



Eulogio "Amang" Rodriguez Institute of  
Science and Technology - Manila Campus  
College of Arts and Sciences



# Industrial and Organizational Psychology

INTEGRATIVE COURSE IN PSYCHOLOGY  
(ICOPSCYH)



EARIST CAS | BS PSYCHOLOGY REVIEW CLASS  
Academic Year 2023-2024

## Session 1: Leadership

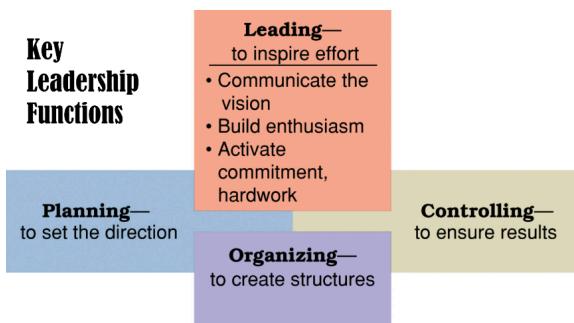
### The Nature of Leadership

#### • Leadership

- The process of inspiring others to work hard to accomplish important tasks

#### *Contemporary leadership challenges:*

- Shorter time frames for accomplishing things
- High performance expectations
- Complex, ambiguous, and multidimensional problems
- Scarce resources



#### • Power

- Ability to get someone else to do something you want done or make things happen the way you want
- Power should be used to influence and control others for the common good rather seeking to exercise control for personal satisfaction

#### • Two sources of managerial power:

Position power ↔ Personal power

#### • Position power

- Based on a manager's official status in the organization's hierarchy of authority

#### Sources of position power:

##### *Reward power*

- Capability to offer something of value

#### *Coercive power*

- Capability to punish or withhold positive outcomes

#### *Legitimate power*

- Organizational position or status confers the right to control those in subordinate positions

#### • Personal power

- Based on the unique personal qualities that a person brings to the leadership situation

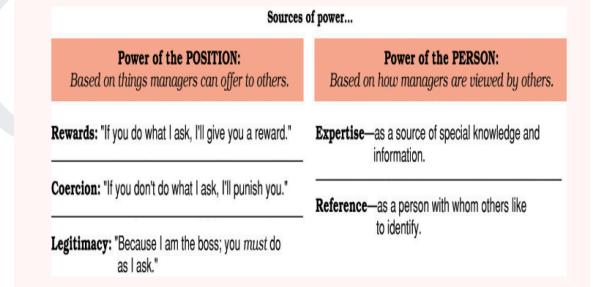
#### Sources of personal power:

##### *Expert power*

- Capacity to influence others because of one's knowledge and skills

##### *Referent power*

- Capacity to influence others because they admire you and want to identify positively with you



#### • Visionary leadership

##### *Vision*

- A future that one hopes to create or achieve in order to improve upon the present state of affairs
- *Visionary Leadership*

- A leader who brings to the situation a clear and compelling sense of the future as well as an understanding of the actions needed to get there successfully

#### • Servant leadership

- Commitment to serving others
- Followers more important than leader
- “Other centered” not “self-centered”
- Power not a “zero-sum” quantity
- Focuses on empowerment, not power

#### • Empowerment

- The process through which managers enable and help others to gain power and achieve influence
- Effective leaders empower others by providing them with:

*Information - Responsibility- Authority - Trust*

## Leadership Traits and Behaviors

### • Leadership behavior

- Leadership behavior theories focus on how leaders behave when working with followers
- Leadership styles are recurring patterns of behaviors exhibited by leaders
- Basic dimensions of leadership behaviors:
  - Concern for the task to be accomplished
  - Concern for the people doing the work

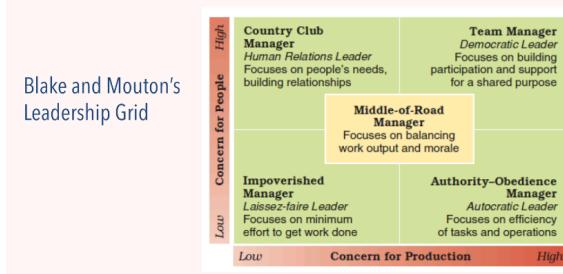
### Task concerns

- Plans and defines work to be done
- Assigns task responsibilities
- Sets clear work standards
- Urges task completion
- Monitors performance results

### People concerns

- Acts warm and supportive toward followers
- Develops social rapport with followers
- Respects the feelings of followers
- Is sensitive to followers' needs
- Shows trust in followers

## Leadership Traits and Behaviors



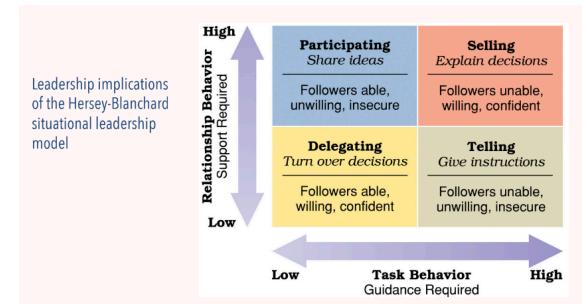
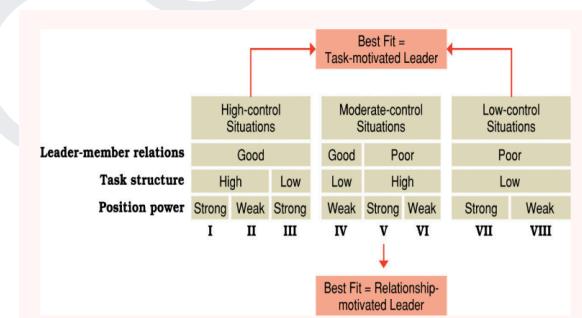
### • Classic leadership styles:

- Autocratic style

- Emphasizes task over people
- Human relations style
- Emphasizes people over task
- Laissez-faire style
- Shows little concern for task
- Democratic style
- Committed to task and people

## Fiedler's Contingency Model

- Good leadership depends on a match between leadership and situational demands
- Determining leadership style:
  - Low LPC 3/4 task-motivated leaders
  - High LPC 3/4 relationship-motivated leaders
  - Leadership is part of one's personality, and therefore relatively enduring and difficult to change
  - Leadership style must be fit to the situation



## House's leadership styles:

### Directive leadership

- Communicate expectations
- Give directions
- Schedule work
- Maintain performance standards
- Clarify leader's role

## Supportive leadership

- Make work pleasant
- Treat group members as equals
- Be friendly and approachable
- Show concern for subordinates' well-being

## Achievement-oriented leadership

- Set challenging goals
- Expect high performance levels
- Emphasize continuous improvement
- Display confidence in meeting high standards

## Participative leadership

- Involve subordinates in decision making
- Consult with subordinates
- Ask for subordinates' suggestions
- Use subordinates' suggestions

## Contingency Approaches to Leadership

### Leader-Member Exchange Theory (LMX)

- Nature of the exchange is based on presumed characteristics by the leader

#### High LMX relationship:

- favorable personality
- competency
- compatibility

#### Low LMX relationship:

- low competency
- unfavorable personality
- low compatibility

### Leadership implications of Vroom-Jago leader-participation model



### Contingency factors in the Vroom-Jago leader-participation theory:

#### Decision quality

- Who has the information needed for problem solving

#### Decision acceptance

- Importance of subordinate acceptance to eventual implementation

#### Decision time

- Time available to make and implement the decision

### Leader-Participation Theory

*a leader should use authority-oriented decision methods when:*

- The leader has greater expertise to solve a problem
- The leader is confident and capable of acting alone
- Others are likely to accept and implement the decision
- Little or no time is available for discussion

*a leader should use group-oriented and participative decision methods when:*

- The leader lacks sufficient information to solve a problem by himself/herself
- The problem is unclear, and help is needed to clarify the situation
- Acceptance of the decision and commitment by others is necessary for the implementation
- Adequate time is available for true participation

### Personal Leadership Development

#### • Superleaders

- Persons whose vision and strength of personality have an extraordinary impact on others.

#### • Charismatic leaders

- Develop special leader-follower relationships and inspire others in extraordinary ways.

#### Transformational leader

- Someone who is truly inspirational as a leader and who arouses others to seek extraordinary performance accomplishments

### **Moral leadership**

- Ethical leadership that is always “good” and “right”
- All leaders are expected to maintain high ethical standards
- Long-term, sustainable success requires ethical behavior
- Integrity involves the leader’s honesty, credibility, and consistency in putting values into action
- Moral overconfidence is an overly positive view of one’s strength of character
- Authentic leadership activates positive psychological states to achieve self-awareness and positive self-regulation.

### **Essentials of “old-fashioned” leadership:**

- Defining and establishing a sense of mission
- Accepting leadership as a “responsibility” rather than a rank
- Surround yourself with talented people
- Don’t blame others when things go wrong
- Keep your integrity, earn trust
- Don’t be clever, be consistent

### **Factors Affecting Style**

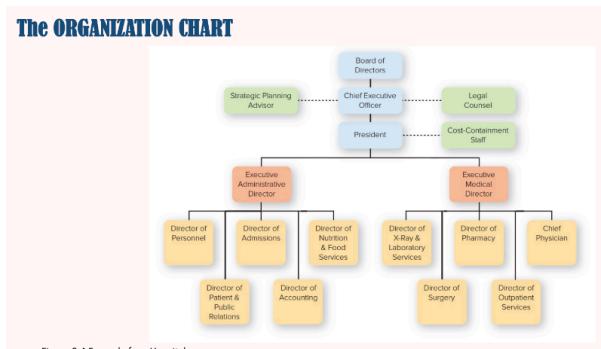
- Leadership style may be dependent on various factors:
  - Risk - decision-making and change initiatives based on the degree of risk involved
  - Type of business – creative business or supply driven?
  - How important change is – change for change’s sake?
  - Organizational culture – may be long-embedded and difficult to change
  - Nature of the task – needing cooperation? Direction? Structure?

## Session 2: Organizational Structure and Systems

### ORGANIZATIONAL STRUCTURE: WHO REPORTS to WHOM and WHO DOES WHAT

#### Organizational structure

- A formal system of task and reporting relationships that coordinates and motivates an organization's members so that they can work together to achieve the organization's goals.
- Concerned with who reports to whom and who specializes in what work.



### The ORGANIZATION: THREE TYPES

#### For-profit organizations

- Formed to make money, or profits, by offering products or services.

#### Nonprofit organizations

- Formed to offer services to some clients, not to make a profit (*for example hospitals, colleges*).

#### Mutual-benefit organizations

- Voluntary collectives whose purpose is to advance members' interests (*for example unions, trade associations*).

### COMMON ELEMENTS of ORGANIZATIONS

#### Four proposed by Edgar Schein:

1. Common purpose: gives everyone an understanding of the organization's reason for being.

2. Coordinated effort: the coordination of individual effort into the group-wide effort.
3. Division of labor: having discrete parts of a task done by different people.
4. Hierarchy of authority: making sure the right people do the right things at the right time (unity of command).

#### Three more that authorities agree on:

1. Span of control: the number of people reporting directly to a given manager; narrow or wide.
2. Authority: accountability, responsibility, and delegation; line versus staff positions.
3. Centralized versus decentralized authority: who makes decisions; upper management or middle.

### Hierarchy of Authority

Tall vs flat hierarchies  
Autonomy and control  
Communication  
Size

### Span of Control

- A wide span of control: a large number of employees reporting,
- A narrow span of control: a small number of employees reporting
- The appropriate span of control depends on the experience, knowledge, and skills of the employees and the nature of the task.

### Line vs Staff Positions

- Line vs Staff:
  - Line positions are those in which people are involved in producing the main goods or service or make decisions relating to the production of the main business.
  - Staff positions. These are positions in which people make recommendations to others but are not directly involved in the production of the good or service

## Decentralization

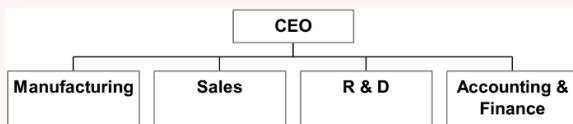
- The extent to which decision-making is concentrated in a few people or dispersed throughout the organization
- Advantage: benefits associated with greater participation and moving the decision closest towards implementation
- Disadvantage: Lack of perspective and information, lack of consensus

## SIMPLE STRUCTURE

Authority is centralized in a single person with few rules and low work specialization. Small firms all over the country are organized in this way.

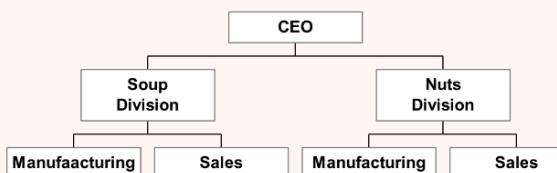
*An Owner ---> An Administrative Assistant*

## Functional Structure



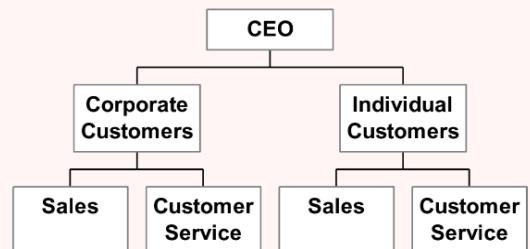
**Advantage:** efficiency, communication  
**Disadvantage:** isolation of units

## Product Structure

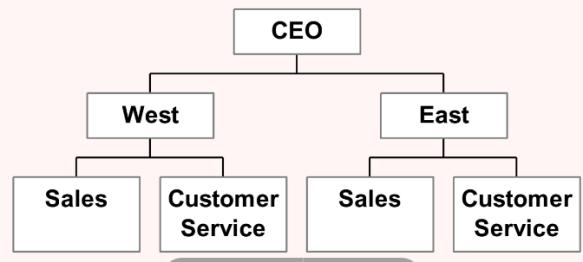


**Advantages:** Product focus, flexibility  
**Disadvantage:** Duplication of effort

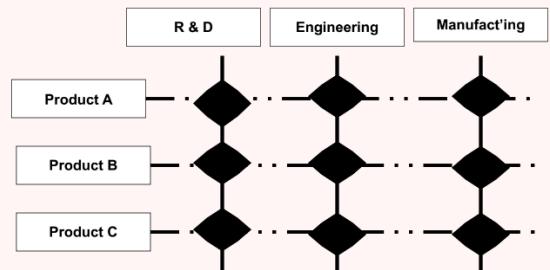
## Market Structure



## Geographic Structure

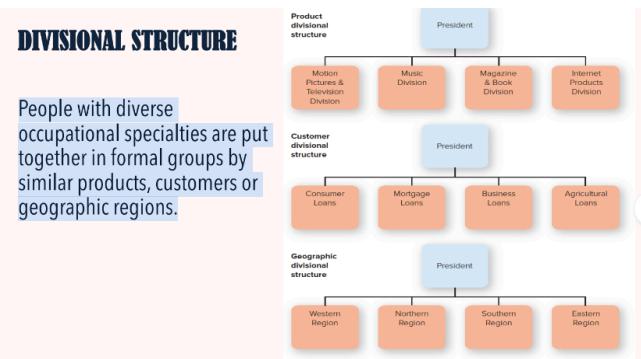


## Matrix Structure



## DIVISIONAL STRUCTURE

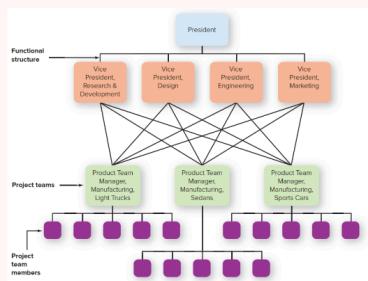
People with diverse occupational specialties are put together in formal groups by similar products, customers or geographic regions.



## THE HORIZONTAL DESIGN

### Horizontal Design:

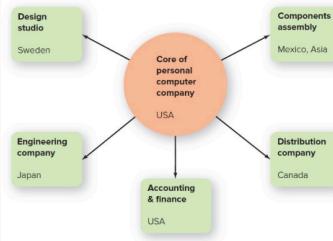
Teams or workgroups, either temporary or permanent, are used to improve collaboration and work on shared tasks by breaking down internal boundaries.



## The HOLLOW or NETWORK STRUCTURE

### Hollow or Network Structure:

The organization has a central core of key functions and **outsources** other functions to vendors who can do them cheaper or faster.



## Integration

- Hierarchy of authority
- Liaison roles
- Team, committees, task forces
- Standardization and formalization

## Mechanistic & Organic Designs

### Mechanistic:

- tallness in hierarchy, specialization, centralization in authority, formalization. Work best under stable conditions

### Organic:

- flatness, generalization, decentralization flexibility. Best fit dynamic conditions and complex technology

## Designs and Dimensions

Dimension	Organic	Mechanistic
Control span	Wide	Narrow
Authority	Few	Many
Formalizat'n	Low	High
Centralizat'n	Low	High
Position Power	Low	High
Expert Power	High	Low

## Effectiveness Criteria

- Output approach
- Internal process approach
- Systems resource approach
- Stakeholder approach

## Effectiveness & Structure

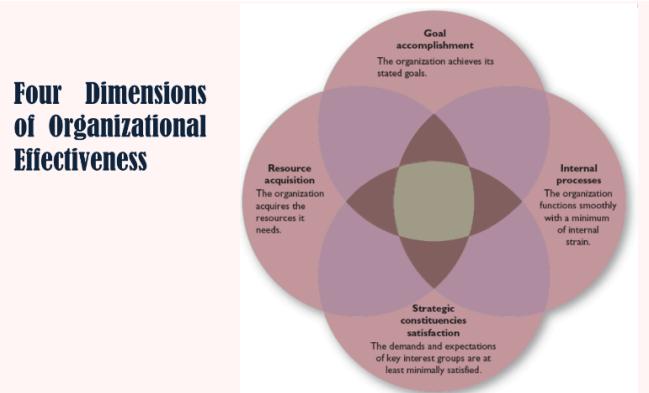
### • Size and structure

- Complexity
- Differentiation
- Decentralization
- Formalization

### • Structure and satisfaction

- Decentralization
- Span of control

## Four Dimensions of Organizational Effectiveness



## Generic Effectiveness Criteria

- Goal accomplishment
- most widely used effectiveness criteria
- Resource acquisition
- The organization is effective if it acquires the necessary factors for production
- Internal processes

- focuses on “what the organization must excel at” to effectively meet its financial objectives and customers’ expectations.

- Strategic constituencies satisfaction

- Strategic constituency: any group of people with a stake in the organization’s operation or success.

### **Strategic Constituencies Satisfaction**

- **Strategic constituency**

- any group of individuals who have some stake in the organization—for example, resource providers, users of the organization’s products or services, producers of the organization’s output, groups whose cooperation is essential for the organization’s survival, or those whose lives are significantly affected by the organization

### **Mixing Effectiveness Criteria: Practical Guidelines**

- ***Goal accomplishment approach*** is appropriate when goals are clear, consensual, time-bounded, and measurable.

- ***Internal processes approach*** is appropriate when organizational performance is strongly influenced by specific processes.

- ***Resource acquisition approach*** is appropriate when inputs have a traceable effect on results or output.

- ***Strategic constituencies*** approach is appropriate when powerful stakeholders can significantly benefit or harm the organization.

## Session 3: Team Dynamics

### Group Dynamics

*"Never doubt that a small group of thoughtful citizens can change the world. Indeed, it is the only thing that ever has."*

Margaret Mead

### Objectives:

- To identify and analyze the social processes that impact on group development and performance
- To acquire the skills necessary to intervene and improve individual and group performance in an organizational context
- To build more successful organizations by applying techniques that provide positive impact on goal achievement
- The social process by which people interact in a group environment
- The influences of personality, power and behavior on the group process

### Types of Groups;

#### Formal

- Structured to perform specific tasks

#### Informal

- Emerge naturally in response to organizational or member interests

### Group Size

Issues to be considered include opportunities:

- To express individual viewpoints
- To develop social relationships
- To ensure everyone participates
- For individual recognition

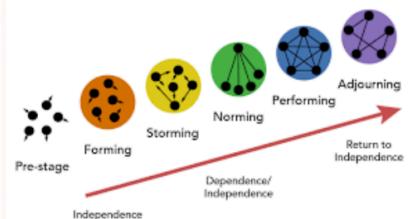
### Group Structure

Issues considered include:

- Ensure that all skill sets are included
- Examine the impact of a poor performer on group achievement
- Ensure a combination of leaders and followers
- Examine the potential for personality conflicts
- Impacts of member diversity

## Team Development

[Tuckman's Approach, 1965]



### Forming

The **forming** stage: a group gets together and familiarizes themselves with each other, finding out their strengths and weaknesses and deciding where they fit in within the group. Relationships may not be formed if a member does not feel that they fit in or able to identify within anyone else in the group.

### Storming

The **storming** stage: there may be heightened tension associated with role differentiation e.g. leader identification, competition for status, restructuring of the team and developing team rules. Storming needs to be kept to a minimum to move on to the next stage, so conflict needs to be resolved.

### Norming

The **norming** stage: Norm's rules and standards of behaviour begin to stabilize and co-operation takes over to form a unity. Here the group begin to work as a team to achieve common goals. There is greater group satisfaction felt at this stage which is the underpinning of success.

### Performing

The **performing** stage: the group will now be able to work together effectively, there is little to no hostility with strong relationships built. To maintain the performing stage team leaders and coaches need to continually provide feedback on individual contributions and the group to persist with mutual respect within the team.

## Adjourning

In this stage typically team members are ready to leave (course termination) causing significant change to the team structure, membership, or purpose and the team during the last week of class. They experience change and transition. While the group continues to perform productively they also need time to manage their feelings of termination and transition.

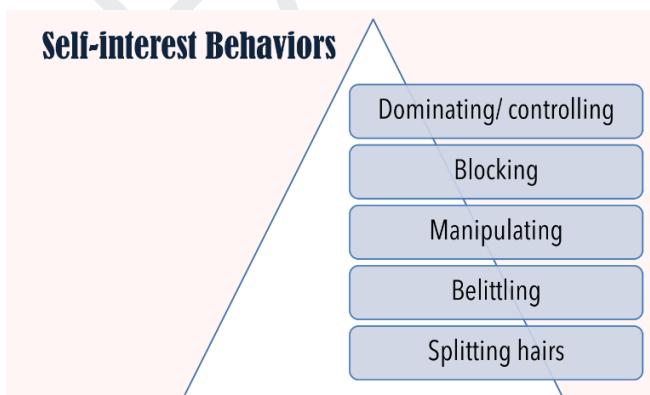
## Group Functions

- Task behaviors
- Maintenance behaviors
- Self-interest behaviors



## Maintenance Behaviors

- Encouraging
- Improving group atmosphere
- Harmonizing
- Compromising
- Gate-keeping



## Group Norms

- Social standards and acceptable behaviors
- Collectively held expectations of group functioning
- Provide regularity and predictability to group functioning

## Types of Norms

- Conduct
- Work performance/attendance
- Rearranging personal space
- Assisting co-workers
- Loyalty
- Dress codes
- Rewards

## Roles

### Assigned roles

- Chair, secretary, manager, treasurer, etc.

### Emergent roles

- Confidant, group clown, gossip, mentor, etc.

## Factors That Impact Effectiveness

### Role Ambiguity

- Worker is unclear of job definition

### Role Conflict

- Worker experiences job overlap

## Status

### Symbolic

- Office, administrative support, perks

### Impact

- Authority, hierarchy, decision-making, rewards

## Group Cohesion

Affected by the ability of the group to:

Work as a unit, share tasks, recognize member contributions;

-VS-

Conflict, role ambiguity, lack of motivation;

-Attracts-

High performers, opportunists, achievers;

-Affected by-

Group size, cliques, acts of protest, self-interest behavior

## Support

- Training
- Reward system
- Empowerment/self-management
- Organizational representativeness/diversity

## Transactional Analysis

Social transactions between individuals

### Parent

- Protective, nurturing, controlling, critical, guiding

### Adult

- Rational, calculating, factual, unemotional

### Child

- Rebellious, spontaneous, dependent, creative, emotional

## Reactions

- I'm OK - You're OK (Win-Win)
- I'm OK - You're not OK (Win-Lose)
- I'm not OK - You're OK (Lose-Win)
- I'm not OK - You're not OK (Lose-Lose)

## Individual Behavior

### Passive

- Easily “pushed around”, compliant, submissive, non-resistant

### Aggressive

- Pushy, hostile, forceful, creates conflict, shows disregard for others

### Assertive

- Self-assured, confident, positive, protects own rights, respects others

## Effective Teams

- High skills, high motivation
- Have a clear picture of group goals
- High performance
- Success attracts others
- Opportunity for individual recognition
- Recognition of professionalism

## 3 Characteristics of a Real Team

- A meaningful and common purpose
- Adaptable skills
- Mutual accountability

STRATEGY & PLANNING	RELATIONSHIP BUILDING	ORGANIZATIONAL SKILLS & MANAGEMENT	CO-OPERATIVE DEVELOPMENT
Strategic Planning	Community Development	Organizational Governance	Basics of a Co-operative
Proposal Writing	Public Participation	Board Orientation	Co-operatives and the Community Development Process I
Project Management	Alternative Dispute Resolution	Meeting Management	Co-operative and the Community Development Process II
Opportunity Identification	Group Dynamics	Leadership and Motivation	
Opportunity Management		Interpersonal Communications	
		Communications Planning	
		Legal Issues	

## Interactive Group

An interactive group is required to work together and ensure coordination to ensure that they achieve their goal.

## Coactive Groups

A coactive group requires little coordination between the team to achieve their goal.

## Coactive & Interactive

- Some teams require both coactive and interactive groups within their team.

### Example

*During a rounder's game, the fielding team need good coordination, however, this is not needed as much within the batting team.*

## The Ringleman effect/social loafing

- Group performance decreases with the size of the group. i.e. a group of 5 people will individually work harder than a group of 11.
- Ringleman tested a rope-pulling task and found that a group of 8 people did not pull the rope as hard as the results of one person x8. e.g. 1 person pulls @ 10Nm, 8 people should pull @ 80Nm but in reality it was 50Nm. *This is when a member of the team is not putting in 100% effort*

## Session 4: Human Resource Management and Development

### HR Strategy and Business Result



### Human Resource Management

- The process of planning, organizing, directing (motivating), and controlling the procurement, development, compensation, integration, maintenance, and separation of organizational human resources to the end that organizational, individual, and societal needs are satisfied.

**Human Resource Management** includes all activities used to attract & retain employees and to ensure they perform at a high level in meeting organizational goals.

These activities are made up of

1. Recruitment & selection.
2. Training and development.
3. Performance appraisal and feedback.
4. Pay and benefits.
5. Labor relations.

### Human Resource Planning

- HR Planning includes all activities managers do to forecast current and future HR needs.
  - Must be done prior to recruitment and selection
  - Demand forecasts made by managers estimate the number & qualifications the firm will need.
  - Supply forecasts estimate the availability and qualifications of current workers and those in the labor market.

### HRM Components

Components should be consistent with the others, organization structure, and strategy.

- Recruitment: develop a pool of qualified applicants.
- Selection: determine relative qualifications & potential for a job.
- Training & Development: ongoing process to develop worker's abilities and skills.
- Performance appraisal & feedback: provides information about how to train, motivate, and reward workers.
- Managers can evaluate and then give feedback to enhance worker performance.

### HRM Components

**Pay and Benefits:** high performing employees should be rewarded with raises, and bonuses.

- Increased pay provides additional incentives.
- Benefits, such as health insurance, reward membership in the firm.

**Labor relations:** managers need an effective relationship with labor unions that represent workers.

- Unions help establish pay and working conditions.

If management moves to a decentralized structure, HRM should be adjusted as well.

### Recruitment

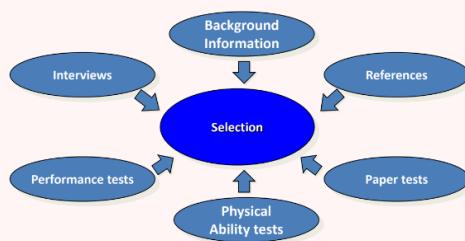
- **External recruiting:** managers look outside the firm for people who have not worked at the firm before.
  - Managers advertise in newspapers, hold open houses, recruit at universities, and on the Internet.
  - External recruitment is difficult since many new jobs have specific skill needs.
  - A multi-prong approach to external recruiting works best.
- **Internal Recruiting:** Positions filled within the firm.
  - Internal recruiting has several benefits:

- Workers know the firm's culture may not have new ideas.
- Managers likely already know the candidates.
- Internal advancement can motivate employees.

### HRM Planning: Outsourcing

- Outsourcing: managers can decide to contract with outside workers rather than hiring them. – Outsourcing is more flexible for the firm.
- Outsourcing often provides human capital at a lower cost.
- **Outsource problems:** managers lose control over output.
- Outsource contractors are not committed to the firm.
- Unions typically are against outsourcing that has the potential to eliminate member's jobs.

### Selection Tools



### Selection Process

After a pool of applicants are identified, qualifications related to the job requirements are determined:

- **Background Information:** includes education, prior employment, college major, etc.
- **Interview:** almost all firms use one of two types:
  - **Structured interview:** managers ask each person the same job-related questions.
  - Unstructured interview: held like a normal conversation.
- Usually Structured interviews are preferred; bias is possible.
- **Physical Ability Test:** measure strength & endurance.
- Good for physically demanding jobs.

**Paper & Pencil Tests:** Either an ability and personality test.

- Ability test: assess if applicant has right skills for the job.
- Personality test: seek traits relevant to job performance.
- Be sure the test is a good predictor of job performance.

**Performance Tests:** measure job performance.

- Typing speed test is one example.
- Assessment Center: candidates assessed on job-related activities over a period of a few days.

**References:** outside people provide candid information about candidates.

- Can be hard to get accurate information.

### Reliability & Validity

- Selection tools must be reliable and valid.
- **Reliability:** the degree to which the tool measures the same thing each time it is used.
- Scores should be close for the same person taking the same test over time.
- **Validity:** Does the test measure what it is supposed to measure?
  - *Example: does a physical ability test really predict the job performance of a firefighter?*
- Managers have an ethical and legal duty to develop good selection tools.

### Training & Development

- Training: teach organizational members how to perform current jobs.
  - Help workers acquire skills to perform effectively.
- Development: build workers' skills to enable them to take on new duties.
  - Training is used more often at lower levels of the firm, development is common with managers.
  - A Needs Assessment should be taken first to determine who needs which program and what topics should be stressed.

## Types of Development

- Varied Work Experiences: Top managers must build expertise in many areas.
- Workers identified as possible top managers are given many different tasks.
- Formal Education: tuition reimbursement is common for managers taking classes for MBA or similar.
- Long-distance learning can also be used to reduce travel.

*Whatever training and development efforts are used, results must be transferred to the workplace.*

## Job Analysis

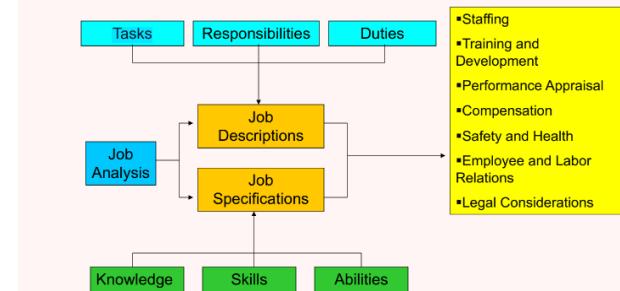
- Job Analysis-the act of examining positions within an organization
- Job Description-narrative explaining the scope of a position
- Job Characteristics-tasks involved in a position
- Job Requirements-personal characteristics necessary to fill a position

## Reasons For Conducting Job Analysis

- **Staffing** - Haphazard if the recruiter does not know the qualifications needed for the job
- **Training and Development** – If specification lists particular knowledge, skill, or ability, and the person filling the position does not possess all necessary qualifications, training and/or development is needed
- **Performance Appraisal** – Employees should be evaluated in terms of how well they accomplish the duties specified in their job descriptions and any other specific goals that may have been established
- **Compensation** – The value of the job must be known before a value can be placed on it
- **Safety and Health** – Helps identify safety and health considerations

- **Employee and Labor Relations** – Lead to more objective human resource decisions
- **Legal Considerations** – Having done job analysis important for supporting legality of employment practices

### Job Analysis: A Basic Human Resource Management Tool



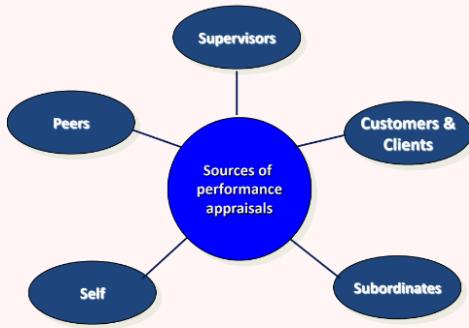
## Job Analysis Methods

- Questionnaires
- Observation
- Interviews
- Employee recording
- Combination of methods

## Performance Appraisal

- Process of evaluating employee performance
  - job-related strengths
  - development needs
  - progress toward goals
  - determine ways to improve performance
  - pay a promotion decisions
- More systematic is better, for the most part
- Self Appraisal
- Peer Appraisal
- 360 Degree appraisal
  - Central Tendency Error-everyone ranked as average
  - Leniency-individuals are ranked higher than they deserve

## Who Appraises Performance?



### Pay and Benefits

- Pay level: how the firm's pay incentives compare to other firms in the industry.
- Managers can decide to offer low or high relative wages.
- Pay Structure: clusters jobs into categories based on importance, skills, and other issues.
- Benefits: Some are required (social security, workers comp).
- Others (health insurance, day care, and others) are provided at the employers option.
- Cafeteria-style plan: employee can choose the best mix of benefits for them. Can be hard to manage.

### Pay

- Base Wage
- Job Based Pay-paid for the job that is done
- Competency Based Pay-pay is linked to job-relevant skills, knowledge, and experience
- Incentive Pay-linked to job performance
- can increase motivation
- links employees to firm performance
- works well when employees trust firm

### Individual Incentives

- Piece-Rate - Pay for each unit of output
- Commissions - Pay from percentage of sales or profits
- Bonuses - Lump sum payments
- Merit Pay - Permanent increases in base pay linked to individual's previous performance
- Seniority- Increases over time

### Team or Organizational Incentive

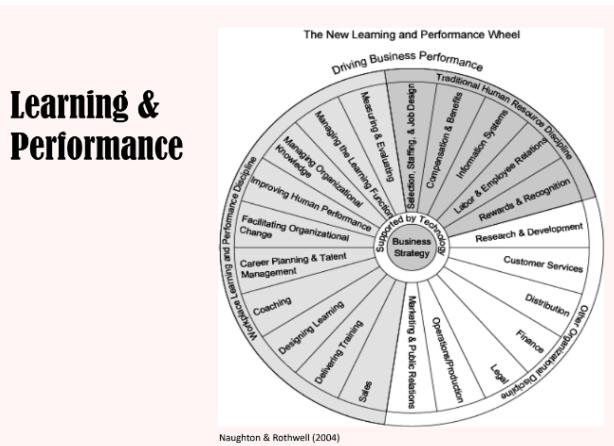
- Gain Sharing - teams of employees share in gains from improvements in productivity or cost saving measures
- Profit Sharing - A percentage of profits earned by a department or company
- Stock Ownership
  - Options
  - Employee Stock Ownership Plans

### Organizational Development

- The process of improving an organization's effectiveness and member's well-being through the application of behavioral science concepts
- Focuses on both macro- and micro-levels
- HRD plays the role of a change agent

### Career Development

- Ongoing process by which individuals progress through series of changes until they achieve their personal level of maximum achievement.
  - Career planning
  - Career management



### Critical HRD Issues

- Strategic management and HRD
- The supervisor's role in HRD
- Organizational structure of HRD

### Strategic Management & HRD

- Strategic management aims to ensure organizational effectiveness for the foreseeable/projected future – e.g., maximizing profits in the next 3 to 5 years

- HRD aims to get managers and workers ready for new products, procedures, and materials

### **Supervisor's Role in HRD**

- Implements HRD programs and procedures
- On-the-job training (OJT)
- Coaching/mentoring/counseling
- Career and employee development
- A “front-line participant” in HRD

### **Organizational Structure of HRD Departments**

- Depends on company size, industry and maturity
- No single structure used
- Depends in large part on how well the HRD manager becomes an institutional part of the company – i.e., a revenue contributor, not just a revenue user

### **HRD Organization in a Large Company**



### **Roles and competencies of an HRD professional**

#### **Main roles**

- Ø Learning strategist – involved in a higher level of decision-making concerning how HRD initiatives fit the goals and strategies of the organization.
- Ø Business Partner – work together with another manager to implement and evaluate HRD initiatives.
- Ø The project manager – is involved in the day-to-day planning, funding, and monitoring of HRD initiatives.

### **Roles and competencies of an HRD professional**

- Executive/Manager
- HR Strategic Advisor
- HR Systems Designer/Developer
- Organization Change Agent
- Organization Design Consultant
- Learning Program Specialist

Ø Professional specialists – add their expertise in a particular area ex. designing, developing, delivering, and evaluating the HRD initiatives.

## Session 5: Organizational Change and Development

### CHANGE MANAGEMENT

#### INNOVATION AND QUALITY

Change management involves the process that ensures a business responds to the environment in which it operates.

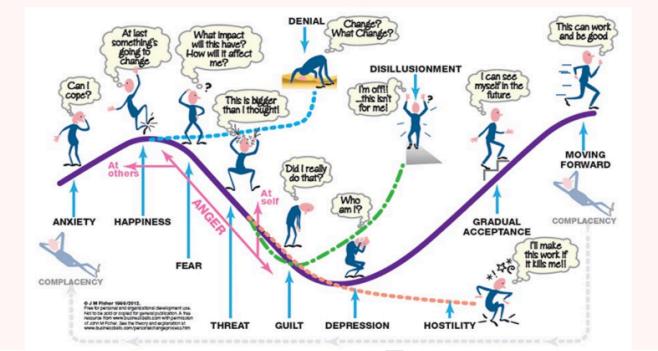
#### Why Change Management

- Increase the likelihood of success
- Deliver the benefits
- Mitigate risk
- Treat employees right

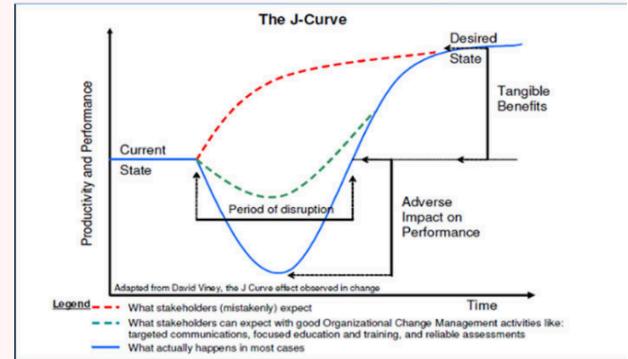


• Prosci's correlation data from over 2,000 data points and ten years shows that initiatives with excellent change management are six times more likely to meet objectives than those with poor change management. By simply moving from "poor" to "fair," change management increases the likelihood of meeting objectives threefold. McKinsey data also shows that the ROI captured from excellent change management is significantly more than with poor change management. Change management, when applied effectively to a project, significantly increases the success rate of the effort.

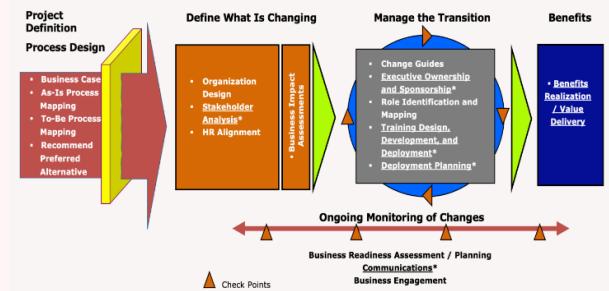
#### Change Management Models



#### Change Management Models



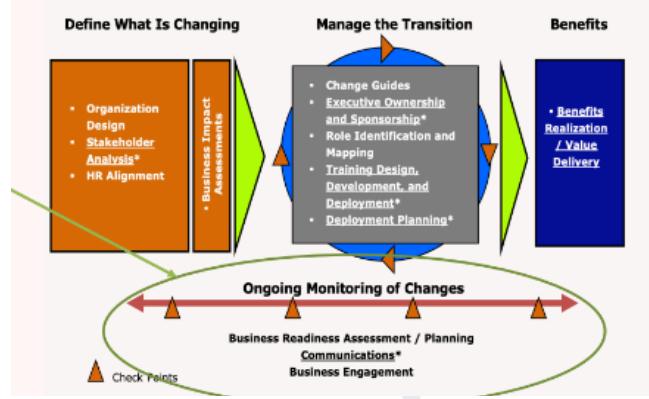
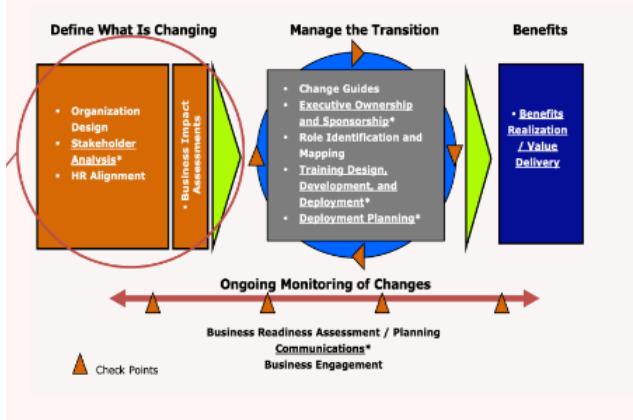
#### Change Management Framework



#### Define the Change

##### Define What is Changing:

- § The first step in an effective change program is to clearly define the changes.
- § A thorough understanding of the changes coming to the organization helps to scope the type and magnitude of interventions required.
- § Defining the changes also helps to build ownership for the program among key stakeholders.



### Components:

**Organization Design/Alignment** - Outlines how the organization structure, jobs, teams, and roles need to change to enable future business processes (for both the business and IT).

**Stakeholder Analysis** – Captures characteristics of the impacted organization such as group size, location, and buy-in criticality.

**HR Alignment** – Identifies HR activities that may need to be undertaken as a result of the system, process, and organizational changes.

**Business Impact Assessment** - Identifies how the changes from the “As-Is” processes, systems, and structures to the “To-Be” processes, systems, and structures impact specific organizations and roles.

### Monitor the Progress

#### Ongoing Monitoring of Changes:

§ Change Management is an iterative process that must be managed throughout the life of the project.

§ The goal is to recognize the need for course corrections before go-live, not after.

§ These steps build ownership in the solution throughout the organization.

### Components:

**Business Readiness Assessment / Planning –** Determines the readiness levels of business users with regard to upcoming changes; assessments uncover readiness gaps. If gaps are identified through the readiness assessments, action plans to close the gaps should be created and implemented prior to go-live.

**Communications** - Outlines the key messages that need to be communicated throughout the project.

**Business Engagement** - Defines the activities needed to bring the impacted audience to the required level of buy-in prior to go-live.

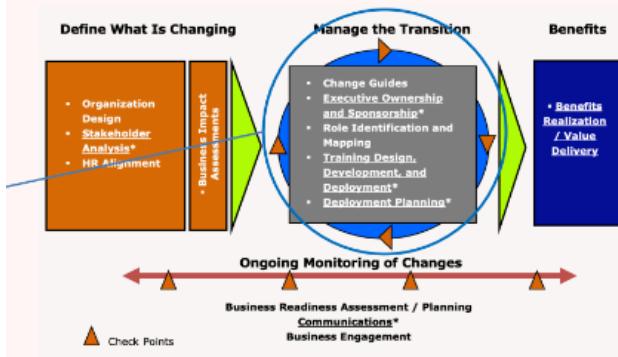
### Manage the Transition

#### Manage the Transition:

§ Once the changes are defined, specific action is required to move the organization from the “As-Is” to the “To-Be” state.

§ These tasks help enable the organization with the skills to work in the future environment.

§ These tasks also help build ownership of the program among the user base.



### Components:

**Change Guides** – Package the impacts gathered through the Business Impact Assessments and communicate to impacted users prior to their formal training to ensure they are fully prepared and oriented to the major changes.

**Executive Ownership and Sponsorship** – Identifies activities and behaviours that executive leadership must engage in to provide navigation toward the future environment, lead the organization in that direction, and build a sense of ownership over time.

**Role Identification and Mapping** - Group the organization into targeted roles for change management interventions.

**Training Design, Development, and Deployment** - Defines how the project will build the necessary process and system capability in the impacted user groups through performance support (job aids, coaching, knowledge systems, practice scenarios, and simulations).

**Deployment Planning** – Aligns agreement around all relevant pieces of the deployment which need to be considered, defined, resolved, or require action to enable implementation.

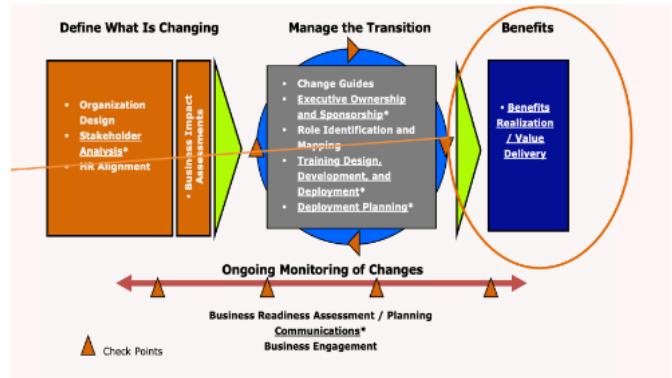
### Focus on Benefits Realization

#### Benefits:

§ Ensuring that the business value outlined in the business case is the key measure of a project's success.

§ Value delivery is focused on point solutions that deliver best practice post implementation to improve absorption within the business, or

ensure that processes or procedures are adhered to in the most effective and efficient manner.



### Components:

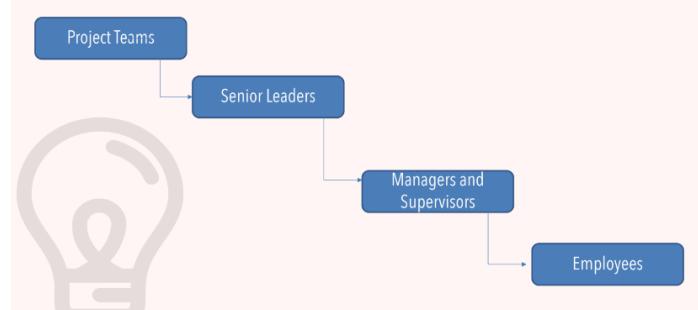
**Benefits Realization/Value Delivery** - Defines and manages the activities to ensure the achievement of the business case after go-live.

### WHO IS INVOLVED IN MANAGING CHANGE?

**Change management** focuses on the people side of change and requires each of the 'gears' in the picture to fulfill their specific role.

A **change manager** can facilitate assessments, create a change management strategy and develop change management plans, but they are not the only ones involved in managing change. The other groups involved in managing change include:

- Project team
- Senior leaders
- Managers and supervisors
- Employees



## THE THREE PHASES OF CHANGE:



### PREPARING FOR CHANGE

#### KEY INSIGHTS AND ACTION POINTS

- Define your Change Management strategy.
- Prepare your Change Management team.
- Develop your Sponsorship Model.

### MANAGING CHANGE.

#### KEY INSIGHTS AND ACTION POINTS

- Develop Change Management Plans.
- Take action and Implement.

### REINFORCING CHANGE.

#### KEY INSIGHTS AND ACTION POINTS

- Collect and analyze feedback.
- Diagnose gaps and manage resistance.
- Implement corrective actions and celebrate successes.

### FORCES FOR CHANGE

#### 1. INTERNAL

- Desire to increase profitability
- Reorganization to increase efficiency conflict between departments
- Restructuring change of company culture

#### 2. EXTERNAL

- Customer demand
- Competition
- Legislation
- Technology changes
- Economical
- Cost of inputs
- Political

## TYPES OF CHANGE

**PLANNED CHANGE** which is change that one has prepared for

**DYNAMIC CHANGE** which is change that was not planned and is forced by unforeseen circumstances

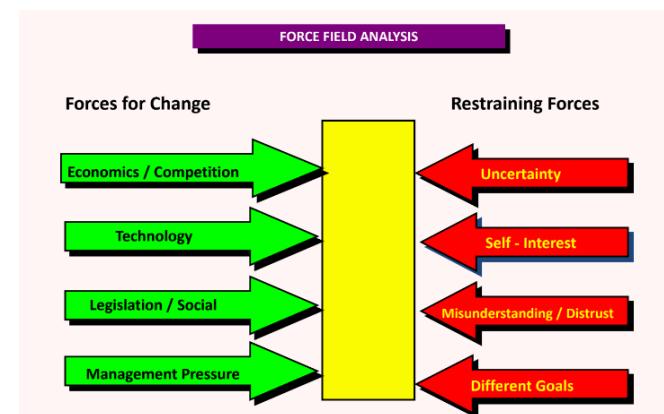
**ORGANIZATIONAL CHANGE** :- This then occurs when a company makes a transition from its current state of doing things to a future desired state of doing things which is either a planned and strategic change or a forced and dynamic change.

PLANNED

ORGANIZATIONAL

#### ORGANIZATIONAL CHANGE

- This then occurs when a company makes a transition from its current state of doing things to a future desired state of doing things which is either a planned and strategic change or a forced and dynamic change.



### Theories of Organizational Change Management

There are different and most popular change theories that guide in the safety of the change process.

## 1. Kotter's 8 steps of change management

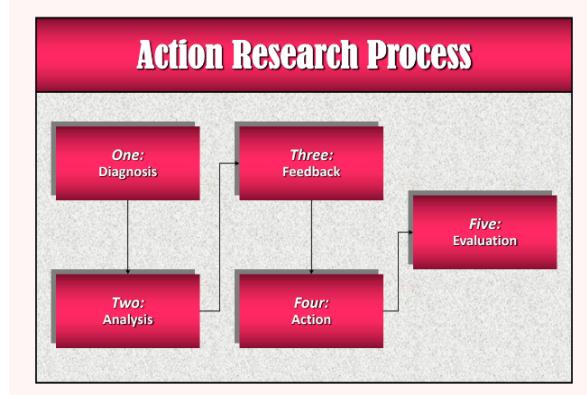
- Establishing a sense of urgency.
- Creating a guiding coalition.
- Developing a vision and strategy.
- Communicating the change of vision.
- Empowering broad based action.
- Generating short terms wins
- Consolidating gains and producing more change
- Anchoring new approaches in the culture.

## 2. Kurt Lewin 3 way model

**Unfreeze:** prepare the organization for change

**Change:** Look for new ways of doing things

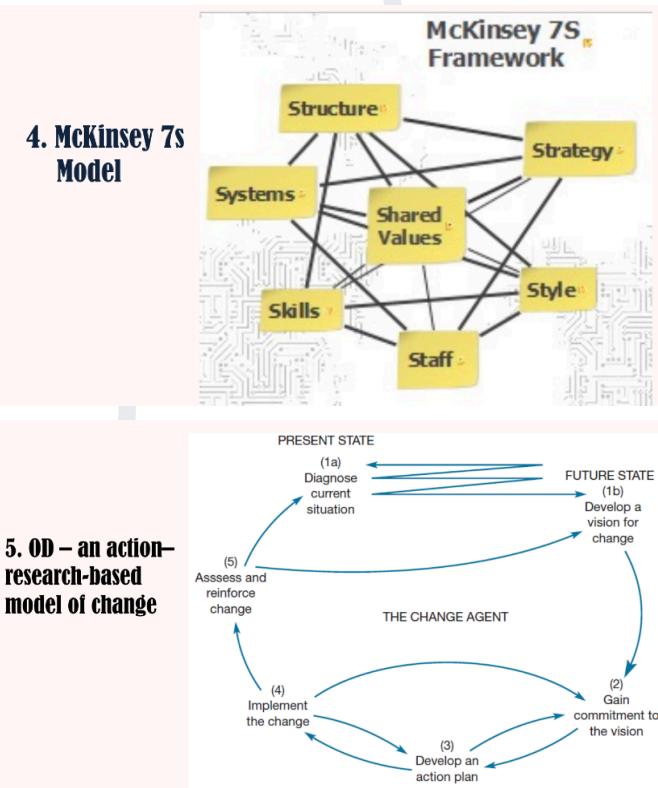
**Freeze:** embrace the new ways of working, institutionalize, and internalize ensuring the changes are used all the time



## 3. ADKAR Change Management Model



## 4. McKinsey 7s Model



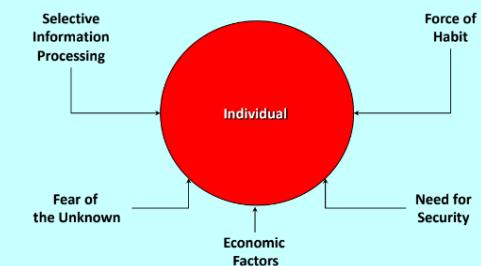
## RESISTANCE TO CHANGE

Despite the models mentioned above and the processes taken, a degree of resistance is normal because change is disruptive and stressful.

## Four reasons change is resisted

- Parochial self interests' individuals are concerned with the implications to themselves
- Misunderstanding- communication is key
- Low tolerance to change - sense of insecurity.
- Different assessment to change.- disagreement over disadvantages and advantages

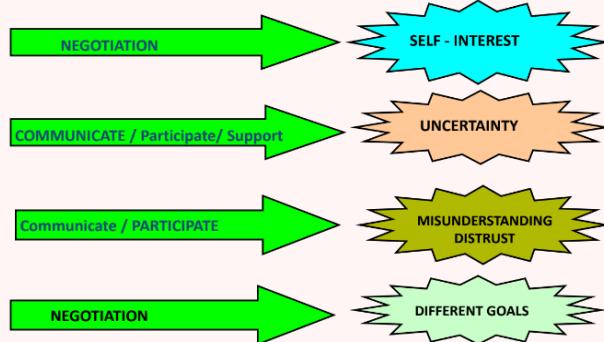
## Resistance to Change



## Resistance to Change



### OVERCOMING RESISTANCE TO CHANGE



### HOW TO OVERCOME RESISTANCE TO CHANGE

1. Communicate the reasons for change.
2. Make it about the employees.
3. Delegate change to those employees who have the most influence on their fellow employees and could convince them easily.
4. Implement the change in stages.

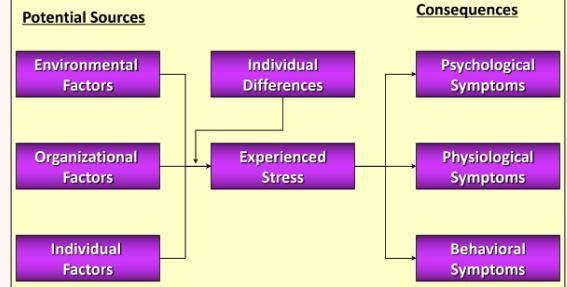
## Managing Planned Change

### Incremental vs. Step-wise

Slow moving -- speed -- radical

same -- assumptions -- reframe

## A Model of Stress



Time Management

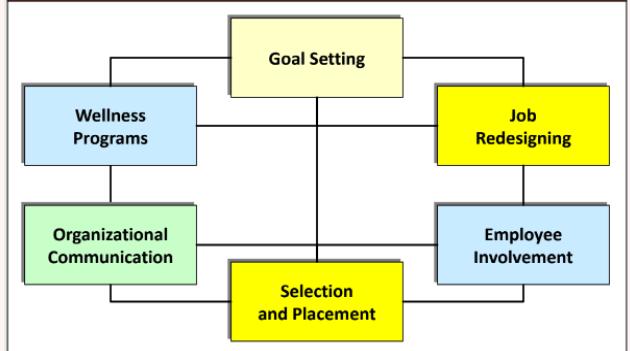
Physical Exercise

## Individual Stress Management

Relaxation Training

Social Support

## Organizational Stress Management



## Sources of Innovation

Human Resources

Structural Variables

Organizational Culture

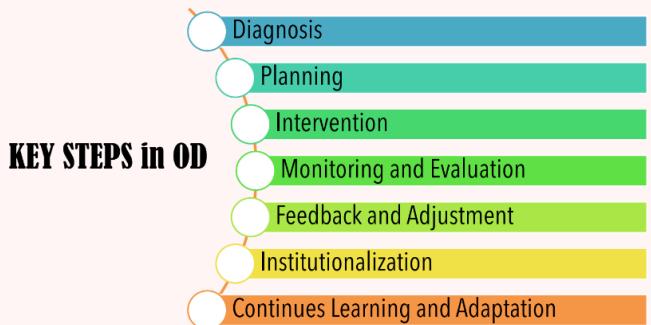
### What Is a Learning Organization?

A **learning organization** is one that has developed the continuous capacity to adapt and change. Most organizations engage in single-loop learning: that is, detecting and correcting errors by using past routines and present policies.

1. Everyone agrees to a shared vision.
2. People discard old ways of thinking and standard routines.
3. Members see that organizational processes and activities are interrelated.
4. People communicate openly across horizontal and vertical boundaries.
5. Employees subordinate departmental/personal interests for the shared vision.

### Organizational Development

- It is the application of social science techniques to plan change in organizational settings for the purpose of enhancing organizational effectiveness and the development of individuals.
- is a planned and systematic approach to improving an organization's effectiveness, capacity, and overall health. It involves a series of steps or stages to diagnose organizational issues, implement interventions, and monitor progress.



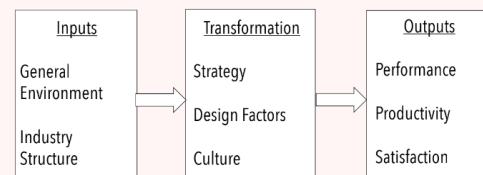
### Underlying Values

- Concept of people
- Concern for science
- Democratic principles
- The helping relationship

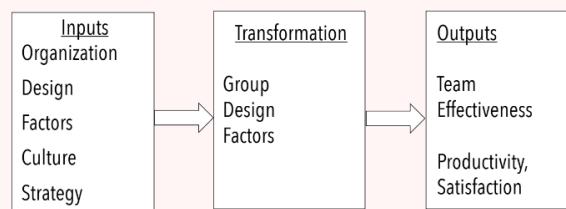
### Potential Conflicts with OD

- Conflict with profit making
- Conflict with managerial prerogatives

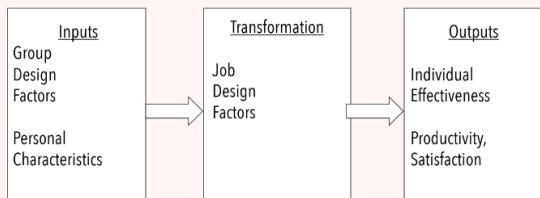
### Organizational Level Diagnosis



### Group Level Diagnosis



## Individual Level Diagnosis



## After Diagnosis

- Feeding back the information
- Choosing interventions
- Managing change
- Institutionalizing change

## Team Building

- Improved group processes
- Communication
- Goal clarification
- Role clarification
- Task orientation

## Survey Feedback

- Small meetings to feedback survey results
- Meetings used to formulate change
- Managers conduct meetings to indicate commitment

## Employee Involvement

- Quality of work life
- Quality circles
- Total quality management

## Re-Engineering

- Job redesign
- Teamwork
- Work performed by most appropriate person
- Advanced information technologies used

## OD Effectiveness

- More impact on organizational than individual outcomes
- Works better for white collars than blue collars
- Works better if multiple techniques are used
- Technological change shows more positive outcomes

## Measurement Problems

- Difficult to isolate cause of outcomes since OD efforts often involve multiple changes
- May be the result of Hawthorne effects
- Change may be due to maturation or passage of time and not intervention

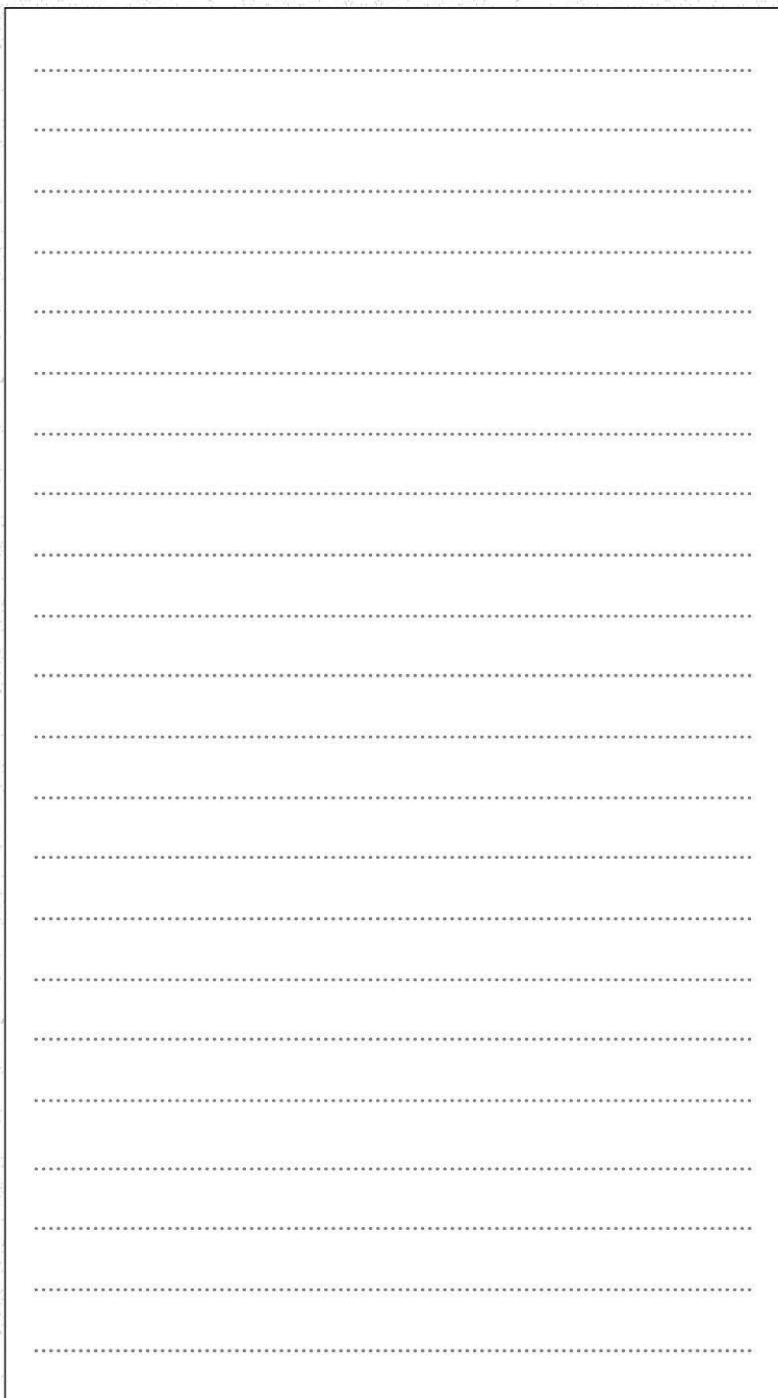
## Ethical Issues

- The role of the OD practitioner
- Who's values

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# NOTES:



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