, the new person is trained as well as possible by other employees who have filled occasionally on the jjob in the past. The training is basically the same throughout the company-for machinists, secretaries, assemblers and accounting clerks, for example.

Questions

a) What do you think is Apex's training process? Could it help to explain why employees

"do things their way" and if so, how?

b) Explain in detail what you would do to improve the training process at Apex. Make sure to provide specific suggestions.

CASE STUDY - II

Corus was formed in 1999 when the former British Steel plc merged with the Dutch company, Hoogovens. Corus is now a subsidiary of the Indian-owned Tata Group. Corus has three operating divisions and employs 40,000 people worldwide.

Corus Strip Products UK (CSP UK) is based at Port Talbot and Llanwern, Newport in South Wales. CSP UK makes steel in strip form. This is used in markets such as vehicle manufacture, construction, electrical appliances, tubes and packaging. Corus aims to be a leader in the steel industry by providing better products, higher quality customer service and better value for money than its rivals.

In 2005 CSP UK introduced a cultural plan for change called 'The Journey'. The company wanted to address a wide range of business challenges, but the common theme was the fundamental way that people at all levels went about their work. The Journey focused on the values and beliefs of its people. Vitally, this was not limited to employees, but it included contractors, suppliers and other partners. This community of people together re-defined eight core values. These provided the guiding principles by which Corus people would work.

By early 2007, all employees had been provided with a booklet outlining the CSP Journey values and the behaviours the company expected them to follow. The new values encourage individuals to be accountable for their actions. For example, previously, there had been tragic accidents on site and other health and safety issues, such as poor driving behaviour. This needed to change.

The Journey programme has taken a positive approach so that it now steers everything CSP UK does and underpins the culture of the organisation.

Question:

1.   Analyse and discuss the case in the light of Change Management.

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