

**ORGANISATION DYNAMICS
& CHANGE MANAGEMENT
(DEMBC2)
(MBA 2 YEARS)**



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Lesson – 2

Organisational Change: Nature, Levels, Meaning, Importance, Forces, Change

2.0. Objective:

After going through this lesson, students will be able to know about nature of organisational change, levels of change, importance of change, meaning of change forces of change.

Structure of the Lesson:

- 2.1. Introduction
- 2.2. Nature of Organisational Change
- 2.3. Nature of Change
- 2.4. Levels of Change
 - 2.4.1. Individual Level change
 - 2.4.2. Group level changes
 - 2.4.3. Organisation level changes
- 2.5. Meaning of Change
- 2.6. Importance of Change
- 2.7. Forces of Change
 - 2.7.1. External Forces
 - 2.7.2. Internal Forces
- 2.8. The Change process
 - 2.8.1. Unfreezing the situation
 - 2.8.2. Changing or Moving to the New Conditions
 - 2.8.3. Refreezing
- 2.9. Conclusion
- 2.10. Self Assessment Questions
- 2.11. References

2.1. Introduction:

Change is a necessary way of life in most organizations. In fact, change is all around us-in the seasons, in social environment, and in biological processes. In the dynamic society surrounding today's organisations, the question of whether change will occur is no longer relevant. Instead, the issue is how do managers cope with the inevitable barrage of change that confront them daily in attempting to keep their organizations variable and current. Organisations that do not adapt to change find it difficult or even impossible to survive. For example Arun Bharat Ram senior managing director of SRF Limited has observed as follows.

“Around 25 to 30 per cent of the existing companies might be forced to stop operations in the country in the next 2-3 years. This trend is likely to take place because of the increasing change in the Indian economy which has moved from the regulated and protected regime towards a more open and competitive economy. In this changing perspective, only those who have capacity to compete and survive would emerge and take over the place of old ones”.

2.2. Nature of Organisational Change:

The term change refers to an alteration in a system whether physical, biological, or social. Thus, organisational change is the alteration of work environment in organisation. It implies a new equilibrium between different components of the organisation-technology structural arrangement, job design, and people. Thus, organisational change may have following features.

1. When change occurs in any part of the organisation, it disturbs the old equilibrium necessitating the development of a new equilibrium. The type of new equilibrium depends on the degree of change and its impact on the organisation.
2. Any change may affect the whole organisation; some parts of the organisation may be affected more, others less; some parts are affected directly, others indirectly.
3. Organisational change is a continuous process. However, some changes which are of minor type, may be absorbed by the existing equilibrium; others, which are major ones may require special change efforts.

Newstrom and Davis have explained the impact of a change in any part of the organisation on the total organisation. They have illustrated it by comparing an organisation to an air-filled balloon. When a finger (which represents external force) is forced against a point on the balloon (which represents the organisation), the contour of the balloon visibly changes; it becomes indented at the point of contact. However, if we look minutely we find that the shape of the entire balloon has changed; it has stretched slightly. Thus, they have concluded that the whole organisation tends to be affected by change in any part of it.

However, the change in organisation does not occur purely on mechanical relationship. While managers as a change agent want to bring changes in the organisation, employees want to maintain a status quo. Though this phenomenon will be taken later, what is important at this point is that a change in any part affects the entire organisation and subsequent changes are required in other parts.

Just like conflict and stress, change is inevitable in the life of an organisation. Change heralds new opportunities and poses formidable challenges. Organisations that learn and cope with change will thrive and flourish and others which fail to do so will be wiped out. Since change is unavoidable and all pervasive in organisational life, it is proposed to discuss the nature of change, the importance of change, resistance to change, and ways of coping with change. This chapter is devoted for this purpose.

2.3. Nature of Change:

Unlike other concepts in organisational behaviour, not many definitions are available to define the term change. Among those available, the one given by Stephen P. Robbins is the simplest. According to him, change is concerned with making things different. Things must be different because they change constantly. Technological development changes the methods of producing goods and services.

Jobs become increasingly complex and technologically more interdependent. People receive more education and demand more control over their work environment. Concerns over energy shortages, full employment, and the environment call for an increased role for government. In addition, there is increasing internalisation of business. Organisations today compete in world markets. All these developments make change inevitable and pervasive in organisational life.

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".

A second reading of the two definitions will reveal hardly any difference in substance between them.

Change agent, change, intervention and change targets are the related terms, which need clarification. Change agent is the person (or persons) who acts as a catalyst and assumes the responsibility for managing the change process. Change intervention is a planned action to make things different. Change targets are individuals and groups who are subject to change.

2.4. Levels of Change:

Change can be at individual, group and organisational levels.

2.4.1. Individual Level Change:

At the individual level change is reflected in such developments as changes in job assignments, physical move to a different location, or the change in maturity of a person which occurs overtime. It is said that changes at the individual level will seldom have significant implications for the total organisation. This is not true because a significant change at the individual level will have its repercussions on the group which, in turn, might influence the wider organisation. A manager, who desires to implement a major change at the individual level, transferring an employee for instance, must understand that the change will have repercussions beyond the individual.

2.4.2. Group Level Changes:

Most organisational changes have their major effects at the group level. This is because most activities in organisations are organised on a group basis. The groups could be departments, or informal work groups. Changes at the group level can affect work flows, job design, social organisation, influence and status systems, and communication patterns.

Managers must consider group factors when implementing change. Informal groups can pose a major barrier to change because of the inherent strength they contain. Formal groups can resist change, as exemplified by the resistance demonstrated by unions to the changes proposed by management. Because of the powerful influence that groups can have on individuals, effective implementation of change at the group level can frequently overcome resistance at the individual level.

2.4.3. Organisation Level Changes:

Changes at this level involve major programmes that affect both individuals and groups. Decisions regarding these changes are generally made by senior management and are seldom implemented by *only* a single manager. Frequently they occur over long periods of time and require considerable planning for implementation. Example of these changes would be reorganisation of

the organisational structure and responsibilities, revamping of employee remuneration system, or major shifts in an organisation's objectives. Change at the organisational level is generally referred to as "organisation development" which will be considered later in this chapter.

The relationship among the three levels of change is diagram 1. It suggests that changes at any level affect the other levels. The strength of the effect will depend on the level or source of change.

2.5. Meaning of Change:

Change simply means the alteration of status quo. Even in most stable organizations, change is necessary just to keep the level of given stability. The economic and social environment is so dynamic that without the change that would be adaptive to the changed environment, even the most successful organizations will be left behind, unable to survive in the new environment. Accordingly, management must continuously monitor the outside environment and be sufficiently innovative and creative to find new and better utilization of organizational resources so that the customer needs are competitively met and the consumer problems are adequately solved.

Recent surveys of some major organizations around the world have shown that all successful organizations are continuously interacting with the environment and making necessary changes in their structural design or philosophy or policies or strategies as the need be. The survey found that 44% of Japanese firms, 59% of American firms, 60% of German firms and 71% of South Korean firms so surveyed had significantly changed their organizational structure within the period between 1989 and 1991.

2.6. Importance of Change:

As was pointed out earlier, change is inevitable. Life itself is almost synonymous with the concept of change. All organisms must adapt to the demands of their environments and their own stages of growth. Throughout history, animals and plants that have not been able to adapt or change when necessary have become extinct. Similarly, human's "grow up", leaving behind the characteristics of earlier stages of development and adopting new behaviour to age, environment, and expectations. An organisation is not much different.

	Individual	Group	Organisation
Individual	-	L	L
Group	M	-	L
Organisation	S	M	

S = Small, M = Medium, L = Large

Source : Interaction effects of different levels of organisational change

An organisation cannot and should not remain constant over time. Even if the management does not want to change, external pressures force it to change.

Not only is change inevitable, it is pervasive too. Then concept runs through all aspects of the study of organisational behaviour. A casual reflection on change should indicate that it encompasses almost all our concepts in the organisational behaviour literature. Think about

leadership, motivation, organisational environment, and roles. It is impossible to think about these and other concepts without enquiring about change.

But the word change is not liked by many people. It produces emotional reactions. It is not a neutral word. To many people it is threatening. It conjures up visions of a revolutionary, a dissatisfied person a troublemaker, and a malcontent.

2.7. Forces of Change:

Whether the change involves creativity and innovation within the organization or simply a response to outside forces, which may require organizational realignment, management must be aware of the forces and the need for change. Typically, organizations have little choice but to change. 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". These forces of change may be external or internal.

2.7.1. External Forces:

In the first chapter, we have looked at the external environment faced by organizations. This external environment affects the organizations both directly and indirectly. The organizations have no control over the variables in such an environment. Accordingly, the organizations cannot change the environment but must change themselves to align with the environment.

External forces for change arise from general environment as well as from task environment. The general environment which affects the organizations indirectly consists of economics, political, legal, socio-cultural and technological forces and these forces keep the organizations alert so that they become aware of any changes in the direction and momentum of these forces. For example, when due to oil crisis, people started buying small fuel efficient cars from Japan, the American automobile manufacturers who were accustomed to producing large luxury cars, spent billions of dollars in the mid 1970s in retooling the new machinery to build smaller cars. Similarly, changes in laws regarding control of air pollution or dumping of chemical wastes and economical changes such as inflation rate, disposable money supply, unemployment rate all constitute sources of change for the organizations. Social changes such as changes in the taste of clothing, or introduction of lap top or note book computers made many companies large and successful while at the same time destroying many other companies large and successful while at the same time destroying many other companies who were slow or unwilling to adopt to the change.

Task related environment has direct influence on the health of the organizations and it consists of customers, competitors, suppliers, labour stockholders and so on. All these factors can induce a change in the organizational direction. Competitors can influence a change in an organization by the price structure and product lines. Price wars in airline fares have driven many airlines out of business. Stockholders can influence organizations because they can take action against the board of directors if they feel that the board is not acting in their best interests. Customers have been known to change their loyalty for better quality product and better service. Accordingly, organizations cannot rest on status quo and must remain dynamic and be able, to change quickly to adjust to changed environment.

2.7.2. Internal Forces:

Internal forces for change could be reactive which would constitute a response to outside forces or these could be pro-active which brings in change induced by management in anticipation

of different and beneficial internal environment which could result because of this internal change. For example, a company may introduce flextime for its employees or provide day care facilities for the children of working mothers to motivate the employees to be more productive. For example, in 1987, the top management of Manufacturer Hanover Trust, a large bank, made some basic policy changes in anticipation of the banking practices of the future. The power structure was decentralized and the compensation system for managers was altered so that it was more closely tied to performance.

Shifts in socio-cultural values in the work force may require changes in the corporate culture and structure. Workers are becoming more educated, less conservative and more women are joining the work force. Corporations which were previously strictly dominated by men with a strict code of dress, membership or conduct must make the necessary changes to accommodate these demographic shifts. For example, a provision for day care centers for the children of young working mothers was unheard of only a generation ago.

The changes in the internal environment can come from shareholders, board of directors or employees and can affect the philosophy, strategy, decision and other organizational activities.

The changes induced by the internal forces as a preparation to effectively meet the anticipated and potential organizational environmental changes is known as "Planned change". This changes deliberately designed and adopted to meet the expected future threats and opportunities, so that there are fewer surprises and the organizations can remain competitive in the environmental dynamics.

The change that is undertaken in response to specific problems that arise is known as "reactive change". Some problems may be so serious that it may not give the management enough time to analyze the situation correctly and respond in an effective manner. For example, when we build a house in New Delhi, we must plan in advance as to what our choices would be if cement suddenly becomes unavailable. If we do not plan to face this change, we will be behind schedule. Similarly, we must be prepared in advance to face power shortages or labour problems that can be anticipated, otherwise the house will not be completed in time.

2.8. The Change Process:

Once, the need for change and the goals of such a change are recognized and accepted, the management must introduce the change process in such a manner that such change is more or less permanent and the management does not shift back to the original and more familiar ways of doing things. To make the change more lasting, Kurt Lewin's proposed 3 phases of the change process for moving the organization from the present to the future. These stage are: (1) Unfreezing (2) Changing, and (3) Refreezing.

2.8.1. Unfreezing the situation:

The process of unfreezing simply makes the individuals or organizations aware and prepares them for the change. Lewin believes that the change should not come as a surprise to members of the organization. Sudden, unannounced change would be socially destructive. The management must pave the way by "unfreezing the situation", so that members would be willing and ready to accept the change.

This way, if there is any resistance to change, it can be neutralized. According to Schein, unfreezing is the process of breaking down the old attitudes and behaviours customs and traditions

so that they start with a clean slate. This can be achieved by making announcements, holding meetings and promoting the ideas throughout the organization via bulletin boards, personal contacts and group conferences. One message to members of the organization suggested by Kreitner is as follows:

'We can all improve the effectiveness of our organization while increasing our personal satisfaction, if we all cooperate in a comprehensive program of finding out where we are, where we want to go and how we can get there'.

The unfreezing process basically cleans the slate so that it can accept new writings on it which can then become the operational style.

2.8.2. Changing or Moving to the New Conditions:

Once the unfreezing process has been completed and the members of the organization recognize the need for change and have been fully prepared to accept such change, their behaviour patterns have to be redefined. H.C. Kellman has proposed three methods of reassigning new patterns of behaviour. These are:

- a) Compliance. Compliance is achieved by strictly enforcing the reward and punishment strategy for good or bad behaviour. Fear of punishment actual punishment or actual reward seems to change behaviour for the better. For example, many people have stopped smoking because of warning given by the Surgeon General of United States that smoking causes cancer of the lungs.
- b) Identification. Identification occurs when members are psychologically impressed upon to identify themselves with some given role models whose behaviour they would like to adopt and try to become like them. Many public organizations use celebrities as role models in advising young people not to try drugs.
- c) Internalization. Internalization involves some internal changing of the individual's thought processes in order to adjust to a new environment. Members are left alone to look within themselves and they are given freedom to learn and adopt new behaviour in order to succeed in the new set of circumstances. Sometimes, souls searching bring about a new dimension to the philosophy of existence and thus bring about changes in such behavioural patterns that are not considered socially or professionally redeeming.

2.8.3. Refreezing:

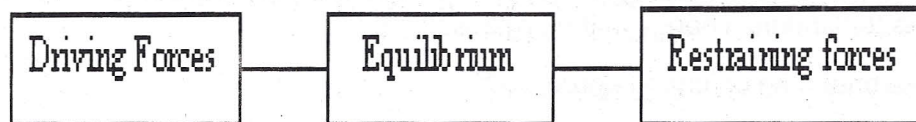
Refreezing occurs when the new behaviour becomes a normal way of life. The new behaviour must replace the former behaviour completely for successful change to take place. Also, it should be permanent in nature. Accordingly, it must be continuously reinforced so that this new acquired behaviour does not diminish or extinguish.

This must be clearly understood that the change process is not a one time application but a continuous process due to dynamism and ever changing environment. Accordingly, the process of unfreezing, changing and refreezing is a cyclical one and remains continuously in process.

The implementation of this three steps change model can be seen in the case of kidnapping victims or prisoners of war or in deprogramming of some religious cultists. The prisoners of war, for example, may be brainwashed into believing that they are fighting a losing and immoral war and

that their enemy is really their friend, by certain shock treatments which involve three steps of unfreezing, changing and refreezing process as explained before. If these prisoners return back to their own country, the process can be repeated to bring them back to their original behaviour.

Another methodology to induce, implement and manage change was also introduced by Kurt Lewin, who called it "force-field analysis". This analysis is based upon the assumption that we are in a state of equilibrium when there is balance between forces that induce change and forces that resist change. To achieve change, we must overcome this status quo. The change forces are known as driving forces and the forces that resist change are known as restraining forces as shown below:



Managers who are trying to implement change must analyze this balance of driving and restraining forces and then strengthen the driving forces or weaken the restraining forces sufficiently so that change can take place.

2.9. Conclusion:

Status quo for any organisation is never conducive to growth and without growth, success is always limited. For continuous growth and success, organizations must change and develop to meet and adopt changes that are brought about by the very dynamics of the environment. This would require that management must continuously monitor the external environment and its forces that are consistently impacting the internal environment of the organizations. Ample evidence exists where organizations failed because they were unable to anticipate the changed environment and thus were caught unprepared or because they were slow to react to these changes.

The type of change would depend upon the type of environment that an organization is facing. The change could be strategic which involves changes in the goals and long term policies of the organization or it could be structural in nature where the internal structure of the organization may have to be realigned. The change could also be in the process of operations to meet the technological developmental challenges or it could be oriented towards behavioural changes among members where such changes are directed towards performance improvement, group cohesion, dedication and loyalty to the organization as well as developing a sense of self-actualization among the members.

Change is always difficult to adopt because of the unknown consequences of such a change. We feel very comfortable with the familiar environment and any change is usually resisted. The change will be resisted by members if they feel insecure with it and the proper ramifications of change have not been properly communicated to the members and also if such change would not shift in power and authority which would be resented by those who lose such power and authority. Accordingly, the change should be slowly introduced and the members should participate in all decisions requiring such change. The change should be introduced at a proper time when the members would be more receptive to such change and the members must be convinced that such change would be beneficial to all.

2.10. Self Assessment Questions:

1. What do you mean by organisational change?
2. Explain the meaning and Importance of change?
3. Discuss the levels of change?
4. Explain the forces of change? Differentiate between the external forces and the internal forces that induce change in the organisations?
5. Give a brief note on change process?

2.11. References:

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2. Suja R. Nair, organisational behaviour, Himalaya Publishing House, Hyderabad, 2004.
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LESSON – 3

BARRIERS TO IMPLEMENTATION OF CHANGE & STRATEGIES TO OVERCOME BARRIERS

OBJECTIVE:

After going through this lesson students are able to know the Barriers to implementation of change i.e., strategy and financial barriers, social barriers, power and political barriers and Hierarchical barriers, Strategies to overcome Barriers.

STRUCTURE

- 3.1. Introduction**
- 3.2. Barriers to Implementation of Change**
 - 3.2.1. Strategy and financial barriers**
 - 3.2.2. Social Barriers**
 - 3.2.3. Power and Political Barriers**
 - 3.2.4. Hierarchical Barriers**
- 3.3. Strategies to overcome Barriers**
 - 3.3.1. Visit different organisation**
 - 3.3.2. Comparative Data**
 - 3.3.3. Change the structure**
 - 3.3.4. Change the physical work place and the production system**
 - 3.3.5. Align reward systems**
 - 3.3.6. Take action to Demonstrate Results**
 - 3.3.7. Understand competitive Dynamics**
 - 3.3.8. Watch career paths**
 - 3.3.9. Look for long term owners**
- 3.4. Conclusion**
- 3.5. Self Assessment Questions**
- 3.6. Suggested Books further reading**

3.1. INTRODUCTION

A business organisation resides in a pressing economic environment. Rising world prices in raw materials and production fuels have of necessity raised production and manufacturing costs. The competition for international products and material resources of a domestic and industrial nature has inevitably led to rises in import prices. Faced with increasing production costs, tighter cost controls have been felt necessary in order to ensure the survival, let alone the profitability, of a company. Since 1945 local industrial plant bargaining has grown and pressures have been exerted by unions and shop stewards in attempts to raise wage earnings. Shortages in skilled and semi-skilled labour have forced management to raise wage levels and overtime payments. Inter-firm comparisons by unions have served to put pressure on management to equalise wage differentials. With rising import and domestic prices, wage levels have been pushed up to maintain people's living standards at levels comparable with the general cost of living. With rising prices and increasing costs, industry has of necessity been forced to raise its efficiency and productivity in order to bear ever-increasing labour and material costs. In an attempt to improve organisational performance and effectiveness, management has been called upon to deal with these problems and to overcome the internal obstacles to adaptation and change.

3.2. SOME BARRIERS TO IMPLEMENTATION

Perhaps the most fundamental reasons these ways of managing have not been adopted more rapidly is simply that they fall outside what we might call the "point of view" or "focus of attention" of most managers. Long ago, Karl Weick noted that "believing is seeing"- in order to comprehend some social fact, one must be predisposed, or at least receptive, to seeing the data. Most U.S. corporations, for a number of reasons, traditionally have not been predisposed to "seeing" the efficacy of managing people more effectively.

There are at least four barriers that narrow the field of vision.

3.2.1. *Strategy and Financial Barriers*

For much of its recent history, U.S. business has been preoccupied with strategy on the one hand and finance on the other. Neither perspective focuses attention on the effective management of the employment relation. Each year, companies spend vast sums on strategy consulting to learn the appropriate market niches in which to operate and how to compete in those chosen segments. But it is scarcely sufficient to have a good strategy; one must be able to execute it effectively.

Consider the airline industry. A number of firms have envied the success of Southwest Airlines, and a few have tried to emulate it. But Southwest's strategy is not simply premised on low prices—after all, anyone can cut fares. Nor is it based simply on no frills. Taking meals off planes is also not very difficult; anyone who has had "airline food" (an oxymoron if there ever was one) might hardly notice. Southwest offers high value for the customer's dollar. The company's strategy is

based on exemplary levels of service, defined not in terms of amenities but rather in terms of fundamentals—assuring that you and your luggage arrive on time at the same location, and providing pleasant, friendly service at all points of customer contact.

It was easy for Continental Airlines to pursue a low-fare strategy by offering its "Lite" service and matching Southwest's prices. But Southwest has won the triple crown 11 times—the fewest lost bags, the fewest number of customer complaints, and the best on-time performance achieved in the same month. In early 1994, according to *The New York Times*, Continental achieved the unenviable distinction of winning the "reverse triple crown"—the greatest number of passenger complaints, the worst on-time performance, and the most lost baggage of any major airline in the same month.

Similarly, it was comparatively simple for United Airlines to decide it needed to defend the California market and ensure that passengers flying to Asia arrived at its gateway cities on United flights, increasing the likelihood they would continue on United internationally. But turning around its planes in 20 minutes proved to be a difficult operational task. The consequent delays on United's shuttle service resulted in Southwest actually gaining market share since its introduction.

The changing pattern of CEO succession reveals the financial emphasis of U.S. firms. Earlier in the century, the majority of CEOs came from operations and manufacturing backgrounds. But as Neil Fligstein of the University of Arizona shows, the trend changed. Subsequently, more CEOs came from sales and marketing and, most recently, from finance and, to a lesser extent, law. The power of the capital markets and institutional investors now virtually dictates that firms focus on financial issues. Unfortunately, the quickest way for a firm to raise its stock price, at least in the comparatively short term, is by announcing layoffs. Thus, financially oriented firms have little reason to be very sensitive to high performance work practices.

The financial viewpoint sees other negatives. High performance work practices require major up-front investments: training, more selective (and hence more expensive) recruiting, perhaps higher wages, and so forth. The payoff from these investments is obviously uncertain and, in any event, follows with considerable lag. Risk aversion would lead many managers to eschew a performance improvement strategy with this much uncertainty and delay.

The positive effects on profits from cutting costs are visible on the typical spreadsheet program. Not so gains in quality and productivity emerging from an interrelated set of changes in how people are managed. Moreover, typical organizational accounting systems enter training, wages, and expenditures on organizational change efforts as expenses—without corresponding returns that can be measured by typical means. The temptation to cut these costs under the least financial stringency is almost overwhelming.

3.2.2. Social Barriers

Like everyone else, managers are subject to social influence and pressures to imitate.

Blame it on what we might call the "model of management" that has evolved. On the one hand, the model often romanticizes the leadership role, placing emphasis on the corporate chief as the source of strategic vision and Wisdom. Caught up in that notion, management may not see the organization's success as depending on the actions of thousands of employees throughout the firm.

At the same time, another concept in our socially shared model of management promotes the idea of the manager as a "tough person." Consider Fortune's lists of the "toughest bosses." Jack Welch, the much written about and admired CEO of General Electric, held the nickname "Neutron Jack." When he was finished with a division, the buildings and equipment remained, but the people were gone. Robert McNamara, one-time president of Ford, had an intimidating style, as did Harold Geneen of International Telephone and Telegraph.

In the late 1980s, Frank Lorenzo took Continental Airlines into bankruptcy twice and ran Eastern Airlines into the ground. But in the mid-1980s, he was hailed by many business magazines as a genius, even as he adopted a confrontational style with the employees in what is, after all, a service business. Bucking this way of managing would make one suspect. Frank Borman, under pressure from labor mediator William Utery and financial pressure from the banks, offered stock, greater participation in organizational decision making, and four seats on the board of directors to Eastern Airline employees in return for wage concessions. But the other business executives accused him of selling out—ever though the greater employee voice wound up producing suggestions worth more than \$100 million to the company.

3.2.3. Power and Political Barriers

Other inhibitors come from organizational power and politics. Experience suggests that it is generally easier to establish high performance work practices at a greenfield site than to change existing operations. Although this may be true for numerous reasons, political issues play a key role: By starting out fresh, no one needs to admit that their past practices (and hence, their own past decisions and policies) were less than optimal.

Consider the case of General Motors in the 1980s. GM entered into a joint venture with Toyota, in part to learn the Toyota production system and thus achieve higher levels of productivity and quality. GM had invested a fortune in capital equipment and automation—enough to have purchased all the shares of both Honda and Nissan. Now it learned at NUMMI that world-class levels of operations could be achieved, even without massive capital investment in a comparatively old plant, using the same workers who had been responsible for poor productivity in the past. All that was required was a different way of organizing and managing the work process. Can you picture Roger Smith, CEO at the time (or for that matter any other executive), going to the board and admitting he had wasted in excess of \$40 billion?

A change in methods and practices almost inevitably involves at least a tacit admission that things could be better. Few managers are politically secure enough to risk their careers by making such an admission.

Frequently, those who advocate the old way outlast those advocating new and better ways of doing things. Ironically, in this instance, strength is weakness, particularly if the new way of managing is, in fact, superior. Those who are skilled and committed to that way will have opportunities to move outside of the organization, either to start their own venture or to employment with competitors that are more willing to change. Those mired in the past will have fewer external career opportunities and not very much inducement to leave the company. Thus, I have often observed with respect to both product development and administrative innovations that the more talented and effective personnel lose patience with organizational recalcitrance and exit for greener pastures.

Look at how this argument is manifested in product development. During the 1970s and 1980s, Xerox's Palo Alto Research Center was at the leading edge of computer hardware and software development. When the talented computer scientists could not get their ideas implemented there, they left for other start-up companies or for established companies such as Apple Computer that were more receptive to product innovations.

The very success of the more effective ways of managing tends to make zealots of those who experience and implement them. They soon lose patience with the old ways. Consequently, those insiders with fewer external options and less interest in pushing for change outlast the advocates of change.

3.2.4. Hierarchical Barriers

Advocates of high performance work practices often, although not inevitably, come from either operations or human resources. Neither of these functions typically has the most power in contemporary organizations. Assume for example, that power is measured (in part) by the relative salary paid to the highest level executive in each function. Using this hypothesis, a study by A.T. Kearney revealed that in the U.S. finance has the most power, and human resources by far the least. In Japan, by contrast, human resources and manufacturing were tied with the highest pay of any functional chiefs, while in Germany research and development enjoyed the greatest pay and status.

The comparatively low power of human resources is often further reduced by the reluctance of its executives to engage in organizational politics. More than once when teaching power and influence to groups of HR managers, I was told that "human resources is for nice people; if I had wanted to engage in influence tactics, I would have gone into a different functions".

In addition, human resource executives in many organizations have narrow career paths, sometimes spanning a number of different organizations, but concentrated within human resources. Add it all together—a narrow exposure to management positions, politics diffidence, and a low power base—and we can understand why human resource executives frequently do not emerge as effective advocates of organizational change.

One additional point: In organizational politics, as in politics more generally, the benefits of change are more widely dispersed and less certain than the costs of making than change. In the case of high performance work practices, participation and involvement mean that power shifts from middle managers to those further down in the organizational hierarchy-those closer to the production process or the customer.

Indeed, the elimination of many middle management jobs through the reduction of layers of hierarchy partly accounts for the greater productivity that results from changing the management of the employment relationship. The benefits from the greater efficiency accrue to the firm's shareholders (often a very dispersed group), to its senior management if they enjoy performance-contingent compensation, and to some extent to all employees if there is some form of profit sharing or gain sharing. But the losses-of power, jobs, and status-are concentrated among those who lose control over the work process as well as, perhaps, their positions. In such circumstances, the potential losers have much more at stake individually than the potential winners. For these reasons, senior executives such as Larry Bossily of Allied Signal remark that change is readily accepted by those at the top and the bottom of the organization-it is those in the middle who resist.

The Solectron Corporation, a contract manufacturer of circuit boards and electronic components, sought to implement self-managed teams along with a system that provided team-based compensation and team based measurement and performance assessment. An experiment in one of their production lines showed that the change resulted in productivity increases of almost 20 percent as well as substantial gains in quality-this in a company that had already won the Malcolm Baldrige National Quality Award. The gains came from using the knowledge and experience of the assembly line workers, and permitting experimentation and flexibility in the production process to incorporate this knowledge.

The firm's rapid growth rate of over 50 percent per year made it unlikely that middle managers would be laid off. In fact, the company presented the change as an opportunity for the managers, most of whom had engineering degrees. They would actually be able to perform the sort of technology planning and development that they claimed they had insufficient time for when their primary task was supervising labour an activity that didn't add a lot of value to the organization. Nevertheless, many middle managers resisted the change. They resented the loss of status and control it represented.

3.3. STRATEGIES FOR OVERCOMING RESISTANCE TO ORGANIZATIONAL CHANGE

These are no easy or certain strategies for overcoming resistance to organizational change. What follows are some of the practices that I have seen work in some circumstances.

3.3.1. Visit Different Organizations

Advanced Micro Devices implemented high performance work practices at its Submicron

Development Center (SDC), including eliminating status distinctions, sharing detailed information about the facility with all employees, and organizing in teams. When I asked what prompted this organizational innovation, I learned that a senior manager had visited Japanese companies and come back impressed with their management results.

This does not mean the facility blindly copied some version of Japanese management. It does mean that a powerful senior manager was confronted with the vivid reality of facilities that achieved outstanding results through how they managed people. This manager then became an advocate for figuring out how to do the same thing in Santa Clara, California.

Executive visits to other plants that had implemented self-managed teams also played a role in the change at Solectron. Without doubt, firsthand exposure to management systems is a more compelling force for change than mere descriptions at a distance.

3.3.2. Use Data

Using comparative data and benchmarking can often stimulate change by showing that, regardless of absolute levels of performance, the organization is not doing as well as it might, compared with peers. Multiple measures of important indicators of firm well-being can often stimulate dissatisfaction with the status quo. TRW, for example, used employee attitude surveys and data on turnover and its costs to make the case for change.

The point here is that the typical financial information system presents data only on outcomes, and typically only financial outcomes at this. It doesn't detail the processes that produce those financial results, or other measures such as customer retention, performance compared to competitors, or employee retention, capability, and satisfaction.

3.3.3. Change the Structure

In 1994, New Zealand's postal service—known as The New Zealand Post—was named that country's outstanding company of the year. Prior to April 1987, when the Post was reorganized as a state-owned enterprise and expected to make a profit, it looked like a traditional postal service—inefficient and losing money, albeit useful to the country as a source of employment.

Although a number of elements played into the Post's transformation, regular structural changes were a major force. The first structure, in 1987, was functional, with operations organized by regions and with managers for functions such as engineering, electronic data processing, marketing, property management, and corporate communications. After 18 months, the Post changed to a divisionalized structure, with the divisions being headquarters, property, commercial services, and letter post. Early in 1990, it introduced a matrix structure. Then, in 1995, the Post reorganized once more into strategic business units.

People at the Post will tell you that the frequent reorganizations were extremely helpful in the change process. Because people had different roles, responsibilities, measures, and reporting relationships, it was easier to also change how they were managed—for instance, by introducing teams.

3.3.4. Change the Physical Workplace and the Production System

How people are managed ties closely with how work is organized. Changing the workplace and changing the production system unfreezes the structure and reporting relationships and introduces new dynamics. Consider several examples.

At AT & T's Dallas manufacturing plant, a reorganization into focuses factories greatly facilitated a change in human resources practices. The new layout moved engineers onto the factory floor, and it supported a just-in-time operations system that highlighted waste, inefficiency, and other problems.

At the aforementioned New Zealand Post, the decision to move the international mail unit from downtown Auckland to the airport opened an opportunity to change job titles and reduce management layers. At New United Motors, the change to the Toyota production system promoted consideration of how work was organized and made moving to teams and reducing the number of job classifications easier.

We shouldn't forget that there is a physical reality to any work flow. Redesign of space and operations provides opportunity for a parallel redesign of human resource practices.

3.3.5. Align Reward Systems

Many organizations say one thing and do another-because they say one thing and reward another. Hewlett-Packard, for example, does an admirable job of rewarding what the company "says" should be done. Managers are held accountable not only for their financial performance and the rate of product innovation, but also for the results of employee attitude surveys.

At Whole Food Markets, a rapidly growing grocery chain selling natural foods and nutritional supplements the company's team orientation is manifested in team-based rewards. To give substance to the credo that success depends on the efforts of all employees, the pay policy sets the CEO's salary at only eight times what the average employee makes. Likewise to build a team-oriented culture, Southwest Airlines eschews individual merit pay in favour of profit sharing and stock ownership, with the emphasis on the welfare of the entire organization.

The point is not that one type of reward is invariably better than another, but that rewards and measurements need to be aligned with the ways in which people are to be managed. If people are important, reward the development of people. If teamwork is important, make some significant portion of the compensation team based. If promotion from within and the development of management talent are keys to building organizational capability, measure the extent to which positions are able to be filled internally and reward managers for their success in human resource development.

3.3.6. Take Action to Demonstrate Results

Once outstanding results have been achieved, it is difficult, albeit not impossible, to

discount those results and return to the past. Consequently, the hardest part of change is the beginning. But often managers have more discretion than they think, and once begun, a change effort is hard to stop, particularly if it is producing good results. Taking action in the face of opposition, or at least an absence of consensus, requires courage; all the good change managers I have seen have courage in abundance.

At Boise Cascade's paper manufacturing operations, literally billions had been spent on new equipment, but employee relations were adversarial and employee involvement was the exception. Dave Spence, hired to manage the DeRidder, Louisiana, factory approached the unionized work force with a different way of working cooperatively to enhance performance and the well-being of both the company and the employees. Spence was subsequently promoted, first to head of manufacturing for the paper division, then to general manager of the entire division. When I asked him why he was willing to implement change in employment practices even though corporate headquarters was not always on board, he said without hesitation, "I've worked at other places before, and I may have to again".

This manager was willing to take action, even at some immediate risk to his job. Beginning an organizational change effort often requires this kind of calculated risk. If one has faith in the validity of the change and results accrue, it will be difficult to discount them and return to the past. In a similar fashion, once Solectron implemented self-managed teams, results were excellent; employees were enthusiastic and committed. Opponents could not argue against the change any longer.

3.3.7. Understand Competitive Dynamics

To achieve a competitive advantage that cannot be readily imitated, an organization must do something that is, first, unique and, second, difficult to imitate. Recognizing the first point helps overcome the tendency to follow what others are doing: "If everyone is downsizing, then we should too". It is virtually impossible to earn an exceptional return by doing what the competition is doing.

If a company follows the norm, then almost by definition, it will reap normal (not exceptional) returns. Examples of the opposite abound: Southwest Airlines' point-to-point services in a world of hub-and-spoke; Wal-Mart's ownership of its trucking fleet (and advantage through distribution) in a world of contracting out; Norwest's highly people-dependent service in a banking industry characterized by breaking the bonds between customers and the bank. Being different may be necessary to be exceptionally effective.

In addition, anything that can be easily done, including simply being purchased on the open market, cannot provide substantial competitive leverage. For what one firm can purchase or easily do, others can also. Simply buying robots or numerically controlled machine tools or hiring strategy consultants may be useful, but will not be sufficient for competitive success. These are all actions too readily imitated. In this sense, the more difficult a firm's strategy is to implement, the more difficult it will be to imitate. And strategies that rely on people and culture tend to have greater implementation issues.

3.3.8. Watch Career Paths

Point of view is critical for recognizing the potential gains from managing the work force, and career experiences are frequently instrumental in affecting point of view. Therefore, career paths and career development are important. Solectron focuses on operations and operational excellence. Consequently the firm takes individuals with advanced degrees working in strategic planning or marketing and affords them the opportunity, early in their careers, to manage manufacturing operations. The manager learns, firsthand, about the knowledge possessed by shop-floor workers and about their potential for self-management and for contributing to process improvements. It is probably not by chance that Roger Smith, the General Motors CEO who placed his faith in machines rather than people, had spent almost his entire career in finance, and did not have production line managerial experience.

Promotion from within an organization helps ensure that those in position to manage the firm actually understand it and have experienced its culture. Southwest Airlines requires managers, once a quarter, to spend a day in the field doing a front-line job. Such experience brings senior management into contact with the employees, teaching them the content of the various jobs and the value to the firm of those who do them. Procter & Gamble tends to put line managers into human resource jobs, and then rotate them back to line management positions. This ensures that human resources is integrated into the firm's operations and populated by individuals who have credibility with line management. Consequently, HR has more influence. Again, it is not surprising that P&G has, for years, been known for its experiments with work teams and the application of sociotechnical systems ideas.

3.3.9. Look for Long-Term Owners

Some years ago, a German senior executive told me that when co-determination came into Germany, he was terrified. However, over time he learned "that workers were better board members than bankers". When I looked quizzical, he noted that financiers typically were concerned only about financial results in the short term—could the loan be repaid? Was there sufficient return on this or that investment? Financial capital particularly with efficient capital markets, was very fluid capital. Workers tended to see themselves as firm-specific human capital much less fungible. The workers were, therefore, much more concerned with the long-term well-being of the firm: their own human capital might be worth much less, if they could be employed at all, should the firm fail.

Levi Strauss has claimed that many of the changes that made it enormously profitable could never have been implemented if the firm had not gone private in a leveraged buy-out. The buy-out freed managers from concern with quarterly results so that they could take a longer term view.

Of course, some forms of employee ownership provide for little meaningful voice in the organization's affairs and consequently don't do much to affect performance. But ownership potentially curtails conflict between capital and labour—labour is capital. The evidence for the positive effect of share ownership on results in the U.S. and in other countries, including Japan, is accumulating—and turning out to be quite impressive.

3.4. CONCLUSION

The Best Option? The evidence on the effects and diffusion of high performance work practices poses problems for both organization theory and organizational managers. Those who would evaluate such work practices, using theories that emphasize rational choice or the effects of natural selection, are hard pressed to deal with apparently contradictory evidence-i.e., evidence demonstrating both the value of high performance work practices and their limited diffusion and occasional abandonment. Either rational managers should choose to adopt these practices (few have) or else a process of competitive selection should ensure that organizations that survive over time employ the most effective means for organizing work. It is likely that natural selection is, in fact, working-witness the change in the employment practices at those plants that survive in the automobile industry-but the process appears to operate fairly slowly.

For management, the challenge is how to get attention focused on a set of organizational changes and improvements that seem to fly in the face of both conventional wisdom and dominant practice. High wages, employment security, and even an emphasis on training and skill development all appear anachronistic in a world in which outsourcing, and the so-called "new employment contract" are emphasized. Moreover, the rapid changes in technology and competitive conditions seem to have shortened time horizons, even though one could make an argument that the best response is to develop a strategy that will permit one to thrive over a longer time horizon.

But the very things that render high commitment work practices difficult to implement increase the returns of doing so. The very fact that this strategy seems to be talked about more often than effectively executed makes achieving competitive advantage through the management of the employment relationship one attractive weapon in a firm's competitive arsenal.

3.5. SELF ASSESSMENT QUESTIONS

1. Explain the barriers to implementation of change?
2. Explore the strategies to overcome Barriers to implementation of change?

3.6. SUGGESTED BOOKS FURTHER READING

1. Stephen P. Robbins, organisational behaviours, Prentice Hall of India private limited, New Delhi, 1998.
2. Suja R. Nair, Organisational behaviour, Himalaya Publishing House, Hyderabad-2004.
3. Aswatappa K, organisational behaviour, Himalaya Publishing House, Mumbai, 2004.
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Lesson - 4

Managerial Options for Implementing Change

4.0. Objective:

After going through this lesson students are able to know Managerial options for implementing change i.e., Top-downs approach, Laissez-faire approach and collaborative approach. What are the steps to effective organisational change and how implementing change successfully.

Structure of the Lesson:

- 4.1. Introduction
- 4.2. Managerial options for implementing change.
 - 4.2.1. Top-Down approach
 - 4.2.2. Laissez – faire approach
 - 4.2.3. Collaborative approach
- 4.3. Six steps to effective organisational change
- 4.4. Implementing change successfully
 - 4.4.1. Unfreezing
 - 4.4.2. Changing
 - 4.4.3. Refreezing
- 4.5. Methods of Introducing Change
 - 4.5.1. Use of Group forces
 - 4.5.2. Change of change agent
 - 4.5.3. Shared rewards
 - 4.5.4. Co-operation of unions
 - 4.5.5. Concern for employees
- 4.6. OD approach to the management of change
- 4.7. Organisational targets for change
- 4.8. Pre-requisites for OD
- 4.9. Situations appropriate for OD
- 4.10. Conclusion
- 4.11. Self Assessment Questions
- 4.12. References

4.1. Introduction:

So far we have been focusing on the processes involved in organisational change, we have largely dealt with changes as something which “happen” to the organisations (more or less as a sort of spontaneous occurrence), the origins of these occurrences, and the kind of response

they invoke from people and organisations. Managing change, however, is more than reaching to changes and doing damage control. Besides reacting to changes, a manager must also consciously initiate and implement changes to meet the new demands created by the changed circumstances.

In this section, we will review three broad approaches, which are popularly used in organisations to create changes. This classification aims to integrate the findings on change management. These approaches differ from each other in terms of the assumptions about people and systems change, the specific strategies used for making the change successful, and the kind of response they are more likely to stimulate.

4.2. Managerial Options for Implementing Change:

4.2.1. Top –Down Approach:

One of the most common ways in which organisations attempt to introduce changes is by pushing the changes down the hierarchy. In this approach, the solutions or decisions are arrived at by people at the top, and then are passed down the formal channels of communications and control in a unilateral manner. Mostly these changes focus on the tangibles, e.g., changes in structure and reporting systems, replacement of executives, announcement of concrete plans and procedures, etc.

There appear to be two assumptions underlying this approach to organisational change, first, the reasons for the existing behaviours in an organisation (e.g., low performance high absenteeism, low productivity rate) can be traced to single tangible factors. Correspondingly, the overall system can be changed by changing these tangible causes of existing behaviors. Thus, if the strategically located people in the system, it should lead to basic changes in the organisation.

Exhibit 4.1

How to Decrease Absenteeism Rate

Top-Down Approach	Collaborative Approach	Laissez -Faire Approach
Assumptions about people and change :		
People change by complying to standards set by more powerful ones.	People change when their normative attitudes change self-interest.	People change by making rational choices about their own relevant issues.
Focus of change efforts :		
Coercion; manipulation; gaining compliance.	Change of perceptions and attitudes; gaining commitment.	Informing people; increasing their options.
Likely change strategy :		
Create rules/ systems to check and control absenteeism.	Re-educate people through workshops, discussion forums, participation, etc.	Disseminate information about what people lose by being absent.

Likely outcomes of change efforts :		
Quick control of absenteeism, but may create other problems in long term.	No short –term change; would be lasting if successful.	Absenteeism may go down; but change may not last due to group pressures.

The second assumption underlying this approach is that change can be understood as a coercion – compliance phenomenon, i.e., change consists of compliance of those less powerful, to the desire of those with more power. The change process is approached with the basic assumption that some people initiate changes while others get changed. The strategies used for accomplishing change are often coercive and manipulative. For instance, the management may threaten a lock-out if the unions do not fall in line. In this situation, they may also resort to using convert, and sometimes unethical, influence practices (e.g., creating false rumours or buying out potentially threatening people).

A top-down strategy of change can be quite effective, provided the change initiator has considerable power (not necessarily coercive, but even from other sources, e.g., charismatic). The advantage of this strategy is that the resulting change is quick and speedy. Sometimes, when other strategies don't work, this may be the only option left to the manager. However, as one would notice, the top-down approach focuses primarily on the unfreezing (by issuing a decree) and refreezing (by installing systems) stages of the change process. Since it ignores the intervening behavioural and socio –cultural process of transition, the refreezing is not successful-people obey the new system, but also informally organise efforts to subvert it. People do not like to be corrected. The changes in behaviour which do occur are often only superficial. Moreover, in coercing people to change, certain relevant change-related issues (e.g., interests of coalitions, fears of losing control over self) may get ignored, and may create problems in the long run.

4.2.2. Laissez -Faire Approach:

The laissez- faire approach to change is just the reverse of the top-down approach. It presupposes that systems can change only when its members change. Moreover, it is also based on the assumption that people are primarily rational beings who follow their rational self-interests. They will change (and in a particular direction) only when they realise that it is advantageous for them to change. Thus, the most one can do to create change is to provide enough information for people to make rational choices. For instance, if an organisation is facing a problem of decreasing sales, it may try to improve the situation by increasing feedback on sales figures to the sales-force, building awareness about company's problems among them, concluding training programmes on selling skills, and so on.

One of the consequences of this approach is that it delegates much responsibility for defining and acting upon problems to the subordinates. The most common forms this approach takes in the organisations are communication meetings and workshops, conferences, training programmes, etc. An organisation conducting company-wide training programmes on, for instance, decision-making skills is assuming that particulars would learn these skills, and would later be able to use them in concrete and meetings, in which executives can exchange information and clarify issues, with the assumption that such an exercise would improve overall organisational performance.

Such an approach to change can be quite effective if the hindrance to change is coming from lack of adequate and accurate information, or lack of relevant skills. Organisations do change when its people change. Many organisations, which successfully implemented a Total Quality Management Programme, did benefit from conducting awareness workshops. However, this may not be the most appropriate strategy in all cases. The assumption that organisational change is a sum of individual changes is a tenuous one. Developing decision-making skills may not yield improved decision-making in the organisation, if the problem is with the management information system, or with the power struggle among coalitions. Merely unfreezing the system by feeding in more information, may not necessarily lead to change in the desired direction. Moreover, it is a rather slow, uneconomical and time-consuming approach. This would be particularly so, if the organisation is large, with large number of people, who should be affected to bring about change.

4.2.3. Collaborative Approach:

This third approach to change falls somewhere between the previous two approaches. Neither does it involve dictating the nature and steps of change from the top, nor does it leave the change process entirely in the hands of the functionaries. Rather, it involves sharing of power between the superior and subordinates, in terms of jointly defining the problems and developing the solutions.

The underlying assumption of this approach is that the organisational systems and structures, which need to be changed, are not more mechanical procedures, or Exhibits in the organizational chart. Rather, they are defined by the patterns of behaviours and practices, which are rooted in the socio-cultural norms, values and attitudes of people. An effective change can come only when these underpinnings of the existing ineffective behaviours and practices are discarded and replaced by new and more effective ones. Such deep-rooted changes, however, cannot be achieved either by force or by leaving them to chance. They are achieved only when people feel secure, motivated and empowered enough to review and question the existing practices, and to experiment, evolve and develop commitment, with the new ones. That is, they have an active role in the design, direction and implementation of the change process.

The collaboration between the superior and subordinates in creating change, however, does not necessarily mean that the superiors have no distinctive role to play in the process, or that the subordinates completely take over the mantle of change. They have to play different roles in the process. Mostly, the role of the superior consists of providing a broad perspective to guide the process and direction of change. He may highlight the problems which need the organisation's attention, and invite participation from others in solving them. This approach, besides increasing the commitment of people to change, also provides an opportunity for bringing out and working on those underlying factors, which are likely to cause resistance to change. For instance, if departmental heads have to collectively arrive at a decision about a change which involves reallocation of resources, working on this decision would also give them an opportunity to negotiate the underlying issues of power-parity.

4.3. Six Steps to Effective Organisational Change:

In their study of successful organisational changes, Beer, Eisenstat, and Spector (1990) identified overlapping but distinctive steps, which executives used for aligning tasks with the change process. These were:

- ❖ Mobilising commitment to change by jointly diagnosing what the major problems with the organisation are, and what can be done about them.
- ❖ Based on the analysis, developing a shared and task –aligned vision of how to manage and organise new role and processes to deal with the problems.
- ❖ Fostering a consensus for this new vision, helping people to develop competencies for managing this vision, and developing a cohesion and bonding among people to help in achieving this vision.
- ❖ Replicating and spreading this revitalisation to all other departments and units, without pushing it from the top i.e., supporting other departments and units to experiment with the change.
- ❖ Institutionalising the change by developing formal policies, structures and systems.
- ❖ Monitoring and making adjustments in response to problems encountered during the process of implementing of changes.

4.4. Implementing Change Successfully:

Successful implementing of change requires knowledge about the change process. The change process, propounded by Kurt Lewin, consists of three stages: (1) unfreezing, (2) changing, (3) refreezing (see Exhibit. 4.2). Before describing Lewin's stages, it is desirable to understand how change takes place generally. It is too well-known that people change their customs, habits, and institutions when they become dissatisfied with the status quo or when there is a more desirable substitute. A successful change involves: (1) recognising the need for it, (2) learning a new behaviour or substitute, and (3) feeling comfortable with the new situation. Lewin's stages of unfreezing, change, and refreezing correspond to these three developments in the change process. However, a brief description of each stage is desirable.

<i>Unfreezing</i>		<i>Changing</i>		<i>Refreezing</i>
Recognising the need for change, casting aside old values, behaviour, or organisational structures.	→	New values, behaviours and structures replace old ones. Action oriented.	→	Making change permanent. Practice what was learnt in the second stage.

Exhibit 4.2 A Model of Change

4.4.1. Unfreezing:

This is the first stage in the change process. It involves casting aside existing attitudes and value systems, managerial behaviors, or organisational structure so that new ones can be learnt. Unfreezing creates the need for change.

For unfreezing, the manager must understand the causes for resistance to change. It is common knowledge that there are people who desire status quo and there are also individuals who push for change. And the two groups may be equal in their force as shown Fig. 4.1. The forces against change have strengths equal to those forces pushing for change.

An example of four forces pushing in each direction is seen in the case of the organisation that has announced the introduction of a new monthly cost report. After careful analysis, a top manager may find various reasons given by subordinates for resisting change, on the one hand, or for promoting change, on the other hand. Among the reasons given for resisting change might be.

1. The old report is easy to fill out because the data are readily available.
2. The old report takes very little time to think.
3. Top management has over used this report in the past for control purposes.
4. The new report will be very comprehensive and requires more time to fill out.

The reasons for advocating change might be:

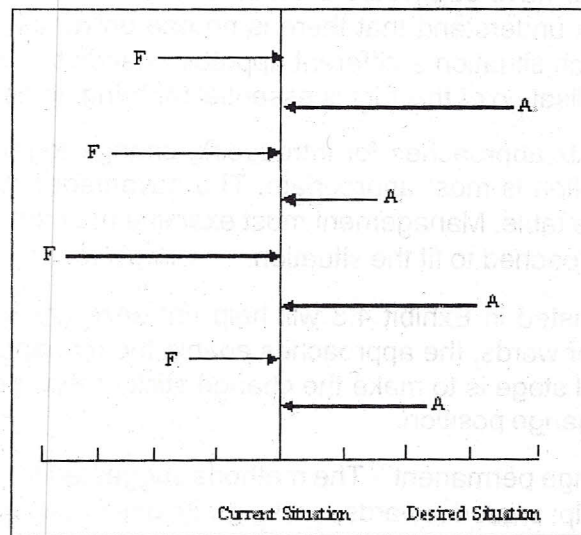


Fig. 4.1 Equal Forces for Change

(Source : Richard M. Hodgetts, *Organisational Behaviour*, MacMillan, 1991, p.454)

1. An organisational streamlining of reporting forms is necessary.
2. Organisational control is getting out of hand.
3. If a report is going to have to be filled out, why not make it a meaningful one ?
4. This new report is going to be analysed by staff personnel, and useful recommendations will be forwarded to each manager who has filled one out.

In such a situation, the manager must unfreeze the equilibrium. In doing so, three courses of action are available: (a) increase the strength of forces that push for change; (b) decrease the strength of forces that resist change; and (c) change a resisting force into one supporting the change.

4.4.2. Changing:

Actual change occurs at this stage. New value systems behaviours, or structures replace the old ones. This is the action –oriented stage. This can be a time of confusion, dis-orientation, and despair mixed with hope and discovery.

4.4.3. Refreezing:

Here the change becomes permanent. The newly acquired values, beliefs, and structures get refrozen. A new status quo is established at this stage. Refreezing is important because without it there lays a vacuum.

4.5. Methods of Introducing Change:

Kotter and Schlesinger have suggested six methods of introducing change (see Exhibit 4.3). The change agent must understand that there is no one universal approach to overcome resistance. Depending on each situation a different approach needs to be adopted. Change is a situational problem and a realisation of this fact is essential for bringing about a change.

Exhibit 4.3 contains six approaches for introducing change together with the situations where each change intervention is most appropriate. The advantages and drawbacks of each approach are also listed in the table. Management must examine the nature of the resistance and then review the possible approaches to fit the situation.

The six approaches listed in Exhibit 4.3 will help unfreeze and change the values and behaviours of people. In other words, the approaches enable the managers to introduce change successfully. The next crucial stage is to make the change stick otherwise there is the danger of people reverting to the pre-change position.

How to make the change permanent? The methods suggested for the purpose are; use of group forces, use of leadership; shared rewards, working with unions, and concern for employees.

4.5.1. Use of Group Forces:

The group exercises considerable influence on the behaviour of members. The behaviour, attitudes, beliefs, and values of the individual are all firmly grounded in the groups to which he belongs. How aggressive or co-operative a person is, how much self-respect and self-confidence he has, how energetic and productive his work is, what he aspires to, what he believes to be true and good, when he loves or hates, and what beliefs and prejudices he holds- all these characteristics are highly determined by the individual's group membership. Whether they resist or accept change largely depends on the groups. The change agent must make use of the groups to bring about change.

4.5.2. Change of Change Agent:

The change agent must himself change. It is only then that he will be able to reinforce a psychological climate of support for change. Unwillingness of the managers to give up tradition *managerial practices and their unpreparedness to accept new methods are the most serious barriers to the introduction of change and to make it permanent in organisations.*

4.5.3. Shared Rewards:

Another way to build support for change is to ensure that the people affected derive benefit out of the change. Benefits include increased pay, promotion, training, recognition, and the like.

Exhibit 4.3. Methods for dealing with resistance to change

Approach	Commonly used situations	Advantages	Drawbacks
Education + Communication.	Where there is a lack of information or inaccurate information and analysis.	Once persuaded people will often help with the implementation of the change.	Can be very time consuming of lots of people are involved.
Participation + 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 any relevant information they have will be integrated into the change plan.	Can be very time consuming if participators design an inappropriate change.
Facilitation + Support	Where people are resisting because of adjustment problems.	No other approach works as well with adjustment problems.	Van be time consuming, expensive and still fail.
Negotiation + Agreement	Where someone or some group will clearly lose out in a change an where that group has considerable power to resist.	Sometimes it is a relatively easy way to avoid major resistance.	Can be too expensive in many cases if it alters others to negotiate for compliance.
Manipulation + Co-operation.	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 + implicit coercion.	Where speed is essential and the change initiators possess considerable power.	It is speedy and can overcome any kind of resistance.	Can be risky of it leaves people angry at the initiators.

(Source: "Choosing Strategies for Change" by Kotter & Schlesinger, March – April 1979, Harvard Business Review).

4.5.4. Co-operation of Unions:

Taken into confidence, unions themselves can act as change agents, though they are generally considered to be anti change. Many union leaders are accepting the installation of CNC machines, though it means displacement of the work force. This has been possible because of their participation before, during, and after the change has been introduced. A change introduced without their support may not stay for long.

4.5.5. Concern for Employees:

A change should not be introduced for the sake of it. Change needs to be introduced only when necessary and it must be by evolution and not by revolution. Any change must ultimately benefit employees. In the short-run the needs and requirements of employees should not be affected. Any problem that has taken place because of change needs to be looked into and corrected immediately.

OD has been understood as a system wise process of data collection, diagnosis, action planning, intervention, and evaluation aimed at (1) enhancing congruence among organisational structure, process, strategy, people, and culture; (2) developing new and creative organisational solutions; and (3) developing the organisation's self-renewing capacity. OD typically occurs through collaboration of organisation members and change agents, using behaviour science theory, research, and technology. OD then, is an attempt to use the concepts and methodology of applied behavioural sciences (Psychology, sociology, anthropology, and social psychology) to help organisations develop and maintain their health.

4.6. OD Approach to the Management of Change:

OD approach to the management of change has the following characteristics:

1. *Planned Change:* Also called the change intervention, planned change makes OD different from other approaches for change in organisations.
2. *Comprehensive Change:* OD efforts generally involve a total system. The change covers the entire organisation.
3. *Emphasis upon Work Groups:* Although some OD efforts are aimed at individual and organisational change, most are oriented towards groups. There is a sociological flavour to much of OD.
4. *Long-range Change:* OD takes months or years to implement. The OD process is not intended to be stopgap measure.
5. *Participation of a Change Agent:* The services of an outside expert are generally retained to implement the OD process. "Do it yourself" programmes are discouraged.
6. *Emphasis on Intervention:* The OD approach results in an active intervention of the change agent in the ongoing activities of the organisation.
7. *Collaborative Management:* In contrast to the traditional management structure in which orders are issued at upper levels and simply carried out by lower levels, OD stress collaboration among levels. Organisations are viewed in a system perspective.
8. *Organisational Culture:* As was pointed out in the chapter on Organisational Culture, culture of an organisation includes the following; accepted patterns of behaviour, norms, organisational objectives, value systems, and the like. OD recognises that each organisation is different from all others and that problem solving process vary across organisations. The assumption

that a particular solution can be applied to numerous organisations is thus generally not made, instead, the culture of each organisation must be understood and relations consistent with that culture be developed.

9. *Action Research*: The process of identifying the organisation's specific problems, gathering and analysing organisational data and taking action to resolve problems, constitutes "Action research". It is in sharp contrast to "Hypothesis testing research", which deals with problems or situations that are of interest to organisations generally but which may not be relevant to a specific organisation.

4.7. Organisational Target for Change:

Before discussing OD techniques it is useful to know the organisational aspects which can be targets for change indicates the six targets and possible change methods. As shown in the table the targets are objectives, strategy, tasks, technology, people and structure. Most often planned organisational change involves more than one of these targets.

4.8. Prerequisites for OD:

OD must fulfil certain conditions if it were to be effective. Not that these conditions, if satisfied, will guarantee success of OD programmes. But a favourable environment conducive for organisational change will be created. To reduce the probability that OD programmer will have a negative (or no effect) effect on the organisation the following criteria should be met :

1. Perceptions of organisational problems by key people and perceptions of the relevance of the behavioural sciences in solving these problems.
2. The introduction into the system of a behavioural scientist consultant.
3. Initial top level involvement, or at least support from a higher echelon which subsequent top management involvement.
4. Participation of intact work teams, including the formal leader.
5. The operational sing of the action research model.
6. Early successes, with expansion of the effort stemming from these successes.
7. An open, educational philosophy about the theory and the technology of OD.
8. Acknowledgement of the congruency between OD and many previous effective management practices.
9. Involvement of personnel and industrial relations/ human resources management people and congruency with personnel policy and practice.
10. Development of internal OD resources and facilitate skills.
11. Effective management of the OD process and stabilisation of changes.
12. Monitoring the process and the measuring of results.

4.9. Situations Appropriate for OD:

Since OD is a process rather than a solution, it is difficult to specify precisely what kind of situations may be appropriate for OD programmes. However, by viewing organisational problems in general terms, we can suggest the following areas of organisations inviting OD programmes.

1. The organisation's managerial strategy (e.g., communication pattern, location of decision - making).
2. The culture of the organisation (e.g., norms, values, power structure).
3. Structure and role in the organisation.

4. Intergroup collaboration.
5. Motivational levels of employees.
6. Trust and support among organisational members.
7. Synergistic solutions to problems.

4.10. Conclusion:

In understanding organizational change, it becomes necessary to gain knowledge in the related aspects such as the dynamics of change, work change, influencing forces for change, the various forms of resistance to change and coping or overcoming resistance to change. The generic typology of organizational change, explains a three-way typology, viz., adoptive change, innovative change and radically innovative change. The work change in an organization, if brought in, then it is likely to affect the whole organization. It will also influence a change in both technology and human relations. Some of the important forces for a changing environment in an organization are people, technology, information processing and communication, competition and social trends or social changes. Experts categorize the forces for changes as external forces for change and internal forces for change.

Change in any form invites resistance from people, initially. Resistance to change is universal. It is more in some culture than others. It is important for Management / HRD professionals to learn to manage resistance to change because failed change efforts result in financial draining (wastage). The professionals should gain knowledge and skills not only to bring in change from the employees. Employees play a very important role in the organizational effectiveness. It is a human resource problem and not a technical or financial or legal problem. It is a fact of organizational life. Managers must be in a position to reduce its intensity, but should not try to root it out completely.

4.11. Self Assessments Questions:

1. Explain the Managerial options for successful implementation of organisational change?
2. What are the methods of introducing change? Discuss the OD approach to the management of change?

4.12. References:

1. Stephen P. Robbins, organisational behaviours, Prentice Hall of India private limited, New Delhi, 1998.
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Lesson - 5

Planning and Implementing Change

5.0. Objective:

After going through this lesson students will be able to know the General frame work for understanding change the Diagnosis and Implementation, the force field analysis, the change cycles and levels of change. Advantages and disadvantages of change cycles.

Structure of the Lesson:

- 5.1. Introduction**
- 5.2. General Frame work for understanding change**
 - 5.2.1. Diagnosis**
 - 5.2.2. Implementation**
- 5.3. Diagnosis**
 - 5.3.1. Point of View**
 - 5.3.2. Identification of Problem(s)**
 - 5.3.3. Analysis – An outgrowth of problem identification**
- 5.4. Implementation**
- 5.5. Force field Analysis**
- 5.6. Logical Incrementalism**
- 5.7. First order and second order change**
- 5.8. Understanding strategic change**
- 5.9. Change cycles- levels of change**
 - 5.9.1. Knowledge Change**
 - 5.9.2. Attitudinal change**
 - 5.9.3. Individual behaviour change**
 - 5.9.4. Group / Organizational performance change**
- 5.10. Two different Changes Cycles**
 - 5.10.1. Participative Change**
 - 5.10.2. Directive Change**
- 5.11. Best Strategy for Change**
- 5.12. Advantage and disadvantages of change cycles**
- 5.13. Pattern of Communication**
- 5.14. Conclusion**
- 5.15. Self Assessment Questions**
- 5.16. References**

5.1. Introduction:

Mark Twain once said, "The only person who likes change is a baby with a wet diaper!" Like it or not, in the dynamic society surrounding today's organizations, the question of whether change will occur is no longer relevant. Change will occur. It is no longer a choice. Instead, the issue is, How do managers and leaders cope with the inevitable barrage of change that confront them daily in attempting to keep their organizations viable and current? Although change is a fact of life, if managers are to be effective, they can no longer be content to let change occur as it will. They must be able to develop strategies to plan, direct, and control change.

In a survey of 400 executives from Fortune 1000 companies 79 percent of the executives interviewed reported "the pace of change at their companies as 'rapid' or 'extremely rapid' and, 61 percent believed the pace will pick up in the future". In contrast, most executives reported that they did not have formal plans for dealing with change. In addition, "62 percent believed they have a conservative or reluctant approach to change", and more than 75 percent said that American managers resist change because they are "too short-term oriented", they don't like to lose control of people or events, they have a vested interest in the status quo, and they do not know what to do about change".

This resistance to change is contradictory to managers' primary role as a leader. You will recall that in Chapter 1 we defined leadership as influencing the behaviour of others, individually and in groups. Influencing means moving from one behaviour to another in other words, change. In Chapter 4, we shared Warren Bennis's definition of leadership as the process of creating and implementing a vision. To be a leader, therefore, implies that you must learn to love change because it is intrinsic to the leadership process. Leaders must overcome their resistance to change and become change managers.

To be effective managers of change, leaders must have more than good diagnostic skills. Once they have analyzed the demands of their environment, they must be able to adapt their leadership style to fit these demands and develop the means to change some or all of the other situational variables. This chapter is the first of a sequence of four chapters discussing different aspects of and approaches to change.

5.2. General Frame Work for Understanding Change:

Managers who are interested in implementing some change in their group or organization should have (or be able to obtain people with) skills, knowledge, and training in at least two areas.

5.2.1. Diagnosis:

The first, and in some ways the most important, stage of any change efforts is diagnosis. Broadly defined, the skills of diagnosis involve techniques for asking the right questions, sensing the environment of the organization, establishing effective patterns of observation and data collection, and developing ways to process and interpret data. In diagnosing for change, managers should attempt to find out : (a) what is actually happening now in a particular situation; (b) What is

likely to be happening in the future if no change effort is made; (c) What would people ideally like to be happening in this situation; and (d) what are the blocks, or restraints, stopping movement from the actuals to the ideals?

5.2.2. Implementation:

This stage of the change process is the translation of diagnostic data into change goals and plans, strategies and procedures. Questions such as the following must be asked: How can change be effected in a work group or organization, and how will it be received? What is adaptive, and what is resistance to change within the environment?

5.3. Diagnosis:

There are at least three steps in the diagnostic process: point of view, identification of problem(s), and analysis.

5.3.1. Point of View:

Before beginning to diagnose in an organization, you should know through whose eyes you will be observing the situation—your own, those of your boss, your associates, your followers, an outside consultant, or others.

Ideally, to get the full picture you should look at the situation from the points of view of the people who will be affected by any changes. Reality, however, sometimes restricts such a broad perspective. At any rate, you should be clear about your frame of reference from the start.

5.3.2. Identification of Problem(s):

Any change effort begins with the identification of the problem(s). A problem in a situation exists when there is a discrepancy between what is actually happening (the real) and what you or someone who hired you (point of view) would like to be happening (the ideal). For example, in a given situation, there might be tremendous conflicts among individual in a work group. If this kind of conflict is not detrimental, there may be no problem. Until you can explain precisely what you would like to be occurring and unless that set of conditions is different from the present situation, no problem exists. On the other hand, if you would ideally like this work group to be harmonious and cooperative, then you have a problem—there is a discrepancy between the real and the ideal. Change efforts involve attempting to reduce discrepancies between the real (actual) and the ideal. It should be pointed out the change efforts may not always involve attempting to move the real closer to the ideal. Sometimes after diagnosis you might realize that your ideal is unrealistic and should be brought more in line with what is actually happening.

It is no problem identification that the concepts and theoretical frame works presented in this book begin to come into play. For example, two important potential areas for discrepancy are, in Rensis Likert's terms, end-result variables and intervening variables.

In an examination of end-result variables, the question becomes: Is the organization, work group, or individual doing an effective job in what it was asked to do; that is, production, sales, teaching the three Rs, and so on? Are short-term goals being accomplished? How does the long-term picture look? If performance is not what it should be, there is an obvious discrepancy.

If performance is a problem, you might want to look for discrepancies in the intervening variables, or condition of the human resources. For example, is there much turnover, absenteeism, or tardiness? How about grievances, accident rate, and such? The concepts that you have been studying in this book can generate diagnostic questions for the change situation you are examining. Such as:

- What leadership, decision-making, and problem-solving skills are available? What is the motivation, communication, commitment to objectives, and climate (morale)?
- What is the readiness level of the people involved? Are they willing and able to take significant responsibility for their own performance?
- What need level seems to be most important for people right now?
- What are the hygiene factors and motivators? Are people getting paid enough? What are the working conditions? Is job security an issue? How are interpersonal relations? Do people complain about the managers? Are people able to get recognition for their accomplishments? Is there much challenge in the work? Are there opportunities for growth and development? Are people given much responsibility?

Good theory is just organized common sense. So use the theories and questions presented here to help you sort out what is happening in your situation and what might need to be changed.

5.3.3. Analysis- An Outgrowth of Problem Identification:

Problem identification flows almost immediately into analysis. Once a discrepancy (problem) has been identified, the goal of analysis is to determine why the problem exists. The separation between problem identification and analysis is not always that clear, however, because identifying areas of discrepancy is often a part of analysis.

Once a discrepancy has been identified in the end-result variables or intervening variables, the most natural strategy is to begin to examine what Likert calls causal variables—the independent variables that can be altered or changed by the organization and its management, such as leadership or management style, organizational structure, and organizational objectives. In other words, can you identify what in the environment might have caused the discrepancy? Again, different theorists come to mind and stimulate various questions.

- What is the dominant leadership style being used? How does it fit with the readiness level of the people involved?.
- What are the prevailing assumptions about human nature adhered to by management? How well do those assumptions match the capabilities and potential of the people involved?.
- Are people able to satisfy a variety of needs in this environment? How do the opportunities for need satisfaction compare with the high-strength needs of the people involved?.
- How do the expectations of the various situational variables compare with the leadership style being used by management?.

Again, these theories and questions are presented to suggest how the concepts studied can help you to analyze problems that exist in your environment and provide guidelines for developing strategies for implementing change.

5.4. Implementation:

The implementation process involves the following identifying alternative solutions and appropriate implementation strategies; anticipating the probable consequences of each of the alternative strategies and choosing a specific strategy and implementing it.

Once your analysis is completed, the next step is to determine alternative solutions to the problem(s). [Hand in hand with developing alternative solutions to the problem(s)]. hand in hand with developing alternative solutions is determining appropriate implementation strategies. Two theories seen helpful in designing change implementation strategies, force field analysis and logical incrementalism.

5.5. Force Field Analysis:

Force field analysis, a technique developed by Kurt Lewin, assumes that in any situation there are both driving and restraining forces that influence and change that may occur. *Driving forces* are those forces affecting a situation that are pushing in a particular direction; they tend to initiate a change and keep it going. In terms of improving productivity in a work group, encouragement from a supervisor, incentive earnings, and competition may be examples of driving forces. *Restraining forces* are forces acting to restrain or decrease the driving forces. Apathy, hostility, and poor maintenance of equipment may be examples of restraining forces against increased production. *Equilibrium* is reached when the sum of the driving forces equals the sum of the restraining forces. In our example, equilibrium represents the present level of productivity, as shown in Figure 5.1.

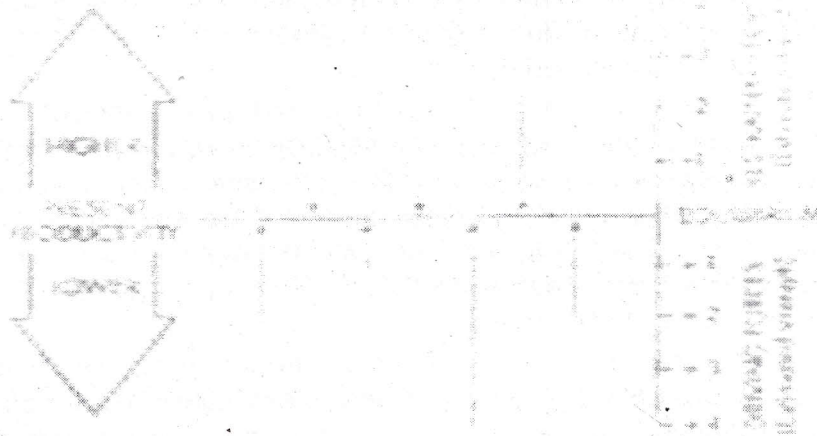


Figure 5.1 Driving and Restraining Forces in Equilibrium

This equilibrium, or present level of productivity, can be raised or lowered by changes in the relationship between the driving and the restraining forces. For illustration, let us look at the dilemma and the restraining who takes over a work group in which productivity is high, but whose predecessor drained the human resources (intervening variables). The former manager had upset the equilibrium by increasing the driving forces (that is, being autocratic and keeping continual pressure on workers) and thus achieving increases in output in the short run. By doing this, however, the manager fostered new restraining forces, such as increased hostility and antagonism. At the time of the

former manager's departure, the restraining forces were beginning to increase, and the results manifested themselves in turnover, absenteeism, and other restraining forces, which lowered productivity shortly after the new manager arrived. Now a new equilibrium at a significantly lower productivity is faced by the new manager.

Now just assume that our new manager decides not to increase the driving forces but to reduce the restraining forces. The manager may do this by taking away from the usual production operation and engaging in problem solving and in training and development. In the short run, output will tend to be lowered still further. However, if commitment to objectives and technical know-how of the group are increased in the long run, they may become new driving forces, and, along with the elimination of the hostility and apathy that were restraining forces, will now tend to move the balance to a higher level of output.

Managers are often in a position in which they must consider not only output but also intervening variables, not only short-term but also long-term goals in diagnosing these interrelationships. Force field analysis is also useful in analyzing the various change strategies that can be used in a particular situation.

Once you have determined that there is a discrepancy between what is actually happening and what you would like to be happening in a situation- and have done some analysis on why that discrepancy exists-then force field analysis becomes a helpful tool. Before embarking on any change strategy, it seems appropriate to determine what you have going for in this change effort (driving forces) and what you have going against you (restraining forces). We have found that if managers start implementing a change strategy without doing that kind of analysis, they can get blown out of the water and not know why. An example might help.

In August, an enthusiastic superintendent of schools and his assistant took over a suburban school district outside a large urban area in the Midwest. Both were committed to changing the predominant teaching approach used in the system from a teacher-centered approach in which the teachers always tell the students what to do it, when to do it and where to do it (high task-low relationship style) to a child centered approach in which students play a significant role in determining what they are to do (low relationship- low task style).

To implement the changes they wanted, the two administrators hired a business manager to handle the office and the paperwork. They themselves essentially had no office. They put telephones in their cars and spent most of their time out in the schools with teachers and students. They spent fifteen to eighteen hours a day working with and supporting teachers and administrators who wanted to engage in new behavior. Then suddenly, in January, only six months after they had been hired, the school board called a special meeting and fired both administrators by a seven – to-two vote.

They could not believe what had happened. They immediately started a court suit against the school board for due process. They charged that the board had served as both judge and jury. In addition to the court actions, the administrators became educational martyrs and hit the lecture tour to talk about the evils of schools. During one of their trips, the assistant superintendent was asked to participate in a graduate seminar on the management of change. The class at that time was discussing the usefulness of force field analysis. The administrator, who did not know Lewin's

theory, was asked to think about the driving and restraining forces that had been present in the change situation. In thinking about the driving forces that were pushing for the change they wanted, (they wanted) the administrator was quick to name the enthusiasm and commitment of the top administrators, some teachers, and some student, but really could not think of any other driving forces. When asked about the number of teachers and students involved, the administrator suggested that they were a small but growing group.

In thinking about restraining forces, the assistant superintendent began to mention one thing after another. The assistant said that they had never really had a good relationship with the mayor, chief of police, or editor of the town paper. These people felt that the two administrators were encouraging permissiveness in the schools. In fact, the town paper printed several editorials against their efforts. In addition, the teachers' associated had expressed concern that the programs being pushed were asking the teachers to assume responsibilities outside their contract. Even the Parent-Teachers Association (PTA) had held several meetings because of parent concerns about discipline in the schools. The administrator also reported the fact that the superintendent had been hired by a five-to-four vote of the board and that some supporters had been defeated in the November election. In general, the assistant superintendent implied that the town had been traditionally very conservative in educational matters, and on and on.

Figure 5.2
Driving and Restraining Forces in an Educational Change Example

Figure 5.2 suggests the relationship between driving and restraining forces in this change situation. As can be seen, even with adding some board members as driving forces and not mentioning some teachers and students as restraining forces, the restraining forces for changing this school systems from a teacher- centered approach to a child-centered approach not only outnumbered, but easily outweighed the driving forces. As a result, the restraining forces eventually overpowered the driving forces and pushed the equilibrium even more in the direction of a teacher-centered approach.

Here are a few guidelines for using force field analysis to develop a change strategy.

1. If the driving forces far outweigh the restraining forces in power and frequently in a change situation, managers interested in driving for change can often push on and overpower the restraining forces.
2. If the restraining forces are much stronger than the driving forces, managers interested in driving for change have two choices. First, they can give up the change effort, realizing that it will be too difficult to implement. Second, they can pursue the change effort, but concentrate on maintaining the driving forces in the situation while attempting, one by one, to change each of the restraining forces into driving forces or somehow to immobilize each of the restraining forces so that they are no longer factors in the situation. The second choice is possible, but very time-consuming.
3. If the driving forces and restraining forces are fairly equal in a change situation, managers probably will have to begin pushing the driving forces, while at the same time attempting to convert or immobilize some or all of the restraining forces.

In this school example, the situation obviously represented an imbalance in favor of restraining forces, yet the administrators acted as if the driving forces were clearly on their side. If they had used force field analysis to diagnose their situation, they would have seen that their change strategy was doomed until they took some time to try to work on the restraining forces.

5.6. Logical Incrementalism:

Another theory that has received wide acceptance in designing change implementation strategies is James Brian Quinn's *logical incrementalism*. This theory recognizes that the process of implementing change in a large organization is complex and time-consuming. Internal and external forces can exert significant pressure to resist a senior management team's plan for strategic reorganization of the company. James Brian Quinn, a Harvard University professor of management, studied a number of large organizations undergoing significant changes and determined a pattern of planning that corporate leaders could use to facilitate effective implementation and acceptance of change. Logical incrementalism describes the process and focuses on the evolution of the change as broad goals are more narrowly refined and adapted. The stages of logical incrementalism are :

1. General concern – a vaguely felt awareness of an issue or opportunity.
2. Broadcasting of a general idea without details-the idea is floated for reactions pro and con and for refinements.
3. Formal development of a change plan.
4. Use of a crisis or opportunity to stimulate implementation of the change plan-retirement of a senior manager or a sudden loss of market share can facilitate rapid acceptance and implementation of the change.
5. Adaptation of the plan as implementation progresses.

Logical incrementalism is viewed by many top-level managers as an accurate description of how change is successfully generated and implemented in a healthy organization. By floating an idea early on, a leader can improve the quality of information generated before decisions are made and can overcome political and emotional barriers to change. Early involvement by subordinate groups can create personal and organizational commitment to the change plan and facilitate effective

implementation. Logical incrementalism works best when the manager uses it to concentrate on a few key change thrusts and is effective in building and managing coalitions of support.

5.7. First - Order and Second - Order Change:

Now that two theories helpful in designing change implementation strategies – force field analysis and logical incrementalism- have been reviewed, some understanding of the levels of change and the change cycles available might be useful. One way of approaching change for the purpose of diagnosis is to look at it from the perspective of two different framework. This approach is important because change does not always occur on a stable environment. Organizations have experienced revolutionary changes in technology, competition, and socioeconomic conditions; some changes have destroyed old industries and created new ones. Leaders need to recognize and understand the two frame works in which change can occur.

The change process most managers are familiar with is continuous, or *first-order, change-change* that occurs in a stable system that itself remains unchanged. The change processes previously discussed in this chapter focus on managing first-order change. These changes are necessary for a business to grow and thrive in a competitive environment.

	First -Order Change	Second-Order Change
	Adoption	Metamorphosis
Firm Level	Focus : Incremental Change within Organizations Mechanisms : <ul style="list-style-type: none"> • Incrementalism • Resource Dependence Evolution	Focus : Frame – breaking Change within organizations Mechanisms : <ul style="list-style-type: none"> • Life Cycle Stages • Configuration Transitions Revolution
Industry Level	Focus : Incremental Change within Established industries. Mechanisms : <ul style="list-style-type: none"> • Natural Selection • Institutional Isomorphism 	Focus : Emergence, transformation and decline of industries. Mechanisms : <ul style="list-style-type: none"> • Punctuated Equilibrium • Quantum Speciation

Exhibit 5.1. Models of Change with in Organizations and Industries

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Discontinuous, or *second-order, change* occurs when fundamental properties or states of the system are changed. The fall of communism and the introduction of democratic and free market principles in Eastern Europe and the former Soviet Union are examples of the cataclysmic upheaval of second-order change. Some industries currently experiencing the magnitude of second-order change include telecommunications, financial services, and health care, as discontinuous changes restructure the industry, relocate its boundaries, and change the bases of competition.

Exhibit 5.1 identifies current change theories and their relationship to first and second-order change. Adaptation theories maintain that individual firms monitor their environments continuously and make purposeful adjustments to them. *Incrementalism* refers to organizational changes in new products, structures, and processes; *resource dependence* mechanisms see organizational change as a response to external dependencies such as suppliers, markets, or governmental policies.

Evolution theories describe the first-order changes that industries experience. *Natural selection* mechanisms view the entry and exit of firms in an industry as the primary method of evolution. *Institutional isomorphism* occurs when organizations change to conform to the norms of the industry environment.

As firms experience various stages of the organizational life cycle, they experience *metamorphosis*, second-order change. Metamorphosis differs from adaptation in that the entire firm goes through a transformation and emerges with a different configuration and strategic intent. An example of this type of change can be seen when a visionary inventor with a small business brings in a professional management team and the small business metamorphoses into a growing firm with a different organizational structure and competitive focus. The change is transforming for the members of the small business.

Revolutionary change occurs when an entire industry is restructured and reconstituted during a brief period of quantum change that is preceded and followed by a long period of stability. *Quantum speciation*, a term from biology, has been proposed as a mechanism through which new organizational forms emerge during a revolution. The breakup of AT & T into "baby bells" and the introduction of new competitors into long distance telecommunications companies is an example of second-order revolutionary change in an industry.

Most organizational changes you invites as a leader will occur on a level of first-order change. You should also understand the opportunity presented by second-order change and work to meet the challenges this type of change can create.

5.8. Understanding Strategic Change:

Alan Rowe and his colleagues have developed a change model that shares several elements with Situational Leadership, particularly the need to establish a mutual agreement between leader and follower on the goal to be accomplished. They suggest that

The ideal in strategy implementation is to reach a state in which everyone in the organization understands what she or he is to do and why. This is the state of mutual understanding. Although it is a state in which implementation can be secured for an extended period of time, few organizations full achieve it. Generally speaking, there are four possible relationships that can exist between those they plan for. These relationships depend on how well the managers understand the needs, wants, and capabilities of the organization's members and on how well the members understand the goals, objectives, tasks and assumptions of the plan.

These four relationships are presented in Exhibit 5.2. The X axis deals with the member's understanding or lack of understanding of the plan; the Y axis deals with the manager's understanding or lack of understanding of member's needs. There are three possible outcomes depending on the interaction: failed implementation, partial implementation, and full implementation. These outcomes are products of a match or mismatch between leader and follower. Let us put these ideas into perspective.

	Members do not understand the plan	Members do understand the plan
Members do not understand the member's needs, wants and abilities.	Failed Implementation Power and authority are the only available approaches. 3	Partial Implementation Participation and education are possible approaches. 2
Members do understand the member's needs, wants and abilities.	Partial Implementation Motivation and selling are possible approaches. 4	Full Implementation Requires full use of the social change process. 1

Exhibit 5.2

Quadrant 1 : Full Implementation :

High level of understanding readiness. The manager can use the social change process with a *Delegating* leadership style, to achieve change. This process includes the following phases

- Determine what social change is required.
- Introduce that change.
- Obtain commitment to the change.
- Use the Decisions and Influence elements of the Vision to Results model to obtain results. This may require multiple is of Lewin's change process discussed below.

Quadrant 2 : Partial Implementation:

Moderate level of understanding readiness. While the members understand the plan, managers do not understand member's needs. Managers should use a *participative* leadership style with multiway communication to gain a better understanding.

Quadrant 3 : Failed Implementation :

Low level of understanding readiness. A clear mismatch that recommends a *telling* style. The situation is similar to several of the leadership models discussed in particularly the Fiedler contingency model. In that model, when the leader has low leader – member relations in an unstructured environment with probably low position power, a task-oriented approach is preferred.

Quadrant 4 : Partial Implementation :

Moderate level of understanding readiness. The model clearly suggested a *selling* style.

One must be careful not too close a comparison between Exhibit 5.2 and the Situational Leadership model because there are several differences. But there also is a fundamental similarity in their approaches in that they both recognize the necessity of understanding plans and needs.

5.9. Change Cycles Levels of Change:

In Chapter 1, four levels of change were discussed: knowledge changes, attitudinal changes, individual behavior changes, and group or organizational performance changes.

Changes in *knowledge* tend to be the easiest to make; they can occur as a result of reading a book or an article or hearing something new from a respected person. *Attitudes* differ from knowledge in that they are emotionally charged in a positive or negative way. The addition of emotion often makes attitudes more difficult to change than knowledge.

Changes in *individual behavior* seem to be significantly more difficult and time-consuming than either of the two previous levels. For example, managers may have knowledge about the advantages of increased follower involvement and participation on decision making and may even feel that such participation would improve their performance, yet they may be unable to delegate or share decision-making responsibilities significantly with followers. This discrepancy between knowledge, attitude, and behavior may be a result of their own authoritarian leader-follower past. This experience has led to a habit pattern that feels comfortable.

Individual behavior is difficult enough to change, but implementing change within *groups or organizations* is even more complicated. The leadership styles of one or two managers might be effectively altered, but drastically changing the level of follower participation throughout an entire organization might be a very time-consuming process. At this level you are trying to alter customs, mores, and traditions that have developed over many years.

Levels of change become very significant when you examine two ~~different~~ change cycles—the participation change cycle and the directive change cycle.

5.10. Two Different Change Cycles:

5.10.1 Participative Change:

A participative change cycle is implemented when new knowledge is made available to the individual or group. It is hoped that the group will accept the data and will develop a positive attitude and commitment in the direction of the desired change. At this level, an effective strategy may be to involve the individual or group directly in helping to select or formalize the new methods for obtaining the desired goals. This step is group participation in problem solving.

The next step will be to attempt to translate this commitment into actual behavior. This step is significantly more difficult to achieve. For example, it is one thing to be concerned about increased follower participation in decision making (attitude), but another thing to be willing actually to get involved in doing something (behavior) about the issue. An effective strategy may be to identify the informal and formal leaders among the work group(s) and concentrate on gaining their behavioral support for the desired change. Once the behavior of the group leaders has been changed, organizational change may be effected as other people begin to pattern their behavior after those persons whom they respect and perceive in leadership roles. This participative change cycle is illustrated in Figure 5.3.

5.10.2 Directive Change:

We have all probably been faced with a situation similar to the change one in which there is an announcement on Monday morning that "as of today all members of this organization will begin to operate in accordance with Form 10125". This is an example of a directive change cycle. It is through this change cycle that many managers in the past have attempted to implement such innovative ideas as management by objectives, job enrichment, and the like.

This change cycle begins when change is imposed on the total organization by some external force, such as higher management, the community, or new laws. In turn, the change will affect individual behaviour. The new contacts and modes of behavior create new knowledge, which tends to develop predispositions toward or against the change. The directive change cycle is illustrated in Figure 5.4.

In cases in which change is forced, the new behaviour sometimes creates the kind of knowledge that develops commitment to the change, and the change begins to resemble participative change as it reinforces individual and group behaviour. The hope is that "if people will only have a chance to see how the new system works, they will support it". This is illustrated in Figure 5.4 by the dashed line. The sequence goes from Group behaviour, Individual Behavior, to Knowledge and then back to Attitudes.

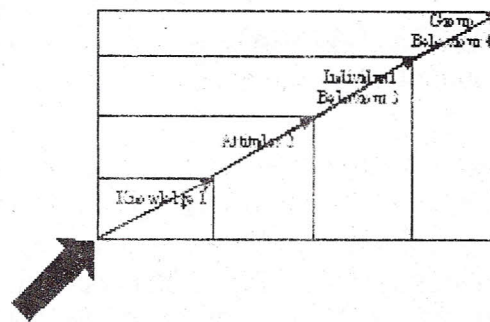
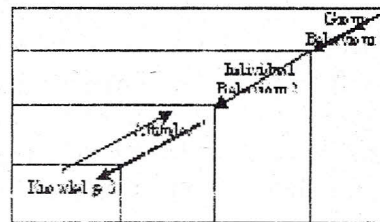


Figure 5.4 Participative Change Cycle



5.4 Directive Change Cycle

5.11. Best Strategy for Change:

Is there a “best” strategy for change? Given a choice between the polarities of directive and participative change, most people would tend to prefer the participative change cycle. But just as we have argued that there is no best leadership style, there also is no best strategy for implementing change. Effective change agents are identified as those who can adapt their strategies to the demands of their unique environment. Thus, the participative change cycle is not a better change strategy depends on the situation, and there are advantages and disadvantages to each.

5.12. Advantage and Disadvantages of Change Cycles:

Advantages and disadvantages of change cycles. The participative change cycle tends to be more appropriate for working with individuals and groups who are achievement motivated, seek responsibility, and have a degree of knowledge and experience that may be useful in developing new ways of operating – in other words, people with moderate to high task-relevant readiness. Once the change starts, these people are highly capable of assuming responsibilities for implementation of the desired change. Although these people may welcome change and the need to improve, they may become very rigid and opposed to change if it is implemented in a directive (high task-low relationship) manner. A directive, change style is inconsistent with their perceptions of themselves as responsible, self-motivated people who should be consulted throughout the change process. When they are not consulted and change is implemented in an authoritarian manner, conflict often results. Examples occur frequently in organizations in which a manager recruits or inherits a competent, creative staff that is willing to work hard to implement

new programs and then proceeds to bypass the staff completely in the change process. This style results in resistance and is inappropriate to the situations.

A directive change style might be appropriate and productive with individuals and groups who are not ambitious, are dependent, and are unwilling to take on new responsibilities unless forced to do so. In fact, these people might prefer direction and structure from their leader to being faced with decisions they are not willing or experienced enough to make. Once, again, diagnosis is all-important. It is just as inappropriate for a manager to attempt to implement change in a participative manner with a staff that has never been given the opportunity to take responsibility and has become dependent on its manager for direction as it is to implement change in a forceful manner with a staff that is ready to change and willing to take responsibility for implementing it.

There are other significant differences between these two change cycles. The participative change cycle tends to be effective when induced by leaders who have personal power; that is, they have referent, information, and expert power. On the other hand, the directive cycle necessitates that a leader have significant position power; that is, coercive, connection, reward, and legitimate power. Managers who decide to implement change in authoritarian, coercive manner would be wise to have the support of their superiors and other sources of power or they may be effectively blocked by their staff.

A significant advantage of the participative change cycle is that once the change is accepted, it tends to be long-lasting. Since every-one has been involved in the development of the change, each person tends to be highly committed to its implementation. The disadvantage of participative change is that it tends to be slow and evolutionary-it may take years to implement a significant change. An advantage of directive change, on the other hand, is speed. Using position power, leaders can often impose change immediately. A disadvantage of this change strategy is that it tends to be volatile. It can be maintained only as long as the leader has position power to make it stick. It often results in animosity, hostility, and, in some cases, overt and covert behaviour to undermine and overthrow.

In terms of forceful analysis, the directive change cycle could be utilized if the power of the driving forces pushing for change far outweighed the restraining forces resisting change. On the other hand, a directive change cycle would be doomed to failure if the power of the restraining forces working against the change was greater than the power of the driving forces pushing for the change.

A participative change cycle that depends on personal power could be appropriate in either of the cases just described. With frequent and powerful driving forces pushing for change in a situation, a leader might not have to use a high task, directive change cycle since the driving forces are ready to effect the change and do not have to be forced to engage in the new desired behaviour. At the same time, when the restraining forces could easily overpower the driving forces, managers would be advised to begin with participative change techniques designed gradually to turn some of the restraining forces into driving forces or at least immobilize their influence in the situation. In other words, when the odds are against you and you have little power, your best bet would be to try to moderate the forces against the change rather than to try to force change.

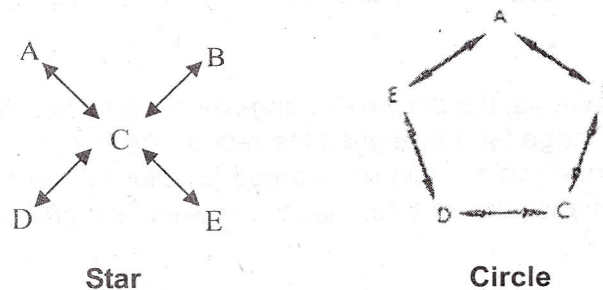
These two change cycles have been described as if they were either / or position. The use of only one of these change cycles exclusively, however, could lead to problems. For example, if managers introduce change only in a directive, high task-low relationship manner with out any movement toward participative change, members of their staff-if they decide to remain –may react in one of two ways. Some may fight the managers tooth and nail and organize efforts to undermine them. Others may buckle under to their authority and become very passive, dependent staff members, always needing the manager to tell them what to do and when to do it before doing anything. These kinds of people say yes to anything the manager wants and then moan and groan and drag their feet later. Neither of these responses makes for a very healthy organization. At the other extreme, managers who will not make a move without checking with their staff and getting full approval also can immobilize themselves. They may establish such a complicated network of “participative” committees that significant change becomes almost impossible. Thus, in reality, the question is, “What is the proper blend of the directive and participative change cycles in this situation?” rather than, “Which one should I use?”

5.13. Patterns of Communication:

One of the most important considerations in determining whether to use a participative or directive change strategy or some combination of the two is how communication patterns are structured within a groups or organization prior to implementing a change. Two of the most widely used ways of structuring communications, illustrated in Figure 5.5, are the star and the circle.

The arrowed lines represent two-way communication channels. In the circle, each person can send messages to a colleague on either side, and thus, the group is free to communicate all around the circles. In other words, nothing in the structure of the communication.

Fig. 5.5 Two Ways of Structuring Communication



5.14. Conclusion:

Change involves making things differently. Change occurs at individual, group and organisational levels. Change is generally resisted. The causes for resistance are rational, psychological and sociological. Resistance manifests itself in the form of hostility, apathy, absenteeism, tension, strikes and slow down of work. Planning and Implementation change successfully needs knowledge about the change process.

5.15. Self Assessment Questions:

1. Explain the General frame work for Understanding Change.
2. Give a brief note on force field analysis.
3. Explain the change cycles-levels of change?
4. Discuss the advantages and disadvantages of change cycles?

5.16. References:

1. Paul Hersey, Kenneth, H. Blanchard, Dewey E. John sou, Management of organisational Behaviour, Prentice Hall of India private Limited, New Delhi-2000.
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3. Robbin Stephen P., Organisational behaviour, Prentice Hall International Inc, New Jersey, 1991.

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Lesson - 6

The Introduction of Change

6.0. Objective:

After going through this lesson students will be able to how the Introduction of change taking place.

- To know the resistance to change
- To understand the position of the supervisors
- To know management by crisis and to study in the management of change.

Structure of the Lesson:

- 6.1. Introduction of Change
- 6.2. Methods of Introducing Change
- 6.3. Resistance to Change
- 6.4. The Position of the Supervisor
- 6.5. Management by Crisis.
- 6.6. A study in the Management of Change
- 6.7. Conclusion
- 6.8. Self Assessment questions
- 6.9. References

6.1. Introduction of Change:

The normal procedure by which change initiative are implemented is for management to set out certain desired performance objectives and outline the operating plans which have been designed to realise them. Control systems are applied so that performance levels can be monitored regularly, thereby enabling management to decide what corrective action need to be taken if performance levels (i.e., production targets) are not being met. A fundamental function of management is to co-ordinate and integrates the performance objectives of different service support and operating departments. Figure 6.2 illustrates some of the forces and influences which effectively preclude joint collaboration and commitment to closer working and more productive relations.

A diagrammatic form is presented of the nature of organisational structures: the network of functional reporting relations in terms of the jobs people fulfil, and the authority which they exercise over others; the position they hold in the hierarchy which enables them to carry out their responsibilities; the role and function of departments; the managerial or supervisory practices and procedures commonly adopted to get jobs done and to overcome operating difficulties; the commonality and differences of operational service support demands and expectations and how these are played out in the work situation by management and supervision at different hierarchical

and functional interfaces. This serves to identify some of the maladaptive workings of the organization and the stumbling-blocks to an improved system of management.

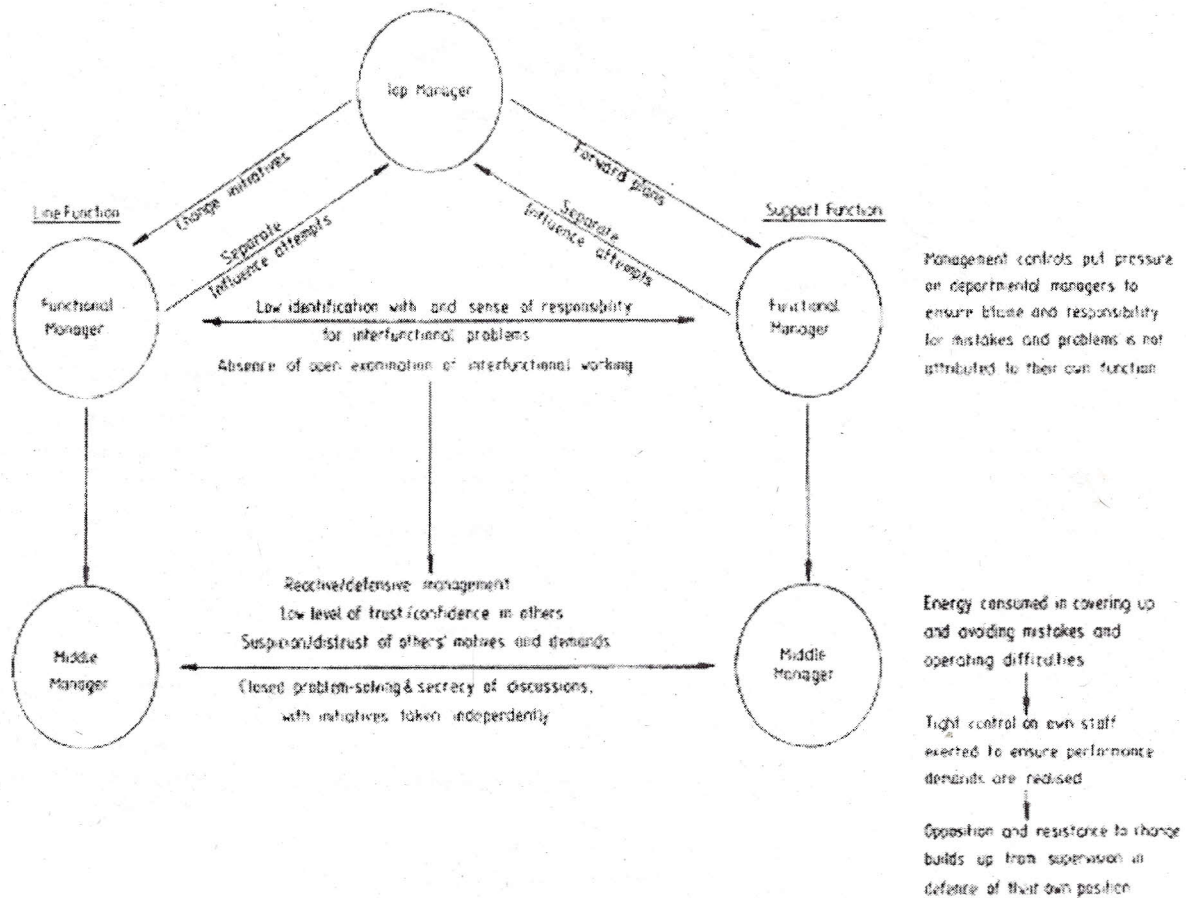


Fig : 6.1. Barriers to interfunctional collaboration and problem-solving

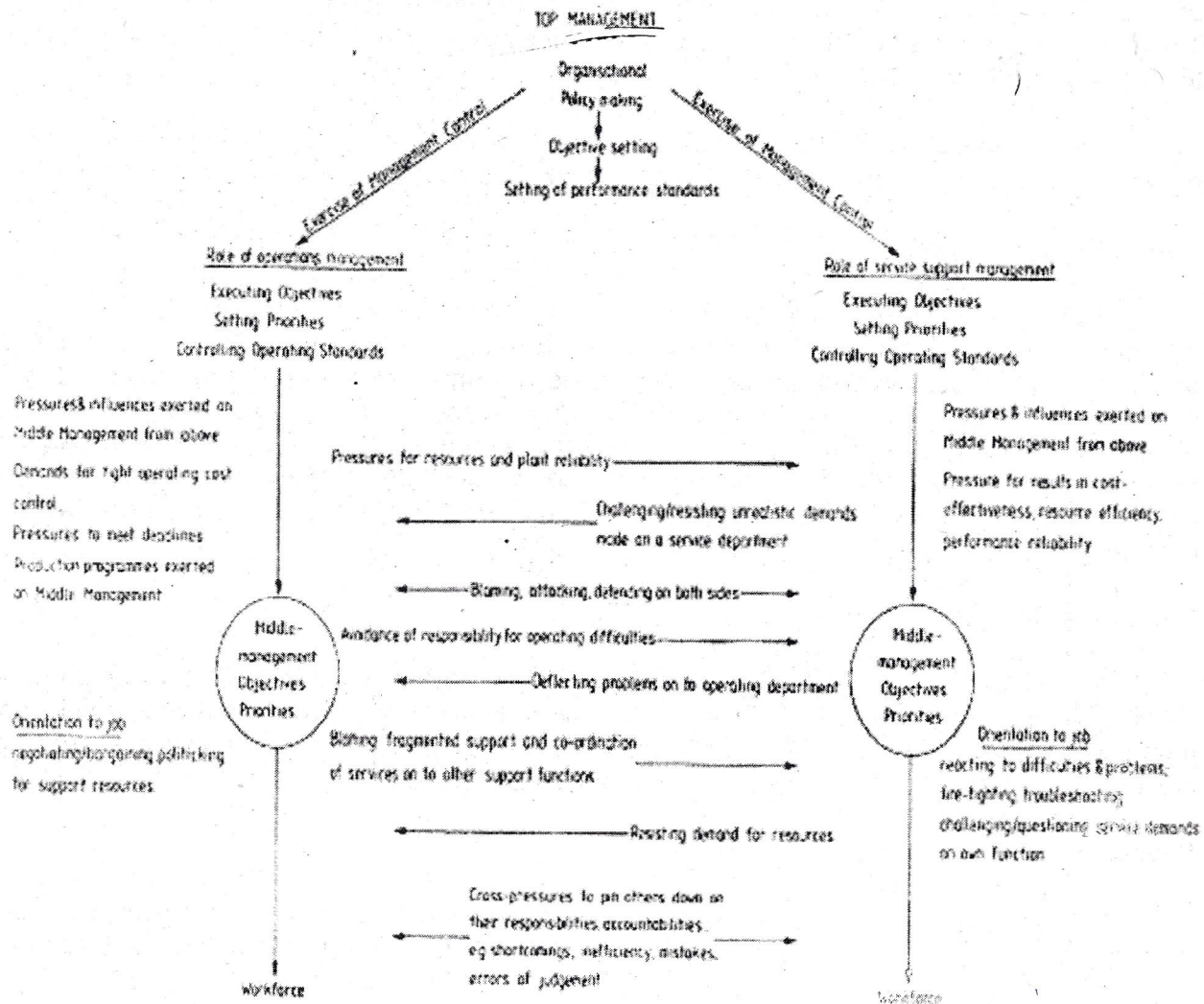


Fig 6.2: The management of interfaces – a conflict model

6.2. Methods of Introducing Change:

Kotter and Schelesinger have suggested six methods of introducing change. The change agent must understand that there is no one universal approach to overcome resistance. Depending on each situation a different approach needs to be adopted. Change is a situational problem, and a realisation of this fact is essential for bringing about a change.

Contains six approaches for introducing change together with the situations where each change intervention is most appropriate. The advantages and drawbacks of each approach are also listed in the table. Management must examine the nature of the resistance and then review, the possible approaches to fit the situation.

The six approaches listed will help unfreeze and change the values and behaviours of people. In other words, the approaches enable the managers to introduce change successfully. The next crucial stage is to make the change stick otherwise there is the danger of people reverting to the pre-change position.

How to make the change permanent? The methods suggested for the purpose are; use of group forces, use of leadership, shared rewards, working with unions, and concern for employees.

Use of Group Forces :

The group exercises considerable influence on the behaviour of members. The behaviour, attitudes, beliefs, and values of the individual are all firmly grounded in the groups to which he belongs. How aggressive or co-operative a person is, how much self-respect and self-confidence he has, how energetic and productive his work is, what he aspires to, what he believed to be true and good, when he loves or hates, and what beliefs and prejudices he holds—all these characteristics are highly determined by the individual's group membership. Whether they resist or accept change largely depends on the groups. The change agent must make use of the groups to bring about change.

Change of Change Agent :

The change agent himself changes. It is only then that he will be able to reinforce a psychological climate of support for change. Unwillingness of the managers to give up traditional managerial practices and their unpreparedness to new methods are the most serious barriers to the introduction of change and to make it permanent in organisations.

Shared Rewards :

Another way to build support for change is to ensure that the people affected derive benefit out of the change. Benefits include increased pay, promotion, training, recognition, and the like.

Co-Operation of Unions :

Taken into confidence, unions themselves can act as change agents, though they are generally considered to be anti-change. Many union leaders are accepting the installation of CNC machines, though it means displacement of the work force. This has been possible because of their participation before, during, and after the change has been introduced. A change introduced without their support may not stay for long.

Concern for Employees :

A change should not be introduced for the sake of it. Change needs to be introduced only when necessary and it must be by evolution and not by revolution. Any change must ultimately benefit employees. In the short-run the needs and requirements of employees should not be affected. Any problem that has taken place because of change needs to be looked into and corrected immediately.

6.3. Resistance to Change:

A critical point in the management system regarding the nature and outcome of management change initiatives in an organisation is the position of the senior supervisor. The latter very much dictates day-to-day operations at the plant level. The success of an organization's policy on safety, cost control, staff development and industrial relations depends very much on the existing attitudes and working practices adopted by first line management and more specifically the senior supervisor.

The present organization and deployment of personnel by the senior supervisor very much dictates the opportunities made available for subordinates to realise their potential. Senior supervision can negate or frustrate the needs of plant and service support personnel for carrying out changes.

An investigation on the role of the operational technologist on an oil refinery, for instance, highlighted the critical dependence of the young technologist upon establishing a relationship with the senior supervisor if he were to make a significant technological impact on the plant. The senior supervisor, in the way that he ran his department and by authority that he exercised, directly, influenced the contribution which other departments made.

6.4. The Position of the Supervisor:

Because the supervisor is a critical link in the flow of work and a major influence on the day-to-day operation of departments, some of the problems attendant to their position in the organization and the dysfunctional influences acting upon them, in so far as their ability to carry out their role and responsibilities effectively is concerned, are now investigated. An issue which causes organizations much concern and which needs to be looked at more fully are some of the dysfunctional aspects of the workings of the organization which have brought about some of the resistant attitudes to management change initiatives at the supervisory level. This subject is taken up from, say, the perspective of the engineering maintenance supervisor in a service support capacity to operations in an oil and chemical products company.

The job of the supervisor is essentially one of instigating and carrying out the maintenance of technical operations among production units. This involves a long chain of activities including investigating production failures, plant operability, equipment histories, writing out job instructions, work planning, cost control, work scheduling, requisitioning materials and numerous communications associated with getting the work done on time at certain specified standards of engineering and plant operation. Much of the maintenance work undertaken on the technical system of production departments cannot always be mechanised, standardised, or pre-planned. The work flow tends to be variable and uneven. The consequence is that the organisation does not readily have control over the volume or make-up of its work load at any given time. In addition, the demands of the work are frequently of an emergency nature and non-deferrable and this demands a constant readiness which places a heavy burden of responsibility upon the engineering function and the supervisor in particular, who has to act on the problems involved while, at the same time, maintaining safe and reliable technical operations among production units.

The emergency nature of the work invites a certain exploitation of uncertainty and ambiguity by production departments, some of whom may not hesitate to make unreasonable demands upon organisational facilities and scarce resources on the grounds of 'emergency'. For example, supervisors in engineering maintenance often consider themselves to be pressured by production departments by what they describe as 'political ploys' adopted by operation managers who claim that production losses could have been avoided had engineering maintenance been able to respond effectively to equipment failures on their units. Not unnaturally, supervisors become resentful at the blame attributed to them when they find or suspect that the initial failure was due to maloperation.

Engineering maintenance functions are anxious to make main-stream operations aware of the need for greater attention to the smooth efficient running of equipment and adherence of formally prescribed operational practices and procedures which help them and operations maintain production units in continuous operation and in reliable order. Fewer breakdowns of machinery and equipment on production units enable engineering to deploy the limited labour and material resources at their disposal more efficiently and thereby provide a more extensive support service at improved standards of engineering maintenance. The pressures and demands made on supervisors in the maintenance function are added to by the need to co-ordinate progress and generally supervise ancillary engineering work, which tends to divert maintenance supervisors from their primary task.

6.5. Management by Crisis:

The non-deferrable nature and character of the work and the relative inability of maintenance departments to anticipate some of the demands for its services often lead engineering managers and supervisors to adopt a management –by-crisis instead of a management –by-objectives approach in running their organization. In an effort to deal with the numerous number of work demands the supervisor tends to take short cuts and changes his plans in order to meet unforeseen equipment failures and unit breakdowns. In dealing with immediate production problems the supervisor sacrifices some of the time required to plan, organize, co-ordinate and control the limited resources made available to him in fulfilling the range of maintenance tasks befalling him and his department. In an attempt to respond to the pressures and demands of their tasks the supervisor undertakes as many work orders as he can, and completes the jobs as quickly as possible because of the volume of work which is outstanding. The net effect is that he tries to fulfill too many work orders too quickly without adequate time and resources made available to him so that essential maintenance tasks are not always carried out properly. Equipment failure on production units is then attributed to engineering maintenance units.

Operations management's criticisms of inefficiency, bad planning and lack of organisation embarrass and discomfort higher management. Because of premature failure on equipment put back into operation, additional work is generated. This puts more work demands on maintenance supervision and creates even greater incentives to take short cuts in order to complete the outstanding work orders as speedily as possible. The number of production failures, tends, however, to increase in such circumstances.

The supervisor thus becomes trapped in this vicious spiral of escalating work demands which cannot be fulfilled adequately because of constraints in the system such as unanticipated

work demands, resource limitations and unrealistic deadlines on work completions. At the same time inflexible policies and procedures on resource deployment and wage payments restrain a supervisor's ability to overcome shortfalls in availability of manpower and to fulfill high levels of resource demand.

A problem for the supervisor in ensuring that work demands are met is avoiding industrial action being taken by the labour force on matters related to work-sharing, manning levels, pay and working conditions. Supervisors rely very much on successfully negotiated industrial-relations policies and agreements made with unions which foster support and collaboration from the workforce in terms of flexibility of working and efficient utilisation of labour, in order to achieve desired levels and standards of work performance.

Because of inefficient working practices and procedures, or neglect of them by certain tradesmen, the quality of work is not always satisfactory. Supervisors therefore blame some of the production failures and higher costs of maintenance upon bad workmanship and attribute the low quality of craftsmanship to their inability to discipline effectively those persons responsible, through the power of dismissal or by authorising changes in working arrangements and practices. Higher management is not often willing to dismiss employees or reprimand poorly motivated or inefficient employees for fear of provoking retaliatory action from shop stewards and trade unionists which would threaten to discipline staff whose performance is not adequate, the supervisor's authority is severely undermined in the execution of his job, at least in so far as exerting control over the workforce is concerned.

The supervisor considers himself to be powerless to arrest failing levels of productivity without sufficient influence and say in labour relations and real control over the labour force. Because of wide-spread occurrences of bad workmanship, which supervisors are not able to deal with, the quality and reliability of service support falls away and more frequent cases of operational breakdowns occur, increasing the demand for engineering maintenance. Caught up in this vicious circle the supervisor is vulnerable to blame and criticism for the level and quality of work put out. There is quite naturally a reluctance on his part to take responsibility for operational difficulties and to avoid accountability for problems associated with systems of operation – which the supervisors to be outside his control.

In addition to these factors, the supervisor has to contend with maintaining old production plants with machinery and equipment which are not very reliable and which require regular attention and close supervision. Because of the particular technological nature and character of different production units, the supervisor develops certain tried and tested ways of coping with the complexity and multitude of resource demands made by each one. Not unnaturally the supervisor will seek to defend his position and vindicate the actions he takes. Exposed to criticism and blame it is not altogether unexpected to find the supervisor rigidly and defiantly trying to preserve his own methods and modes of operation which he considers enables him to cope effectively with the demands and pressures in his job.

To cope with the pressure for ensuring desirable results, and the demands for meeting deadlines and maintaining effective cost control, the supervisor builds a protective wall around himself in order to fend off criticism and defend himself against any failures or shortcomings in

engineering support capability and efficiency. An example of this is the resistance operations face when it presses for malfunctioning equipment to be brought back on line earlier than engineering maintenance consider to be practical. Alternatively, unauthorised methods of working are sanctioned by supervision to deal with inflexible procedures and operating constraints. First and foremost, the supervisor concerns himself with defending and his men, while denying responsibility for declining standards of performance and cost-effectiveness, so as to preserve his insecure position and uncertain standing.

6.6. A Study in the Management of Change:

There now follows an account of a high-level management meeting on an oil refinery which was convened to decide on what action needs to be taken in response to a top-management decree. This account is presented so as to illustrate some of the principle reasons for low levels of commitment to change and why a high level of resistance in an organisation's system of operation occurs. This study also reveals, significantly, the inability of senior management to cope and adapt to the need for change when faced with having to implement operational changes over which they have had little or no control and influence. Operational technologists in process industries are key figures in the instigation of new methods and modes of operation for purposes of improving the reliability and efficiency of systems of operation. The operational technologist reported to operations management in the organisational structure, though there was a technology department in the system which was also responsible for such activities. Operational technologists were more fundamentally concerned with monitoring, investigating and correcting deviations from existing levels of known plant performance on a day-to-day basis, whereas field technologies were concerned with studying and appraising plant capability so as to arrive at ways and means of extending it.

A major study had been conducted to decide whether the technological expertise currently provided by operating technologists was fully utilised or not. Contrary to much of the advice of the report, the head of the organisation decided to transfer the operations back into the technology department. The head of operations strongly opposed this move but was powerless to do anything about it. He called a meeting of his senior managers to discuss what impact this decision would have on operations. In their opinion the transfer would not improve the level and quality of technological resource support. However, the decision was reluctantly and disapprovingly accepted by the senior managers in operations. It soon became evident to them that the transfer would impose limitations on their present system of operation. There would, for instance, be an additional work-load and loss of technological expertise in monitoring deviations from desired levels of plant performance and in identifying the different operating costs incurred. Operations did not therefore believe that the production levels required of them would be fulfilled with the loss of the operational technologist.

The transfer was bitterly resented by the field technologists who had hoped for a move into operations sometimes in the future, because of the responsibilities and powers they would have in the job which would enable them to achieve a more visible and immediate impact on plant operations through instigating changes in the working practices and procedures of operatives and supervisors entrusted with operating equipment and manning the plant. The immediate consequence of the transfer decision was that the role and the function of the operational technologist were no longer

controlled by the production units. The primary concern of the operation managers was the loss of their expertise and support in monitoring and acting on deviations from desired levels of plant performance and costs of operation. An overriding issue of importance to the organisation was the need for operations and technology to establish in over-all terms what were the needs of operations to meet the planned production programmes and what was the appropriate technological resource support to meet desired levels of performance efficiency. However, because the issue was seen in terms of winning and losing power and control over a key resource, there was no discussion on this matter.

The managers in operations failed to come to terms with the reasons for the changes. Although a rationale for such a change had been prepared, there was no desire to examine, let alone accept, it. While various proposals for change had been looked at prior to the decision, the managers of both operations and technology had no say in the matter, which added to their rejection of the reasons for change which were circulated by top management. An air of resignation and fatalism reigned over the meeting. The frustration of the managers was evident in their disenchantment with the decision-making process adopted. There was a marked lack of conviction in consultation as a process of managing change as a result. With the transfer of the operational technologist the head of operations still had to resolve the outstanding problems facing operations as a consequence of the decision. In a working environment which fosters the avoidance or denial of problems and rewards people for the ability to work within constraints rather than to challenge them, the managers in operations were reduced to examine or discuss the need for change and the impact of the decision on how systems of operations would be affected. At the same time, the problems presented to operations by the transfer of the operational technologists created a very immediate need to look less at defining over – all operating requirements in relations to current and future manufacturing needs but rather more at filling in the holes left by the decision to place the operating technologist in field technology.

Because of the opposition and resentment towards the transfer, there was little motivation to analyse the work activities involved in operations in order to establish what the job demands were for the purpose of sustaining the present level and standards of operational performance. This would have helped in seeing what emerged in terms of specific tasks inadequately covered with the prospective reorganisation of technological resource support. What initiatives were proposed was to solve immediate practical problems with as little structural change as possible. The important decisions which were faced, those arising over the problems which were envisaged by the change, appeared to unsettle the senior managers when they had to approach their staff about it. They appeared not to be confident in approaching the staff with the unresolved problems. There was, rather, a greater desire to deal with these problems independently, rather than involve their staff in resolving them. The practical implications of the resultant changes needed to be appreciated and agreed to if there was to be any real sense of responsibility and desire to improve present working arrangements for the better. Instead, excuses and obstacles preventing and detracting from the changes envisaged in the roles and responsibilities of managers and supervisors alike were raised. In taking what was an unpalatable action and without seeing or recognising the need for change, the managers in operation did not achieve the 'change-over, from one system of operation to another effectively.

Although the decision regarding the transfer necessitated that greater managerial responsibility for cost control and identifying deviations from specified levels of plant performance (i.e., desired levels of production) fell on the shoulder of supervision, in reality this did not occur. In

some instances the former operational technologist did it, which meant that the technological expertise which was potentially available was not fully utilised. In other instances it fell between one or more supervisors and in the end no one supervisor claimed responsibility or fulfilled his responsibilities for operational costs and production control adequately.

The above case study aptly illustrates and reinforces some of the fundamental reasons we have identified for the failure of organisations and the managements who run them. The underlying problem is to identify the malfunctions in an organisation's structure and functioning. The challenge to management is to investigate and explore what changes are needed in the organisation's system of operation in order to improve business performance. However, a very important consideration and potential stumbling-block to management initiatives is the response of personnel to a changing work environment, Figure 6.3 highlights some of the problematic features and necessary considerations for a manager.

In a changing and uncertain external environment there are social, economic and political pressure and demands placed upon managers who run large organisations. Changes which are not only enforced upon companies but which cannot be readily predicted lead to uncertainty and indecision. The resultant lack of clear unambiguous corporate policies and decisions serves to promote even further uncertainty and indecision among all staff. Set against this back-ground are a host of competing and conflicting demands and expectations about the role and function of service support functions vis-à-vis mainstream operations -which often leads to unproductive working relations. At the same time, because of internal constraints in terms of the rules and procedures imposed on managers and their staff in performing their task(s), there are often deep-seated frustrations and unfulfilled demands pent up inside people. One of the consequences is variable task commitment and unpredictable performances from managers and staff alike.

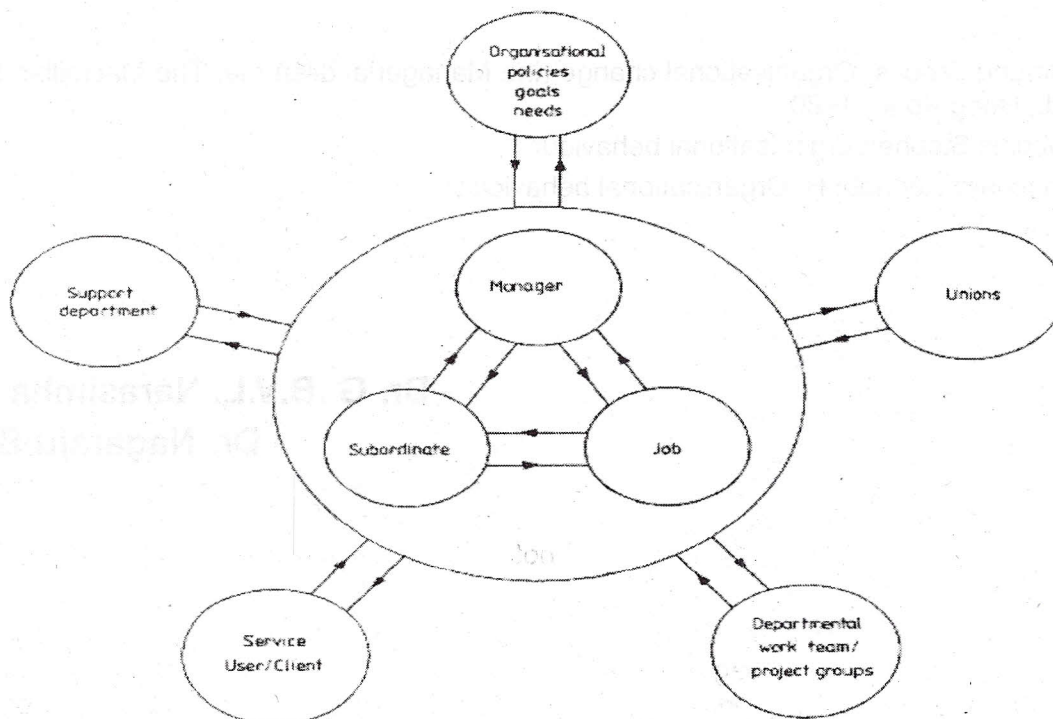


Figure 6.3 Organisational environment

By identifying the sources of these problems we can more readily understand the reasons underlying the ineffectualness of management change initiatives and the resistance to organisational change of those people involved. Once we have done that we can begin to examine how stumbling-blocks in the system of operation frustrate change and innovation and how they may be tackled. The analysis presented here points to the fact there are a variety of potential sources of conflict and dispute which need to be carefully considered before organisations decide on an appropriate course of action.

6.7. Conclusion:

The purpose of this examination and analysis of organisational behavior has been to provide an explanation of the underlying causes and consequences of the managerial problems associated with improving the performance efficiency and operating capability of organisations. A major concern was with identifying the changes which would be necessary in the system of operation and in the capability of management to cope and adapt to them.

6.8. Self Assessment Questions:

1. Explain the introduction of change and resistance to change?
2. Role of the Supervisor while introducing the change
3. Explain the Management by crisis?

6.1. References:

1. Edmund Brooks, Organisational change, the Managerial dilemma, The Macmillan Press Ltd., Hong Kong, 1980.
2. Robbins Stephen organisational behaviour
3. Blanchard Kenneth H. Organisational behaviour.

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Lesson - 7

Organisational Change Process

7.0. Objective:

- After going through this lesson, students will be able to know about change.
- To understand the change process it includes
- To understand the change process it includes top down change and bottom up change.
- To learn the shared responsibility for change and criteria for judging effectiveness of change approaches.

Structure of the Lesson:

- 7.1. Introduction
- 7.2. The change process
 - 7.2.1 Top-down change
 - 7.2.1.1. By decree
 - 7.2.1.2. By Technology
 - 7.2.1.3. By Replacement
 - 7.2.1.4. By Structure
 - 7.2.2. Bottom-up change
 - 7.2.2.1. By Training
 - 7.2.2.2. By staff group
 - 7.2.2.3. By experimental unit
- 7.3. The process and Models of organisational change
 - 7.3.1. Individual change and organizational change
 - 7.3.2. Evolutionary change and revolutionary change
 - 7.3.3. Reactive and proactive changes
- 7.4. Models of organizational change
- 7.5. Driving Forces
- 7.6. Forces for stability
- 7.7. Syndromes of organisational maladjustment
- 7.8. Shared Responsibility for change
 - 7.8.1. Through interactive communication
 - 7.8.2 Through decision making task force
 - 7.8.3 Through diagnostic and problem solving task force
- 7.9. Criteria for judging Effectiveness of change approach
- 7.10. Conclusion
- 7.11. Self Assessment Questions
- 7.12. References

7.1. Introduction:

7.2. The Change Process:

In change involved only one person or a small group, dissatisfaction and new models might be sufficient to effect change. The source of the energy for change and the target would be one and the same. Unfortunately, change in large complex organizations involves many people, groups, and political constituencies. Thus, the agent of change must find ways to motivate a large number of people to change their behavior. This problem exists for all change agents regardless of whether they are outside or inside the organization, or whether they are at the top or bottom. In addition to dissatisfaction and new directions and models, the *process* by which people are moved to change their behavior becomes a third major factor in how organizations change. In fact, which approach to use presents the single most important problem in organizational change?

This section will examine three common approaches to large system change and the problem of motivating others, primarily from the perspective of top management. The assumption underlying this perspective is that no change can occur in hierarchical organizations, which most contemporary organizations are, unless dissatisfactions and a new vision exists at the top. Even if the initial source of dissatisfaction resides elsewhere in the organization, top managers must ultimately be committed to the change and exercise influence on others in the organization.

7.2.1. Top-Down Change:

Many organizational changes are implemented through the authority of the top manager's position. The manager defines the problem based on information that is gathered by others and develops the solution by him for with the help of a limited number of people. The information may be gathered by his immediate subordinates, members of a staff group, and/ or a consultant. The solution may be recommended by them but the top person makes the final decision.

Once a decision is made, change is communicated and activated in a number of different ways:

7.2.1.1. By Decree:

Management, informs people in the organization about changes by a memorandum, speech, policy statement, or verbal command. The communication is often impersonal and formal, and rarely specifies the required attitude and behavior change or the reasons. The assumption is that people will comply by changing their outward behavior even if they disagree with the change.

7.2.1.2. By Technology:

Many major organizational changes are technological ones. Sometimes these changes do not have the intent of changing behavior and sometimes they do, but they almost always have an impact on behavior. Henry Ford's assembly line had a major impact on the behavior and attitude of workers. More recently, the introduction of work processing into offices is changing the roles of secretaries and managers and is causing much dissatisfaction and uncertainty. People are told about technological changes but it is usually thought that they have little to contribute to the shape of the solution. It is assumed that people will accept new technology for the same reasons top management decided to introduce it.

7.2.1.3. By Replacement:

When top management is impatient with the slow pace of change following a decree, they often resort to replacing key individuals. A new plant or division manager is brought in. The assumption is that this new individual will bring with him new ways of looking at the same problems, that he has managerial skills or technical skills his predecessor didn't have, and/or that he will be able to make tough decisions about people and problems because he is less tied to previous ones. The reasons for replacements are rarely explained to people in the organization, although they attribute meaning to them.

7.2.1.4. By Structure:

As we saw in the previous chapter, changes in organization structure, formal roles and jobs, control systems, and many other aspects of the internal environments, are all means by which people's behavior can be influenced. While changes in structure are less directive and authoritarian on the surface, they are quickly felt by those in the organization. Structural change usually provides signals about desired behavior or specifies new relationships. It is assumed that people will respond to these signals and new relationships in a way intended by the structural changes. It is rare that the intentions underlying these types of changes are announced, though people clearly speculate about them and derive meaning from them.

Most top-down changes are unilateral. That is, only a few people, usually at the top, are involved in deliberations and make the decisions. For this reason, the changes are usually introduced very rapidly. For example, the operations division of a large bank introduced a whole new technology for processing transactions. As the managers themselves said, a bank was being transformed into a factory. Plans were made by a staff group with limited consultation from line managers. Between Friday and Monday morning, new machines, creating new jobs for almost everyone, were installed. A major cultural change, triggered by technological change, had occurred almost overnight.

7.2.2. Bottom – Up Change:

At the opposite extreme from top-down unilateral approaches to change, are bottom-up changes where almost complete responsibility for defining the problems and developing a solution is assumed by people at lower levels in the organization. This responsibility may be delegated by top management, or the initiative may be taken by an individual or group who sees the need for change. The form of the change process and its results are often quite similar, regardless of whether lower levels take the initiative or top management delegates complete authority. The key in these approaches is that management is not involved and knows little about the changes. There are several examples of bottom-up change:

7.2.2.1. By Training:

Attempts to influence the attitudes and behavior of large numbers of people sometimes take the form of massive training and development efforts, undertaken by the personnel or training department, often at the request of top management and sometimes at their own initiative. In recent years, organizations have used T-groups and managerial grid training in this way. These programs are aimed at improving individual self-awareness, sensitivity to group process, and leadership skills. Similar approaches have been applied in attempts to improve problem solving skills (Kepner & Trego, 1963), financial management, and other managerial skills. The assumption is that a change in knowledge and attitudes will lead to a desired change in behavior. The objective

of the training may or may not be explicitly discussed and related to corporate strategy. Top management often does not attend the training, or if they do, they see an abbreviated version. They do provide the budget. As the president of one company said to the Vice-President of Personnel, "You have \$300,000 for training this year; go out and spend it".

7.2.2.2. By Staff Group:

In recent years, management has attempted to introduce management disciplines such as operations research, organisation development, and planning by setting up staff groups charged with the responsibility of getting line managers to adopt more sophisticated approaches to management. Sometimes staff groups have taken it upon themselves to be agents of change. The assumption is that the staff group will prod and teach new approaches to other managers through various procedures and requirements, usually endorsed by top management. Planning departments often require the submission of a yearly plan. In a sense, the staff group acts as the agent of top management in pushing for the desired changes, with management relatively uninvolved.

7.2.2.3. By Experimental Unit:

Change in organization is sometimes brought about by designating one organizational unit (Plant or division) as the site for trying a new technology, a new approach to management, or a new structure. Sometimes this is a conscious decision by management. Sometimes managers adopt the role of innovator on their own with only limited involvement by top management. At other times, changes in one unit may occur as a result of pressures from workers or unions. Few reports or discussions about progress take place. The assumption is that the new approach can be adopted by other subunits and ultimately by the whole organization without significant top management involvement.

When management delegates the responsibility for change to individuals and groups at lower levels, they give up much of their power and influence over the definition of problems and their solutions. The effect is the same as when a lower level unit initiates change without consulting top management. Change is unleashed at lower levels without adequate integration with the beliefs and policies of the dominant coalition. There is a high risk of a clash between the assumptions underlying the change and the beliefs of the dominant coalition.

7.3. The Process and Models of Organisational Change:

Changes in organisation are brought about by people. The change in an organisation can be initiated at the individual level, or organisational level. Organisational change takes place through a slow unfolding process or through cataclysmic events overturning status quo arrangements.

7.3.1. Individual Change and Organisational Change:

The individual change is behavioural i.e., determined by individual characteristics of members such as knowledge, attitudes, beliefs, needs, expectations etc. A total change in an organisation can be carried out by changing behaviour of individual members through participative educative strategy. Of course, the degree of difficulty involved in the change and the time taken to change will be primarily dependent upon what exactly is the target of change.

To change the attitude is usually considered more difficult and time taking when compared to change in knowledge. The attitudes towards change are largely dependent on the context of the situation, the nature and the extent of change and the manner in which changes are initiated and executed and these attitudes are more difficult to modify than the knowledge about the change.

Changing individual behaviour is a still more time-taking and difficult task. For example, honesty is the best policy. People might have favourable attitudes towards people who are honest and dislike those who are dishonest, but in certain situations, still may act in a less honest manner.

Bringing total behavioural change in all the groups and members in an organisation usually entails the most difficult long-range effort. More often than not, it is a slow painful process to usher in a total cultural change in an organisation.

7.3.2. Evolutionary Change and Revolutionary Change:

An organisation can be compared with any other open system organism, it can be described in terms of its birth, growth, maturity, senility, decline, entropy or death. Any organisation, like other organism, passes through these stages and in the process changes itself from one form to another form. It is noted from the table 3. There are different stages of organisation's change and development. In case stage there are some critical concern and key issues which consequences if the concerns are not met with satisfaction.

Table : Life Stages and Key Issues or Concerns

Stages	Critical Concerns	Key Issues	Consequences if concern is not met
Birth	1 To create a new organisation	What to risk	Frustration and inaction
	2 To survive as a viable Youth	What to sacrifice capital	Death of organisation of further subsidy by faith
	3 To gain stability	How to organise	Reactive, crisis dominated organisation. Opportunistic rather than self-directing attitudes and policies
	4 To gain reputation and develop pride	How to review and evaluate	Difficulty in attracting good personnel and clients. Inappropriate, overtly aggressive and distorted image.
Matur	5 To contribute to Society	Whether and How to share	Possible lack of public respect and appreciation, loss of profits.

In order to meet the critical concerns of each stage, organisations go through some rapid, visible, shake-ups of their structure, policies, procedures, techniques, personnel etc. these changes

in calmer moments of steady growth, may be viewed as revolutionary changes. Evolutionary periods are characterised by the dominant management style used to achieve growth, while revolutionary periods are characterised by the dominant problems that must be solved before growth continues.

7.3.3. Reactive and Proactive Changes:

The difference between reactive and proactive change corresponds, by way of analogy, to that between reflexive behaviour or purposive behaviour. An individual responds reflexively to a sudden intense light by eye-blinking or papillary contraction. This is an immediate, automatic response without any thought. A purposive response to the same stimulus would mean devising a plan to shield the eyes or removing the light. It would require coordination of central nervous system and psychomotor capacities.

Reactive change, like reflexive behaviour involves a limited part of the system as a whole. Also, reflexive behaviour and reactive changes share the characteristics of responding to immediate symptoms, while purposive behaviour and proactive change respond to underlying forces producing the symptoms.

Change may be either necessitated by the pressure of external forces or brought by deliberate and conscious efforts of the management. The latter type of change is called the volitional or planned change. According to Warren Bennis, the method of planned change "encompasses the application of systematic and appropriate knowledge to human affairs for the purpose of creating intelligent action and choices. Planned change aims to relate to the basic disciplines of the behavioural sciences on engineering does to the physical sciences or as medicine relates to the biological sciences. The management may decide to go in for planned change to cope with complex problems of modern society and the growth of behavioural sciences.

7.4. Models of Organisational Change:

7.4.1. Lewin's Change Model:

Resistance to change could be overcome on an enduring basis by systematically planning and implementing the process of change. Kurt Lewin identified the following phases in the process of planned change. (Fig. 22.3)

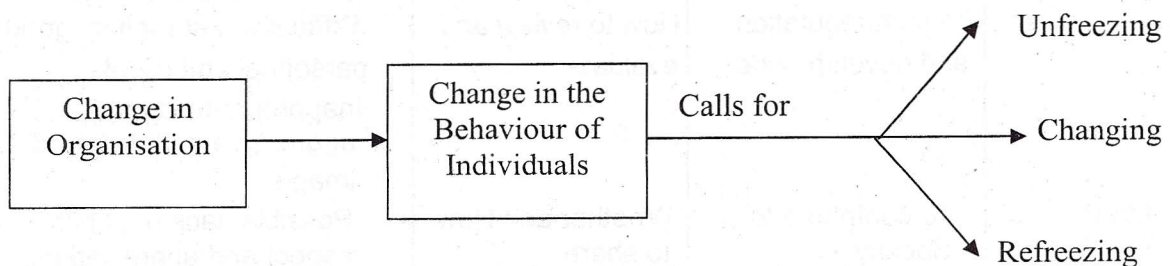


Fig. 22.3 The Change Process

7.4.1.1. Unfreezing:

The manager as a change agent has to assume the responsibility to break open the shell of complacency and self righteousness among his subordinates. He has to identify the background factors contributing to resistance. Subordinates may resist change for economic, social or personal reasons. The interplays among the several factors responsible for resistance have to be isolated. Through a series of discussions with the subordinates, it should be possible to explain to them the problem with the present state of affairs, the need for change, the pace and volume of proposed change, the direction and the implications of such change. This is a process of mutual learning between the manager and his subordinates. The manager should clear all the nagging doubts of the subordinates about the proposed changes. Eventually, subordinates may see the rationale implicit in the proposed change and may veer round to the idea of the desirability of change.

7.4.1.2. Moving to the New Level:

Once the subordinates become receptive to change, the manager as a change agent should introduce the proposed changes in a systematic manner with the full cooperation of subordinates. They should be given intensive orientation as to the behavioural changes necessary for successful introduction of the proposed change so that adaptation to the new environment takes shape as desired. Several problems crop up during the process of implementation, some of which might be totally unforeseen. These are to be handled by the manager in consultation with his subordinates.

7.4.1.3. Freezing at the New Level:

It is a phase of stabilisation, assimilation and institutionalisation of the changes which are accomplished should remains a stable and permanent characteristics of the system until another need arises for change. The new role relationships and behavioural patterns should be allowed to take on the characteristics of habits. The subordinates should get a genuine feeling that the benefits generated by the change are worthwhile.

Although the success of a change attempt depends on completion of the latter two-steps (moving and refreezing), an organisation's ability to adapt must first be determined by whether or not its current level of functioning can be unfrozen. That is if the organization neither perceives a need to change even if one actually exists nor possesses the desire or ability to alter the status quo, voluntary changes will presumably not be initiated, thus ending possible organizational adaptation before it begins. Identification of the sources of organizational resistance to change, and the sources of impetus for organisational change, and the organisational characteristics that accommodate imbalance between these forces should be dealt with since obviously the balance between these forces cannot be systematically upset (unfrozen) until the sources are identified.

7.4.2. Force Field Analysis:

Kurt Lewin introduced Force Field Analysis for implementing change. Force Field Analysis identifies (i) What forces are likely to push the change (i.e., driving forces) and (ii) What forces are likely to restrain it (i.e., restraining forces). The number and the strength of the driving and restraining forces must be identified. According to force-field theory, the present situation in which change is to be attempted is a quasi-static equilibrium of driving forces and restraining forces as shows in Fig. 22.4. Organisational stability, or quasistationary equilibrium, occurs when these driving and restraining forces balance each other in such a way as to maintain a constant level of functioning for a while.

The present equilibrium can be changed by strengthening the driving forces or by weakening the restraining forces. All these forces reside in the group. Lewin propounded that it is usually easier to change individuals formed into a group than to change any one of them separately. As long as group standards are unchanged, the individual will resist changes more strongly the farther he is to depart from group standards. If the group standards are changed, the resistance which is due to the relation between individual and group standards is eliminated.

The implication of Force Field Analysis for the manager is that before embarking on a change strategy, he must properly identify and evaluate the forces favouring change (driving forces) and those opposing change (restraining forces). This will enable him to remove the hindrances that block change efforts. He will not waste his time and energy on those forces over which he has no control.

7.5. Driving Forces (Forces for Change):

Organisations managing to survive in the long-run adapt to new external and internal environmental conditions (sometimes whether the participants and power holders want to or not). This suggests that change can come in two ways: Involuntarily or voluntarily.

Involuntary changes arise for many reasons, but quite commonly as a result of personnel turnover. As Kaufman explains: "Replacement personnel in organisations are all a little bit different than their predecessors (and from each other), particularly if they are of different generations... The produce changes.... The process may be very gradual and consequently almost imperceptible.... nevertheless, it goes on relentlessly". Thus, "the regeneration of organizations" comes about quite naturally.

Another need for change is experienced by organisational participants in the form of pressures or anxieties, which are created by discrepancies between the desired or potential level of organisation functioning (formal or informal) and the actual or predicted level. That is, "a motive force for change occurs in 'discrepant situations' in cases of a difference between stimulus and a person's internal anchors of attitudes, perceptions or whatever".

The examples of driving forces are :

- (i) Dissatisfaction with the present equilibrium i.e., need for change is felt.
- (ii) Conflicts in the organisation.
- (iii) Changes in organisational goals.
- (iv) Difference in personal and organisational goals.
- (v) Desire for innovation
- (vi) Low productivity and rising costs.

7.6. Restraining Forces (Forces for Stability):

The literature that addresses the organizational tendency to resist change focuses on resistance that arises from a pair of sources: personal and organisational. Resistance from either sector can be fully intentional, in which case the practitioner may find a rational model of the change process useful, or the resistance can be somewhat unintentional and require additional measures to bring to the surface.

Personal Sources of resistance. Individuals may resist change in general for various reasons of which they may or may not be aware. Conscious resistance presumably arises when an individual perceives a change as a threat to the security of personal advantages associated with the status quo. Conversely, resistance may arise as a result of anticipated disadvantages that accompany change. Suffice it to say that there are a number of sources of personal resistance to change and that personal resistance can result in unsuccessful change attempts and often does if not dealt with properly.

Organisational Sources of resistance. There are several obstacles to change inherent in the organisation. Such barriers to change include resource limitations, sunk costs, accumulation of official constraints, unofficial and unplanned constraints on behaviour, and inter organisational agreements.

7.7. Syndromes of Organisational Maladjustment:

There are various organisational maladjustment due to improper management of change and these are

- (a) **Amoeba** : Lack of strong direction from top executives. Not enough structure, order or guidance leading to activity trap, i.e., doing thing without knowing where one is heading to.
- (b) **Anarchy**: A Situational upheaval where leadership, responsibilities, functions and resources are in dispute.
- (c) **Buggywhip** : Clinging to obsolete products, services and practices which no longer have potential for sustaining livelihood.
- (d) **Deadlock** : Stand off condition between management and leader of workforce leading to toxic antagonistic relations between the factions.
- (e) **Mom & Pop**: Small company managers can not or will not help the company grow past the awkward stage.
- (f) **Myopia**: No future orientation. Little thought to strategy, sense of direction and advance planning. Live day to day, week to week.
- (g) **Rat-race**: Toxic climate coming from oppressive, primitive, slave-driving policy.
- (h) **Remote Control**: Too much administrative or executive control from the parent today. Decision making autonomy is seriously impaired.
- (i) **Rigor Mortis**: Conditions of inertia and activity prevail. Primary organisation value is structure and order.

7.8. Shared Responsibility for Change:

The top-down and bottom-up approaches represent extremes on a power distribution and involvement continuum. In the middle lies an approach to change, less frequently used (except in Japan), in which those at the top and those at lower levels are jointly involved in identifying problems

and/or developing solutions Top management does not decide every thing nor do they abdicate authority and responsibility for the change to lower levels. There is almost continual interaction between top and bottom levels and a process of mutual influence occurs. There are several forms this can take:

7.8.1. Though iterative communication:

With this approach, top management defines the problem and uses staff groups or consultants to gather information and develop solutions. These reactions are used to modify the solution, and the communications process starts again. The assumption underlying this approach is that there is no way of involving others in the definition of the problem or its solutions, but that the solution can be improved and commitment obtained through involving lower levels after the fact. This is a procedure for overcoming the problems which result from planning for others when, for a variety of reasons, they cannot be fully involved. (Bass, 1970).

7.8.2. Through decision –making task forces:

Top management defines the problem and solution parameters but seeks lower-level involvement by appointing task forces to develop solutions are then communicated to various level groups personally to obtain reactions. Top management is then provided recommended solutions and they make the final decision. Task forces are composed of lower-level people who will be affected by the changes and have expertise in the changes contemplated. The assumption is that lower level people have the expertise to solve problems more effectively than the top or staff groups because they are closer to the situation. It is also assumed that their commitment to the change will be higher as a result of this involvement.

7.8.3. Through diagnostic and problem-solving task forces:

This approach involves all levels of the organization equally and fully. Task forces composed of top, middle and lower level people are formed to collect information about problems in the organization. These or similar task forces are also involved in developing solutions. The underlying assumptions in this approach are that all levels are needed to develop a high-quality solution, and that commitment on the part of lower and upper levels must build at about the same pace.

The shared responsibility approach usually takes longer to implement but results in more commitment. Perhaps the best example of its widespread use in Japan where consultation prior to changes takes enormous amounts of time, much to the frustration of western observers, but generally results in high commitment and rapid implementation (Drucker, 1971). Indeed it could be argued that the shared approach is more efficient as a strategy for change because the time taken in deciding and getting commitment is more than made up for in efficient and rapid implementation.

7.9. Criteria for Judging Effectiveness of Change Approaches:

All of the approaches described are used in varying degrees in creating organizational change. Often an organizational change mixes these approaches. The top-down and bottom-up approaches have been the most frequently used because they are consistent with many of the assumptions about management associated are less frequently used and have only recently found their way into implementing organizational change in the United States and Europe. But which of

these approaches is most likely to be effective? Judging their effectiveness is not easy. Different criteria might be applied depending on the position of the person in the organization (top or bottom), the interest group of which he is a part (union, management, customer, and so forth), the time horizon used in making the judgment, and the values of the person making the judgment. The following are some of the criteria which can be legitimately used to judge the success of change effort:

1. The change comes closer than any choice to *satisfying* the need of various interest groups in the organization.
2. The change is *faster* than any other competing option.
3. The change results in the *immediate performance improvements* expected.
4. The change results in the *long-term performance improvements* expected.
5. The change results in the least possible *psychological and organizational strain*. Keleman & Warwick (1973) have defined strain as the anxiety resulting from the change and/or the frustration which change falls short of expectations.

7.10. Conclusion:

The term 'organisational change' implies the creation of imbalances in the existing pattern of situation. When an organisation operates and functions for a long time, an adjustment between its technical, human and structural set-up is established. Management of change may be defined as a conscious and concerted initiative by those who are in charge of the destiny of the business undertaking to keep a constant and intelligent watch over the behaviour of uncontrollable forces, to assess their impact and influence on the controllable forces, and to evolve appropriate strategies and action programme to maintain a dynamic equilibrium between the controllable and uncontrollable forces.

7.11. Self Assessment Questions:

1. Discuss the Change Process in organisation.
2. Explain the modals of organisational change.
3. What is the criteria for judging effectiveness of change approaches.

7.12. References:

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Lesson - 8

Purpose and Importance of Communication in Change Management

8.0. Objective:

After studying this Lesson students are able to understand the purpose and importance of communication in change management.

Structure of the Lesson;

- 8.1 Introduction**
- 8.2 Purpose of Communication in change Management**
 - 8.2.1 Flow of Information**
 - 8.2.2 Co-ordination**
 - 8.2.3 Learning management skills**
 - 8.2.4 Preparing people to accept change**
 - 8.2.5 Developing good human relations**
 - 8.2.6 Ideas of subordinates encourage**
- 8.3 Importance of communication in change Management**
 - 8.3.1 Base for action**
 - 8.3.2 Planning becomes easy**
 - 8.3.3 Means of Co-ordination**
 - 8.3.4 Aids in decision-making**
 - 8.3.5 Provides effective leadership**
 - 8.3.6 Boosts morale and motivation**
- 8.4 Principles of Communication**
 - 8.4.1 Clarity**
 - 8.4.2 Adequacy and consistency**
 - 8.4.3 Integration**
 - 8.4.4 Economy**
 - 8.4.5 Feedback**
 - 8.4.6 Need for communication net work**
 - 8.4.7 Attention**
- 8.5 Conclusion**
- 8.6 Self Assessment Questions**
- 8.7 References**

8.1. Introduction:

The exchange of information or passing of information, ideas or thought from one person to the other or from one end to the other is communication. According to McFarland communication is, "A process of meaningful interaction among human beings. More specifically, it is the processes by which meanings are perceived and understood are reached among human beings". Newman and Summer defined communication as "An exchange of facts, ideas, opinions or emotions by two or more persons". Communication is the process of passing information from one person to another. The purpose of communication is understanding of information. Whatever one wants to say to someone should be clearly understood by him else the very purpose of the communication would be defeated. In an organisation communication facilitates the flow of information and understanding between different people and departments through different media using all the channels and networks. This flow of information is vital for managerial effectiveness and decision making in general and for human resource manager in particular as he has to be in contact with the managers of various departments, employees and workers and trade union leaders. Communication thus helps understand people better removing misunderstanding and creating clarity of thoughts and expression. It also educates people. The communication may be written or oral, formal, informal, and upward, downward, horizontal, diagonal, interpersonal, interdepartmental, intraorganisational. The communication brings people together, closer to each other. The communication is an important management function closely associated with all other managerial functions. It bridges the gap between individuals and groups through flow of information and understanding between them. Information is the most vital aspect for communication. It is the information which is transmitted, studied, analysed and stored for decision-making and routine day to day business.

8.2. Purpose of Communication:

Management is getting the things done through others. The people working in the organisation should therefore be informed how to do the work assigned to them in the best possible manner. The communication is essential in any organisation. The purpose of the communication can be summed up into the following.

8.2.1. Flow of information:

The relevant information must flow continuously from top to bottom and vice versa. The staff at all levels must be kept informed about the organisational objectives and other developments taking place in the organisation. A care should be taken that no one should be misinformed. The information should reach the incumbent in the language he or she can understand better. The use of difficult words should be avoided. The right information should reach the right person, at right time through the right person.

8.2.2. Coordination :

It is through communication the efforts of all the staff working in the organisation can be coordinated for the accomplishment of the organisational goals. The coordination of all personnel's and their efforts is the essence of management which can be attained through effective communication.

8.2.3. Learning Management Skills:

The communication facilitates flow of information, ideas, beliefs, perception, advice, opinion, orders and instructions etc. both ways which enable the managers and other supervisory staff to learn managerial skills through experience of others. The experience of the sender of the message gets reflected in it which the person at the receiving end can learn by analysing and understanding it.

8.2.4. Preparing people to accept change:

The proper and effective communication is an important tool in the hands of management of any organisation to bring about overall change in the organisational policies, procedures and work style and make the staff to accept and respond positively.

8.2.5. Developing good human relations:

Managers and workers and other staff exchange their ideas, thoughts and perceptions with each other through communication. This helps them to understand each other better. They realize the difficulties faced by their colleagues at the workplace. This leads to promotion of good human relations in the organisation.

8.2.6. Ideas of subordinates encouraged:

The communication facilitates inviting and encouraging the ideas from subordinates on certain occasions on any task. This will develop creative thinking. Honouring subordinates ideas will further motivate them for hard work and a sense of belonging to the organisation will be developed. It will provide them with the encouragement to share information with their superiors without hesitation.

The managers must know the ideas, thoughts, comments, reactions and attitudes of their subordinates and subordinates should know the same from the lowest level staff of their respective departments.

8.3. Importance of Communication:

Effective communication is vital for efficient management and to improve industrial relations. In modern world the growth of telecommunication, information technology and the growing competition and complexity in production have increased importance of communication in organisations large and small irrespective of their type and kind. A corporate executive must be in a position to communicate efficiency with his superiors, colleagues in other departments and subordinates. This will make him perform well and enable him to give his hundred percent to the organisation. The following points can illustrate the importance of communication in human resource management.

8.3.1. Base for action:

Communication acts as a base for any action. Starting of any activity begins with communication which brings information necessary to begin with.

8.3.2. Planning becomes easy:

Communication facilitates planning. Planning is made easy by communication. Any type of information regarding the human resource requirement of each department of the organisation

with their qualifications, the type and kinds of jobs etc. can be collected through communication which helps in human resource planning. Policies and programmes for their acquisition can be prepared and implemented. In the entire process communication plays a vital role. It is also facilitates managerial planning of the organisation.

8.3.3. Means of coordination:

Communication is an important tool for coordinating the efforts of various people at work in the organisation.

8.3.4. Aids in decision-making:

The information collected through communication aids in decision –making. Communication facilitates access to the vital information required to take decisions.

8.3.5. Provides effective leadership:

Communication skills bring manager near to his subordinates and exchange ideas and submit appropriate proposals, knows their opinions, seeks advices and make decisions. This enables a manager to win confidence of his subordinates through constantly communicating with them and removing probable misunderstandings. In this way he leads his people to accomplish the organisational goal.

8.3.6. Boosts morale and motivation:

An effective communication system instills confidence among subordinates and workers ensuring change in their attitude and behaviour. The main cause of conflict and dissatisfaction is misunderstanding which can be removed through communication skills. The removal of misunderstanding makes manager and his subordinates understand each other and create good industrial relations. This boots up the morale of the people and motivate them to work harder.

8.4. Principles of Communication:

Lack of effective communication renders an organisation handicapped. So to have effective communication certain principles are to be followed. They are as follows.

8.4.1. Clarity :

The principle of clarity means the communicator should use such a language which is easy to understand. The message must be understood by the receiver. The words used should be simple and unambiguous. The language should not create any confusion or misunderstanding. Language is the medium of communication; hence it should be clear and understandable.

8.4.2. Adequacy and Consistency:

The communicator must carefully take into account that the information to be communicated should be completed and adequate in all respect inadequate and incomplete message creates confusion and delays the action to be taken. The adequate information must be consistent with the organisational objectives, plans, policies and procedures. The message which is inconsistent may play havoc and distort the corporate interests.

8.4.3. Integration:

The principle of integration portrays that through communication the efforts of human resources of the organisation should be integrated towards achievement of corporate objectives.

The very aim of communication is to achieve the set target. The communication should aim at coordinating the activities of the people at work to attain the corporate goals.

8.4.4. Economy:

The unnecessary use of communication system will add to cost. The system of communication must be used efficiently, timely i.e., at the appropriate time and when it is necessary. The economy in use of communication system can be achieved in this way.

8.4.5. Feedback :

The purpose of communication will be defeated if feedback is not taken from the receiver. The confirmation of the receipt of the message in its right perspective from its receiver fulfills the object of communication. The feedback is essential only in case of written communication and messages sent through messengers. In case of oral type of communication the feedback is immediately known.

8.4.6. Need for communication network:

The route through which the communication passes from sender or communicator to its receiver or communicatee refers to communication network. For effective communication this network is essential. The managerial effectiveness will also depend upon the availability of adequate network.

8.4.7. Attention:

The message communicated must draw the attention of the receiver staff and ensure action from him in the right perspective. The efficient, sincere and prompt manager succeeds in drawing the attention of his subordinates to what he is conveying. It is the psychology of the people that they watch their superiors closely and then respond to their orders or instructions. Lazy and insincere superiors fail to garner support for themselves and their instructions usually are not taken seriously by their subordinates.

Adhering to the above principles shall make communication effective, minimise the human relations problems and increase the overall efficiency.

8.5. Conclusion:

Change, even when the scope is substantial and the obstacles daunting can be accomplished successfully provided the management takes a planned approach that is comprehensive, systematic and thorough. Success is particularly dependent on the extent of which management makes use of discussions with everyone concerned, and of participation. Success can often be assured when structural change is made in the organisation and an effective and unified management "team" is developed. Management must pay special attention to providing a high quality of supervision throughout its transition period and concluding with its follow-up and consolidation.

For implementing effective change programmes, organisations will have to respond to change in better-designed ways. Strategies and cultures that welcome, address and imaginatively manage change will continue to triumph. Successful organisation will also require stealing a march on their competitors.

The three dimensions, viz., innovative responses to triggers, holistic solutions, and visionary leadership along with ten key factors will ensure an effective implementation of the change programme.

Broadly, there are at least five phases of managerial work which have been suggested in carrying out any change. (1) analysing and planning change; (2) communicating about the change (3) gaining acceptance of the required changes in behaviour (4) making the initial transition from the status quo to the new situation; and (5) consolidating the new conditions and continuing to follow up in order to institutionalize the change.

Change adept organisations share three key attributes, each associated with a particular role for the leader i.e., imagination to innovate, professionalism to performance and openness to collaborate. The leaders, along with their passion, conviction and confidence can practice a list of skills to effectively manage change in organisation.

Organisations have to identify strategic levers that can help assist it to move from the present to the desired state. Those levers can be classified as strategy, structure and system. For designing a change organisation will have to create a strategy, understand how and why performance needs to improve, check on the aspirations and performance of the leader, orchestrate the energy for transformation, unleash people's power to bring changes, build coalitions, breathe life into a change strategy and sustain the momentum.

8.6. Self Assessment Questions:

1. What do you understand by communication? Discuss its nature and purpose.
2. What effective communication is important for human resource management? Discuss.
3. What principles are to be followed in order to have effective communication in the organisation?

8.7. References:

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Lesson - 9

Feed Back Mechanism Communication in Change Process and Skills

9.0. Objective:

After studying this lesson students are able to understand about developing the Feedback Mechanisms.

Explain the required skills for communication the change.

Structure of the Lesson:

- 9.1 Introduction
- 9.2. Feedback Mechanism Interpersonal Feedback
- 9.3 The functions of feedback
- 9.4 The process of Interpersonal feedback
 - 9.4.1 Psychological Makeup of the persons involved in Feedback
 - 9.4.2. A's perception of B's behaviour
 - 9.4.3. Communication of the perception by A
 - 9.4.4 A's style of communication
 - 9.4.5. B's perception of the Feedback
 - 9.4.6. B's perception of A's style of communication
 - 9.4.7. Gap between the Received Feed and B's self-concept
 - 9.4.8. Dissonance caused
 - 9.4.9. Dissonance Reduction
 - 9.4.10. Change in B's Behaviour
 - 9.4.11. B's behaviour after Feed back
- 9.5. Making Feedback effective: Giving Feedback
 - 9.5.1. Descriptive and Not evaluative
 - 9.5.2. Focus on the Behaviour of a person and not the person himself.
 - 9.5.3. Data based and specific and Not impression
 - 9.5.4. Reinforce positive New Behaviour
 - 9.5.5. Suggestive and not prescriptive
 - 9.5.6. Continuous
 - 9.5.7. Mostly personal
 - 9.5.8. Need based and solicited
 - 9.5.9. Intended to help
 - 9.5.10. Focused on Modifiable Behaviour
 - 9.5.11. Satisfied Needs of Both
 - 9.5.12. Checked and Verified
 - 9.5.13. Well-Timed
 - 9.5.14. Contributes to Mutuality and Building of the group
- 9.6. Making Feed back effective: Receiving feedback

- 9.6.1 Denial versus owning
- 9.6.2 Rationalisation versus self analysis
- 9.6.3 Projection versus Empathy
- 9.6.4 Displacement versus Exploration
- 9.6.5 Quick acceptance versus Data Collection
- 9.6.6 Withdrawal versus expressing feelings
- 9.6.7 Aggression versus Help-seeking
- 9.6.8 Humour versus concern
- 9.6.9 Competition with the Authority versus listening
- 9.6.10 Criticism versus positive critical attitude
- 9.6.11 Intellectualisation versus sharing concern
- 9.6.12 Generalisation versus experimentation
- 9.6.13 Pairing versus relating to group
- 9.7. Mintz Berg's definition of the role of communication
 - 9.7.1. Importance of Communication in change process
 - 9.7.2. The process of communication
- 9.8. Developing communication skills
 - 9.8.1. Speaking skills
 - 9.8.2. Listening Skills
 - 9.8.3. Writing skills
 - 9.8.4. Reading skills
- 9.9. Conclusion
- 9.10. Self Assessment Questions
- 9.11. References

9.1. Introduction:

In most organisational situations individuals interact with other individuals: two people working together on a job; the boss talking with the subordinate about how well the latter has been doing or where he has not fared well; the subordinate discussing with the boss on how things can be improved and other similar situations. Individuals also communicate to each other their impressions of various things. Such interactions can be the basis of effectiveness. If better solutions are evolved as a result of such interaction, and if decisions are implemented with earnestness, it may contribute both to the effectiveness of the organisation and to the effectiveness of managers and others working on the goals and tasks.

9.2. Feed Back Mechanism – Interpersonal Feed Back:

When persons work together and they interact, they need to communicate to one another their feelings, impressions, and views on various matters. When such feelings and perceptions are communicated to a person, especially regarding his behaviour, style of working, etc., it is called feedback. In simple terms, feedback is the communication of feelings and perceptions by one individual to another individual about the latter's behaviour and style of working. Such interpersonal feedback is involved in everyday life in various situations. The boss sits with his subordinate and gives him necessary counseling on the latter's performance. He shares his perceptions about the latter's achievements, strengths as well as the areas in which there is scope for improvement. Opinions about styles and ways of behaviour are expressed so that such

information may be used. A subordinate may also do the same. If his boss pulled him up in the presence of others, he may go and tell him how bad he felt about such a Happening. This may help the boss to improve his ways of communicating such matters, to his subordinates.

9.3. The Functions of Feed Back:

Interpersonal feedback involves at least two persons, one who gives feedback and the other who receives it. Feedback thus has two dimensions. The functions of feedback can be considered from the point of view of these two dimensions. Although the main purpose of feedback is to help a person in increasing his personal and interpersonal effectiveness, the functions can be considered separately in relation to giving and receiving feedback.

The main function of giving feedback is to provide data about a person's style of behaviour and its effect on others. Such data can be verified by the individual by either collecting more data from other sources or by checking some aspects with others. The feedback also provides several alternatives to the individual out of which he can choose one or two to experiment upon. Interpersonal feedback contributes towards the improvement of communication between two persons involved in feedback through the establishment of the culture of openness and promoting interpersonal trust. Continuous feedback will help in establishing norms of being open. Eventually the effective communication of feedback will help in increasing the autonomy of the individual who receives feedback, since such feedback does not give any prescriptions, but helps the individual through information to have wider choices for increasing his effectiveness.

Similarly, receiving feedback fulfils several purposes. It primarily helps the individual (recipient) to process the behavioural data he has received from others (the perceptions and feelings people have communicated to him about the effect of his behaviour on them). It helps him to have a better awareness of his own self and behaviour. Getting information about how his behaviour is perceived, and what impact it makes on others, increases his sensitivity, i.e., his ability to pick up cues from the environment to indicate what perceptions and feelings people have about his behaviour. Such sensitivity is very useful. It encourages him to experiment with new behaviour to find out ways of increasing his personal and interpersonal effectiveness. Effective use of feedback helps in building and integrating the self. One who receives feedback is encouraged to give feedback to others in turn, and thus, it encourages both openness and mutuality. These functions of feedback, for both the dimensions of giving and receiving are summarised in Exhibit 12.1. It is assumed that feedback is given and

EXHIBIT 3.1 Functions of Feedback

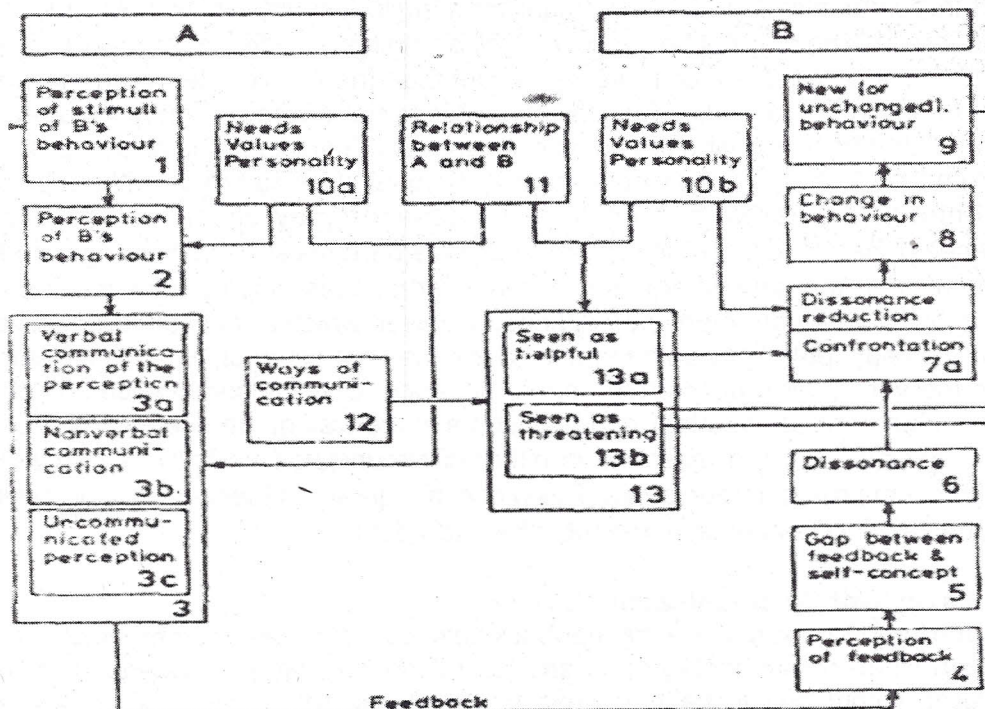
Giving Feedback	Receiving Feedback
Provides verifiable data about behaviour	Helps in processing behaviour data
Encourages collecting data from several sources	Increases self-awareness
Suggests alternatives to be considered	Increases sensitivity in picking up cues.
Improves interpersonal communication	Encourages experimenting with new behaviour
Establishes culture of openness	Helps in Building an integrated self
Promotes interpersonal trust	Encourages openness
Facilities autonomy	Develop s Mutuality

received with enough open-ness and sensitivity. A balance of these two is necessary for effectiveness. The dynamics of openness and sensitivity, as a part of self-awareness, contributing to personal and inter-personal effectiveness have been discussed in chapter 5.

9.4. The Process of Interpersonal Feed Back:

The process of interpersonal feedback is a transactional process: the transaction being between two individuals as a unit, although in a group such transactions are taking place in several pairs of individuals. The transactions are fairly complex. The feedback in this sense is not merely the com-munication of impression by A to B, but it is in establishing an understanding and a trusting relationship between two indivi-duals. In order to understand the details, the process of a feedback episode is examined in detail. A feedback episode is 'an act of communicating information by an individual A to another individual B about how the former has seen the latter. The process of a feedback episode is diagrammatically shown in

Exhibit 3.2. The various parts of the process are discussed as follows:



9.4.1. Psychological Make-up of the Persons Involved in Feedback (Boxes 10a, 10b and 11):

The logical and chronological beginning of a feedback episode is with A's perception of B's behaviour. But the psychological backgrounds of both A and B function as intervening variables of which one should be aware in the beginning. Both individuals have their own needs, value systems, and several aspects of their personality. An individual may have a high need of dependency. Both the individuals (one who is giving and the other who is receiving feedback) will behave in entirely different ways. In addition to their needs and other psychological background, they may have a pattern of relationship (Box 11). They may either like each other, or may hate each other. They may have either accepting or non-accepting; relationships. These factors are important in influencing several aspects of the feedback episode.

9.4.2. A's perception of B's behaviour (Boxes 1 and 2):

In an incident where A and B are involved, and where B has shown some behaviour, A perceives the behaviour with a certain meaning. He receives the stimuli of B's behaviour. For example, he listens to what B has said, and observes how he has said it. In receiving both the verbal and nonverbal stimuli (Box 1), A gives meaning to them (Box 2). The way he perceives or interprets the stimuli he has received from B depends to a great extent on his psychological make-up as well as the relationship he has with B.

9.4.3. Communication of the Perception by A (Box 3):

Individual A communicates his perception to B, and this is what is usually called feedback. Communication may either be verbal (Box 3a) or nonverbal (Box 3b). Usually verbal communication will be more open. If A is clear about what he wants to communicate and has no hesitation in communicating it, he will usually communicate verbally. However, more messages may be communicated through nonverbal cues. If A does not feel free to communicate with B, he may still succeed in communicating his resentment by a smile less interaction; by a frown knitting his forehead (of which he may not be conscious); by an indifferent attitude; and so on. These nonverbal cues are, in many cases, much more significant than the verbally delivered messages. In many cases, the nonverbal cues may be just the opposite of what is verbally communicated. For example, A may tell B that he is enjoying the conversation and the points being raised, but may look at his watch from time to time; thus giving a nonverbal signal of being fed up without being aware of it. Such contradictory verbal and nonverbal messages may distort communication and the effectiveness of feedback. In many cases, the nonverbal cues are much stronger and the message is loud and clear. In many other cases, the nonverbal cues may be fairly weak and may not be picked up by B. There are many perceptions, however, which remain uncommunicated (Box 3c). An individual may feel highly agitated and yet he may not communicate his resentment or anger either in the verbal form or through non-verbal cues. Such uncommunicated perceptions may distort the communication further and may come in the way of the effectiveness of feedback. As shown in Exhibit 12.1, the message is either communicated verbally or nonverbally, or some perceptions remain uncommunicated. This process is greatly influenced by an individual's personal background and his relationship with the other individual.

9.4.4. A's Style of Communication (Box 12):

One important variable in the feedback episode is the way A communicates his perceptions to B. Again A's personal background and his relationship with B influence this. Many ways of communication contribute to the effectiveness of feedback. Whether A communicates his judgement

and, therefore, his criticism and disapproval of B, or whether he only communicates how he has been affected by B's behaviour would make a tremendous difference to the feedback being either effective or ineffective.

9.4.5. B's Perception of the Feedback (Box 4):

After A has given feedback, usually verbally, B receives it and he perceives the feedback in a particular way. He may see it as A had intended, or his perception may be quite different from what A wanted to communicate. These perceptions do not get clarified unless they are checked, and one important part of feedback is the checking of such perceptions of messages.

9.4.6. B's Perception of A's Style of Communication (Box 13):

Along with the perception of the message, B also reacts to the way the message is sent by A. If the communication is more descriptive and personal, providing personal data by A about how he feels in relation to B's behaviour, or is helpful in encouraging B to try new behaviour, the latter may see the communication as helpful (Box 13a). On the other hand, if A's communication is more accusing or judgmental, B may see the communication as threatening (Box 13b). Such a perception is a crucial factor in determining what B will do with the feedback he receives.

9.4.7. Gap between the Received Feedback and B's Self-concept (Box 5):

When B receives feedback from A, the feedback may be quite close to what B thinks of himself. For example, if A communicates to B that the former sees the latter as emotional, B's reaction to this feedback will depend to some extent whether he perceives himself as emotional or not. The feedback may either confirm or contradict B's self-concept.

9.4.8. Dissonance Caused (Box 6):

If the feedback received from A confirms what B thinks of himself, it may reinforce his behaviour. If, however, the feedback received from A contradicts what B thinks of himself, it may cause dissonance. Dissonance has been found to be an important factor in either producing change or in the rejection of feedback. If the feedback is seen as threatening, and if it produces dissonance, it is more likely to be rejected (Box 6a).

9.4.9. Dissonance Reduction (Box 7):

The feedback is not rejected outright. Dissonance has to be reduced because an individual cannot live in a state of dissonance for long. Dissonance may either be reduced by confrontation or through defensive behaviour. If B sees the feedback as helpful, he may explore further with A, and, as a result of such exploration, he may do something about this feedback. This is confrontation (7a). However, if he sees it as threatening, he may use all the defence mechanisms possible to deal with the feedback (7b).

9.4.10. Change in B's Behaviour (Box 8):

Depending on the personality background of the individual and whether the feedback received is seen as helpful, B may take the decision to try out new behaviour and therefore, change a part of his behaviour. Such experiments in change may satisfy him. Change in behaviour as a result of feedback, therefore, depend on how feedback is given by A and whether it is seen as helpful by B.

9.4.11. B's Behaviour after Feedback (Box 9):

As indicated in the foregoing analyses, B may either continue to show his old behaviour if feedback has been rejected, or he may even use some defense mechanisms to deal with it, or, if he finds the feedback useful, and A has taken care to make it usable by B, he may indicate change in his behaviour and may show new behaviour. This behaviour starts a new cycle of communication. A perceives the post-feedback behaviour. Then a new episode starts beginning with the perception of B's behaviour by A. This cycle process is indicated in the figure by an arrow going from Box 9 to Box 1.

The feedback episode starts with A's perception of B; his background of needs, values, etc.; his communication of his perception to B; B's perception of feedback as helpful or threatening, B's ways of dealing with the feedback (either by confronting it or by rejecting it or using defense mechanisms), and B's undergoing some change. As already stated, the transaction is much more complex than depicted here. But this paradigm does show the basic elements in such a transaction.

9.5. Making Feed Back Effective: Giving Feed Back:

Feedback is an interpersonal transaction in which two persons are involved. The effectiveness of this transaction will, therefore, depend on the behaviour and response of both the persons, the feedback provider and the feedback receiver. One who is giving feedback can do several things to ensure the effectiveness of feedback. Some characteristics of effective feedback are, discussed as follows, i.e., what a person genuinely interested in helping another person usually is or does, and thus becomes effective.

9.5.1. Descriptive and Not Evaluative:

The person who gives feedback should describe what he sees happening rather than passing judgement over it. The description can be either of the effect of the behaviour of the other person (B) on himself (A)—"your remark made me angry"; or, the factual statement—"in the last 10 minutes, you repeated the same statement four times"; or stating the effect of behaviour on others as he observed it. Such descriptive feedback may provide enough data for B to think and take some decisions. On the other hand, feedback could be evaluative several ways. Either A may pass a judgement—"your behaviour was not proper"; or he may criticise or categorise B's behaviour—"you suffer from inferiority complex", or may give advice—"you should be bolder"! Such evaluative feedback does not help a person. Descriptive feedback is helpful in making a person more autonomous in taking decisions about what he would like to do.

9.5.2. Focus on the Behaviour of a Person and Not the Person Himself:

The feedback is to help a person think about his behaviour and take a decision to change it. The feedback given on the person as a whole—"you are sharp" or "you are dumb", is not helpful because it takes the form of being an evaluative feedback and the person does not know what he can do about it. When feedback is given about the behaviour of a person—"what you said and the way you said it has upset me", the receiver is in a position to decide what can be done about his behaviour.

9.5.3. Data-based and Specific and Not Impressionistic:

Effective feedback gives specific information about his behaviour to an individual and provides him data in the form of observations, feelings which his behaviour has evoked, and

various other facts observed. These help the person. However, if feedback is general and merely based on impressions, it tends to be more judgmental. Even if it is non-judgmental, it may not help a person to prepare a strategy for changing his behaviour: for example, telling a person—"you must not interrupt". On the other hand if a person is told—"you interrupted A, B and C without allowing them to complete what they were saying," the recipient has concrete data to use for thinking about his general sensitivity, and can take steps to carefully observe and avoid such interruptions in future.

9.5.4. Reinforce Positive New Behaviour:

Effective feedback helps a person to decide which style of behaviour he should continue to use. When a person is experimenting with new behaviour, positive feedback is likely to re-inforce his effective behaviour and he is able to stabilise it as a part of his personality. In this sense, positive feedback is very helpful. Criticism or negative feedback does not help. It only increases the chances of a person becoming defensive. Positive feedback has, however, to be genuine and specific. If for example, a person gets the feedback that he usually does not participate much in meetings, as a result of such feedback, he may make special efforts to speak. Positive feedback like—"I liked your idea", "I liked your taking initiative", etc., may help him take more steps in that direction.

9.5.5. Suggestive and Not Prescriptive:

In many cases, the person giving feedback may suggest alternative ways of improving. For example, when the feedback indicates that B is not able to confront people in the group, members may like to make suggestions for him to improve—"speak out your feelings as soon as you feel bad about something"; "you can work out an arrangement with one or two members in the group to act as your alter ego, so that they may speak out what they think your feelings are at that time, and later you take these up for further exploration". Such suggestions, however, should be in the form of alternative ways open to B for increasing his confronting ability. Feedback given in the prescriptive form, i.e., what exactly the person should do, does not help the person and it only makes him either dependent or such advice is ineffective since the person himself is not involved in the decision taken.

9.5.6. Continuous:

Usually effective feedback does not stop with one act of feedback. It establishes a relationship of openness. The relationship is a continuing one, usually resulting in continuous feedback. Moreover, feedback when repeated is likely to produce better results. The repeated feedback may reinforce what was initially communicated and may give an opportunity to the subject to discuss the feedback.

9.5.7. Mostly Personal:

Effective feedback indicates the involvement of the person who is giving the feedback in the process. If the person provides evidence from his own experience, and gives data about how he perceived or was affected by the other person's behaviour, this is more genuine and helpful. If the person provides other information and data in addition to making his own feelings and perceptions known to the other person, the outcome will be much more effective. If however, only objective feedback is given without the person sharing his own perceptions and feelings, the transaction of mutuality is not established and the feedback is not effective enough.

9.5.8. Need based and Solicited:

Feedback which is solicited by a person is much more effective than if it is given without such a need. In the former situation, the motivation to listen carefully to and use such feedback is high. The main responsibility for the use of feedback is of course of the person receiving feedback. If he is on the defensive (does not accept feedback genuinely and honestly -and only justifies his action), feedback may not serve much purpose. The person giving feedback should assess the need of the person for whom feedback is meant. If, for example, a person needs more understanding and empathy, it may be better to give him more positive feedback and then he may be helped to see some aspects on which he can improve. Feedback with-out sensitivity on the part of the person imparting it may be-come ineffective.

9.5.9. Intended to Help:

The basic motivation of the person who is giving feedback is important. If his motivation is to be critical, negative, or merely to convince the other person about the accuracy of the giver's perception, then the feedback will not be effective. If however, the feedback is genuinely intended to help the other person, then this aspect itself will influence the way feedback is given and it is likely to be very helpful.

9.5.10. Focused on Modifiable Behaviour:

The purpose of feedback is to help the other person to do some thing about his behaviour and to increase its effective-ness. This is possible when the feedback focuses on such an aspect of behaviour about which a person can do something. For example, feedback given to a person on his stammering may not be useful because it would only reinforce his negative self-image and he cannot do anything about his stammering in the normal course.

9.5.11. Satisfies Needs of Both:

Feedback is a mutual transaction. For a transaction to be effective, it should satisfy the needs of both persons. The need of the individual who is giving the feedback may be to help, to influence and to establish a better relationship. These needs should be satisfied and the person should be conscious of this aspect, and use it for building mutuality. If the person giving feedback has a high need of recognition, and, therefore, the feedback giving by him is motivated by this need, he may at 'some stage share this, once he becomes aware of such a need. Feedback based on the needs of both persons helps in building mutuality. And when the persons involved in feedback are able to share their awareness on such needs, the relationship of mutuality will be more effective.

9.5.12. Checked and Verified:

While giving feedback, the person communicates one set of perceptions. Unless these are checked with the perceptions of the various other persons involved, feedback may not serve its purpose. Feedback can be effective if an attempt is made both by the giver and the receiver to check it with various other persons in the group.

9.5.13. Well-timed:

Feedback should be well-timed. Timing means several things. Firstly, it should be given immediately after the relevant event has occurred. The advantage of immediate feedback is that the person has a higher motivation to reflect on the event, and can examine several dimensions of the event without much distraction.

Secondly, accurate timing also means that the person should be in a position to receive feedback and use it. For example, in a group situation, negative feedback can be effective only after a minimum level of trust has been established among the group members. In timing a feedback

the main criterion used should be whether it is likely to evoke defensiveness. In circumstances where feedback is likely to be perceived as an attack or criticism, it may not be helpful.

9.5.14. Contributes to Mutuality and Building of the Group:

Feedback should be instrumental in building relationship of openness, trust and spontaneity. If it does not contribute to such mutuality, it cannot be said to be effective. Effective feedback not only contributes to mutuality, but helps "in building the group through the development of interpersonal effectiveness of most of the group. In this sense feedback goes beyond the mutuality of two persons and contributes to the growth and development of the entire group. The function of feedback to do this should be examined from time to time so that people involved in the feedback process may be able to take decisions and monitor the feedback mechanism for the achievement of this goal.

9.6. Making Feed Back Effective: Receiving Feed Back:

The effectiveness of feedback depends as much on how it is received and used as it does on how it is given. As discussed in the process of a feedback episode, if the feedback disconfirms the self-image or expectation, dissonance is caused. According to the dissonance theory, when an expectation is disconfirmed, psychological tension is caused. Experimental evidence is available on subjects receiving discrepant outcomes as being tenser and more uncertain about the permanence of the outcome. Dissonance may result either in change of behaviour, or in conflict and threat which may lead to defensive behaviour. Broadly speaking, the person receiving feedback may use either defensive behaviour or confronting behaviour to reduce dissonance. Exhibit 12.3 gives the summary of two sets of behaviour, defensive and confronting. These are discussed in some detail in Exhibit 12.3.

When the individual feels threatened by the feedback he receives (for example, if he is criticised or blamed, or given what he may consider as negative feedback which he does not agree with), he may build some defence around himself so that he can protect himself from the threat. The concept of defence mechanisms was introduced by Freud. He studied several defence mechanisms people used in psychoneurosis. The use of

EXHIBIT 2.3 Defensive and Confronting Behaviour in Dealing with Feedback

Defensive Behaviour	Confronting Behaviour
Denial	Owning
Rationalisation	Self-analysis
Projection	Empathy
Displacement	Exploration
Quick acceptance	Data collection
Withdrawal	Expressing Feelings
Aggression with authority	Help seeking
Humour	Concern
Competition with authority	Listening
Cynicism	Positive critical attitude
Intellectualisation	Sharing concern
Generalisation	Experimenting
Pairing	Relating to group

defensive behaviour to deal with threatening feedback is like using pain-killing drugs to deal with the pain experienced by a person. These reduce the awareness of the pain; but they do not deal with the main cause of the pain. The same is true of defensive behaviour. Defensive behaviour may create an illusion of having dealt with the situation, but it does not change the situation or behaviour. For example, if a subordinate receives negative feedback from his superior officer saying that his motivation in the past year has been low, he may feel threatened by this feedback. He may reduce the threat by projecting his anger to the superior officer and say that the feedback is based on prejudice. This may satisfy him and he may not feel threatened any more. This, however, neither changes the situation (the superior officer will continue to feel that his subordinate has low motivation), nor the behaviour of the subordinate (the subordinate will continue to feel that his superior officer is prejudiced, and therefore, he need not change his behaviour). Defensive behaviour, therefore, does not serve the purpose, although it may merely reduce anxiety. The conflict in the self is not resolved. Excessive use of defensive behaviour is likely to result in a "conflicted self." On the other hand, if confronting behaviour is used, the conflict is reduced and continued use of such behaviour will result in an "integrated self," and processes of effectiveness.

It is not the intention to suggest here that the defensive behaviour is bad in all situations. Nor is it suggested that no defensive behaviour should be used. Some amount of defensive behaviour is used by everyone at some point of time, and it is not possible to do away with it. In many situations, defensive behaviour may be functional. However, if the main purpose of feedback is to develop mutuality, and if both the person involved in giving and receiving feedback are interested in a relationship of trust and openness, the more defensive behaviour is used, the less effective the feedback will be. In order to make feedback effective, an attempt should be made to move away from defensive behaviour toward confronting behaviour. The individual receiving feedback should examine what defensive behaviour he uses more often, and he should prepare a plan (preferably taking the help of some other person or persons) for reducing this behaviour and moving toward the corresponding confronting behaviour as indicated in Exhibit 2.3. These pairs of defensive and confronting behaviour are discussed as follows:

9.6.1. Denial Versus Owning:

If a person receives a negative feedback which threatens him, the first tendency is to deny it. Denial will certainly reduce the anxiety because he may convince himself that what he was told was wrong and he need not bother about it. But it does not help the individual change, nor the situation to improve. The corresponding confronting behaviour in such a situation would be owning up the feedback even if it is disturbing.

Owning up of behaviour is much more difficult and is at a higher level in the hierarchy of behaviour contributing to interpersonal competence. Owning up does not mean readily accepting the feedback. As indicated later, quick acceptance is a defensive behaviour. Owning up means being open to accepting the limitations after examining and collecting necessary data from various sources so that the individual then may be able to do something about it. Owning up indicates the respect the person has for himself, and only highly self-respecting persons are prepared to own up their behaviour which may be seen as their limitations or weaknesses.

9.6.2. Rationalisation Versus Self-analysis:

The usual tendency with negative feedback is to find the reason to explain one's own behaviour. For example, if an employee receives the feedback that his motivation was low, he

may find a reason to explain this low motivation, and thereby absolve himself of the responsibility of the low motivation; This is called the process of rationalisation. He may, for example, ascribe it to his physical ill health or to some problems in his family and so on. Not that there may not be genuine reasons for low motivation, but quickly finding reasons or justification for some behaviour prevents a person from owning up that behaviour and being responsible for it. Rationalisation, therefore, does not help.

Instead, if the person does some self-analysis, and, finds why this kind of behaviour has been picked up or what is the meaning of the feedback in relation to what he usually does, he may get some ideas of improving his behaviour.

9.6.3. Projection versus Empathy:

In most cases, negative feedback causes anxiety and resentment in the person. If the source from which the feedback is received is not trustworthy, and if it is difficult for the individual receiving feedback to openly explore with him, he is likely to feel resentful and angry. A person cannot be angry without any cause; otherwise, it will create dissonance and conflict. In order to reduce this conflict, and in order to justify resentment, the person receiving feedback may project his feeling of resentment to the person giving the feedback. Then onwards he may see the person who gave feedback as angry, biased, etc. This is the process of projection. In projection, the person projects his own feelings about the other person to the latter. Projection is a defensive behaviour and may help reduce anxiety. But like other defensive behaviour, it does not help.

Instead of being angry, and therefore, projecting resentment to the other person, it may be useful for the person receiving feedback to empathise with the other person, try to see his point of view and understand why such negative feedback has been given. This may help in increasing understanding.

9.6.4. Displacement Versus Exploration:

Another well-known defensive behaviour is that of displacement. For example, if an individual cannot express his anger or resentment to a person who has given feedback because the latter may be in a powerful position, he expresses his anger to somebody else who is weaker than himself. An employer who becomes much stricter with his own subordinates after he gets negative feedback from his boss is an example of displacement. Displacement is usually used in situations in which the person giving feedback is in a stronger position, and the person receiving feedback cannot easily express his resentment to him.

A more helpful behaviour may be to explore with the person who has given the feedback by asking him where and how this behaviour was seen. Discussing the details with him may help getting more evidence and dispelling some of the misgivings of the feedback provider also.

9.6.5. Quick Acceptance versus Data Collection:

Quickly accepting a feedback is one of the forms of rejecting the feedback. The best way to kill an idea is to feed it on sweet words. When a person accepts feedback without much reflection, he wants to escape the possibility of exploring and doing something about it.

Instead of quickly accepting the feedback given, it may be better to collect data on the different aspects of the feedback both from the person who is giving it and from other sources. This may help in increasing interpersonal effectiveness.

9.6.6. Withdrawal versus Expressing Feelings:

When a person feels helpless, and finds himself in a position where he cannot express his resentment, he reacts by losing interest in his work, cutting out his interaction with the person who is giving feedback, and generally showing signs of withdrawal. Such withdrawal behaviour may not be helpful and may, in fact, deteriorate the situation.

The more confronting behaviour which may be helpful in such a case is the expressing of feelings of being hurt to the person who is giving the feedback. It is a difficult thing to do; but if the person tries to express the feelings in a matter-of-fact way, communicating that-certain things hurt him, he may find it increasingly easy to continue to do this in the future.

9.6.7. Aggression versus Help-seeking:

Another form of defensive behaviour is the expression of aggression towards the person who has given the feedback. After receiving the feedback from a person who is seen in a lower or less powerful position, the person receiving feedback who is in a more powerful position may shout at him or may express aggression in various other forms. This may be easier to do; but it does not solve the problem.

Instead of showing aggression, if the person receiving the feedback seeks the help of the person giving the feedback in knowing more about that part of behaviour, and in planning ways of dealing with it, the feedback is likely to be used for changing the behaviour for the better.

9.6.8. Humour versus Concern:

In some cases, humorous ways of dealing with feedback are also employed. Humour is a great quality. However, when it is used to cover up something and to reduce anxiety caused by dissonance, it does not help, and it becomes dysfunctional. Instead, the person may show concern and this concern will help him explore further in the direction of improvement of behaviour.

9.6.9. Competition with the Authority versus Listening:

In a T-Group situation, a member who receives negative feedback is likely to deal with it by competing with the trainer (the symbol of authority), for example, by proposing alternate theories to challenge the trainer, or by suggesting different ways of interpretation, etc. This may be highly satisfying to him-However, this may be dysfunctional. The member may be benefited if he listens to what has been said about him.

9.6.10. Cynicism versus Positive Critical Attitude:

Negative feedback can be brushed aside by a cynical attitude that most people say things which do not deserve consideration and that, in general, things are pretty bad. On the other hand, a positive critical attitude helps a person examine what feedback is given and sort out those parts which seem to make sense and reject others which do not come up to the criteria he sets to examine. Such an attitude is helpful.

9.6.11. Intellectualisation versus Sharing Concern:

In a T-Group situation, or in some other group situations, negative feedback is ignored by a process of intellectualisation spinning theories in explaining matters when the real need may be to share the concern the person has with others and take their help in dealing with the problems he may be facing.

9.6.12. Generalisation versus Experimentation:

One form of defensive behaviour to deal with negative feed-back is to generalise what has been said. If a person, for example, receives the feedback in a group that he used words indicating that he was scolding the other person, and that his tone was also authoritarian, the individual receiving such feed-back may say that this is true in general about people who have been brought up in the Indian culture and in the Indian family. Such generalisations may not help.

Instead, if the individual experiments with a different kind of behaviour to see whether he can change his behaviour, in spite of it being culturally-determined or influenced, he may be benefited.

9.6.13. Pairing versus Relating to Group:

In a T-Group or some other group, a person receiving feed-back has the tendency to pair with another person (or other persons) in the groups who also seem to have received such negative feedback, and are feeling threatened. This may give a comforting feeling to people being together under such "attacks". The confronting and helpful behaviour in such a situation may be to relate to the group by exploring with several members of the group and taking their help instead of pairing with one or a few. This may help in further explorations and experimentation.

The use of confronting behaviour may help a person build relationships for getting further helpful feedback. The way a person receives and uses feedback will, to some extent, also influence the way persons give helpful feedback. The person may plan to test the ideas and experiment on a limited basis and may further seek feedback to know whether his ways of improving himself are seen as effective. This may set a cycle of self-improvement and increase his interpersonal effectiveness. If feedback is given in the spirit of helping the other person in building a relationship, of trust and openness, if it is received in the spirit of learning from the situation to increase interpersonal effectiveness and to contribute to such relationship of trust and openness, feedback can be an effective instrument in building linkages of mutuality between persons and amongst various members in a group. If however, feedback is not promptly or properly received, it may contribute to the disruption of relationships and may undermine the development of the group. Feedback, therefore, is a powerful instrument and can be used effectively. It depends on the person who is giving-, it and the person who is receiving it that this instrument can be used for forging bonds of mutuality.

Udai Pareek Over the past years communication has attracted increasing attention. Many problems in organisations may arise because of the inadequate attention given to the organisational communication process. Organisational communication can be defined as the process of the flow (transmission and reception) of goal-oriented messages between sources, in a pattern, and through a medium or media.

An additional element (not present in interpersonal communication) in this definition is the flow pattern of messages. Thus there are seven elements in organisational communication: the transmitting source; the receiving source (the target); the transmitted message; the received message; the goal of the message; the medium or media; and the flow pattern (which is called network). The transmitting and receiving sources are the people sending and receiving the message. Goals of Organisational Communication Organisational communication have several goals.

- 1) Information Sharing: The main purpose of communication: is to transmit information from a source to target individuals or group. Various types of information are transmitted in the organisation policies, and rules, and changes and development in the organisation, etc. There may be need for the fast diffusion of some information in the organisation, e.g., special rewards and awards given, settlement with the union, major change in the organisation, etc. This may take a long time if the organisation is large.
- 2) Feedback: There is a need to give feedback to the employees on their achievements; to the departments on their

9.7. Mintzberg's Definition of the Role of Communication:

1. In their interpersonal roles, managers act as the figurehead and leader of the organisational unit interacting with subordinates, customers, suppliers and peers in the organisation. Mintzberg cites studies indicating that managers spend about 45 percent of their time with peer about 45 percent with people outside their units, and only about 10 percent with superiors.
2. In their information roles, managers seek information from peers, subordinates, and other personal contacts about anything that may affect their jobs and responsibilities. They also disperse interesting or important information in return. In addition, they provide suppliers, peers and relevant groups outside the organisation with the information about their units as a whole.
3. In their decisional roles, managers implement new projects, handle disturbances, and allocate resources to their units and departments. Some of the decisions that managers make are reached in private, but even these are based on information that has been communicated to them. Managers, in turn, have to communicate those decisions to others.

According to Peter Drucker, good communication is the foundation for sound management. The managerial functions of planning, organising, directing and controlling depend on communication in an organisation.

9.7.1. Importance of Communication in Change Process:

The salient points emphasising the importance of communication are mentioned below.

- (i) Communication helps the management in making understand the employees the objectives, plans and policies of the enterprise.
- (ii) Communication develops understanding between the superiors and the subordinates. It leads to congenial human relations in the organisation.
- (iii) Communication helps in controlling the performance of different individuals and departments of the enterprise.
- (iv) Communication facilitates decision-making by providing necessary information in time.
- (v) Communication provides unity of direction to various activities of the enterprise.
- (vi) Communication is an effective device for achieving participation by the workers. Management can consult the workers and receive their grievances, complaints and suggestions.
- (vii) Communication facilitates change on the part of employees by modifying their behaviour.

9.7.2. The Process of Communication:

In the process of communication a person sends the message and another person 'receives' it are tuned together for a particular message. Similarly, the newspaper you read or the TV you watch everyday, try to convey some messages to their readers and viewers. They constitute important media for mass communication. Advances in technology have made it possible to communicate through electronic mail, voice mail, and fax etc. these. All are different forms of communication through electronic mail, voice mail, and fax etc. these. All are different forms of communication through the process is essentially the same? In all these, attempts are made to transmit meaning from one person to another so that information and ideas can be conveyed. Communication, in fact, is more than merely imparting meaning. It must also be understood. For example, in a group if one person speaks a language and other does not know that language, the person speaking English will not be fully understood. Therefore, communication must include both the transfer of and the understanding of meaning.

Communication can be through of as a flow or a process. Misunderstanding often arises when there are blockages in this process. You will now read about the process of communication in terms of a model and how different kinds of distortions can disrupt this process. The elements of communication process can be described through the model given in Fig.

The communication model is made up of seven parts; (1) The source, (2) Encoding, (3) The message, (4) The channel, (5) Decoding, (6) The receiver, and (7) Feedback, we follow this process without really being aware about the steps involve.

- (1) **Source:** The message is initiated by the source or "intuitive behaviour" of a person i.e., thoughts, perceptions and feelings etc. to be communicated. The source is a person who initiates a message, though he or she may not communicate with the sender of the message.
- (2) **Encoding:** We may say that the source initiates a message by encoding or communication symbol a thought. The message is encoded by the source. The thoughts and ideas are transformed into word symbols, body movements, facial expressions or gestures. These may be affected by the communicator's attitudes, skills knowledge and socio-cultural context. For example the writing skills of the authors of the book help in communicating the message to the students. Since, we hold predisposed ideas on a number of topics; our communications are affected by our attitudes. Also, our communication is restricted by our knowledge about of a particular topic. You cannot communicate if you do not know and if you know extensively about a topic it is quite possible that the receiver might not understand you message.
- (3) **The Message:** The message is the physical form into which the sender encodes the information. The message is the actual physical product from the source. The message can be in many forms such as when we speak, speech becomes the message. When we write the written material is the message. While gesturing our arms, hand movements expressions of the face like wink, smile grunt, frown, and eyes all are sending messages.
- (4) **The Channel:** The channel is the medium through which the message travels. The source decides which channel to use. It can be a formal channel, while communicating in a step up like schools, offices, and other organisations. While communicating at personal or social level, it can be informal channel.

- (5) **Decoding:** The message is directed to the receiver. However, before the message is received, the symbols have to be translated in the form so that the receiver understands it. This refers to decoding of the message. Like the sender (encoding) receiver also is influenced by his/ her skills, knowledge, attitudes, and the socio-cultural context. All these factors affect the receiver's ability to receive the message, in the same way as they affect the ability to receive the message, in the same way as they affect the ability to send the message.
- (6) **Feedback:** The final link in the communication process is feedback. It is the reaction of the receiver as intended by the communication source. For example, when the teacher teaches in the class, she/he always looks at her/his students to know whether they understand what is being said or are doing something else. When the students give signals by nodding their head or in some other way the teacher gets the feedback that students understand. Similarly, you must have seen that when a poet recites his poetry, he/she desires that there must be clapping by the audience, which provides a feedback to the poet. Feedback provides a check on how successful a person has been in transferring the message and whether an understanding has been achieved.

9.8. Developing Communication Skills:

Effective communication is a fine art which requires four types of skills (i) speaking (ii) listening, (iii) writing, and (iv) reading. We shall now analyse these skills and see how, by improving them, we can achieve effective communication.

9.8.1. Speaking Skills:

Speaking skills have assumed greater significance; most of our working time is filled with oral communication. Generally, people at work devote a great deal of their time talking, discussing, debating, giving and taking instructions, interviews and the like. Similarly, at home we can't avoid speaking and sharing with parents, brothers, sisters or spouses. Since the main purpose behind speaking is to exchange information and influence others, we have to possess speaking skill to put forward our ideas effectively. For example, if we speak in language that cannot be understood by others, our communication will fail to have the desired impact.

There are certain essentials of effective speaking. For example, a person might be a good orator but if his speech is not understood by those to whom it is addressed, he has wasted his time and energy. Therefore, one should speak in a language which listeners can understand and relate to the ideas they can follow. As in writing, clarity is essential to effective speaking. Clarity means simplicity and audibility. Both ensure good listening on the part of the audience.

Since speaking is face-to-face, pleasant voice, expression and mannerism of a speaker can hold listeners' attention. These qualities are helpful in building goodwill between the employees and the consumers. Speaking without preparation is like speaking in the air. Studies have shown that 90 per cent of the fear and problems encountered in the speaking-listening situation may be attributed to inadequate or faulty preparation. Any topic with a few main points, if presented in an organised manner can make one's speech very effective.

9.8.2. Listening Skills:

Good listening is an important requirement of effective communication. Poor listening may create several barriers to communication and may, in fact, defeat the very purpose of

communication. It is, therefore, very important to improve the ability to listen. Newstrom and Davis have offered the following useful tips for developing listening skills.

1. 'Stop talking'. Generally, most of us are more prone to talking than listening. Generally we are more interested in what we want to say than in what we are being told. So we must stop talking before we listen.
2. 'Make the speaker at ease'. If the talker is not at ease, he would not be able to do his job satisfactorily. So it is very important for the listener / listeners to make the talker comfortable.
3. 'Exhibit the speaker that you want to listen'. The talker must be given to understand that the listener/ listeners are eager to listen. Hence it is important not to distract the speaker by looking at one's watch, reading some book or newspaper or looking away from him. Moreover, you should give the speaker the impression that you are listening to him to understand rather than to oppose.
4. 'Emphathize with the speaker. True exchange of information can take place only if we place ourselves in the position of the speaker. This way we will be able to appreciate his point of view and build up a climate conducive to communication.
5. 'Remove distractions'. Certain activities like tapping with a pen or pencil, shuffling papers or passing something along distract the speaker. Such distractions should be avoided.
6. 'Be patient'. We should give enough time to the speaker. There are all kinds of speaker. Some get to the point very quickly, while some take a long time. So we must give the speaker enough time to come to his point in his own way. We must not be tempted to interrupt the talker.
7. 'Go easy on argument and criticism'. Argument and criticism do not lead anywhere. On the other hand, argument and criticism put the speaker on the defensive and make him angry.
8. 'Hold your temper'. Anger is the worst enemy of communication as it builds walls among the participants in the communication event. It hardens their positions and blocks their minds to other words.
9. 'Ask questions'. Putting questions shows an open mind. It shows that you are getting the message and also giving the feedback.
10. 'Stop talking'. This is the last as well as the first guideline. All other guidelines of listening depend on it.

Listening requires a positive attitude, concentration and willingness to extend support and encouragement to the speaker. Both audience and the speaker equally share the responsibility for the success or failure of the communication.

9.8.3. Writing Skills:

Writing skills are considered to be the highly emphasised component of effective communication. Most technical executives, salesmen, servicemen, clerks spend considerable

time of their work writing letter, memos, reports, etc. Yet they often produce poorly written letters which may cause confusion and produce friction or misunderstanding. Actually what they need to learn is how to write clearly and precisely. In fact, it is a key factor in effective writing. The following suggestions can enhance one's ability to write well.

1. Plan before you start writing. It saves time. Organise your thoughts and present your ideas systematically.
2. Identify the objective or purpose of your communication and see what you say in the body covers all the information that is relevant.
3. When writing, keep in mind the reader. Customise your message in such a way that it arouses favourable response in the reader. Be polite, no one likes rude lone.
4. Write the way you speak, i.e., write in warm conversational style. Use simple words and phrases which are familiar to the reader.
5. Avoid difficult and outdated language.
6. Write short sentences and paragraphs, as far as possible.
7. Use positive tone even if you have to make negative statements.
8. Make opening and closing interesting and significant as they are important to effective writing.
9. Write clearly and precisely.
10. Make a rough draft first. Write first, edit later i.e., never try to be a writer and editor at the same time. It would restrict your thinking.

And finally, develop writing habit. Practice regularly till you develop the ability to write well and automatically.

9.8.4. Reading skills:

Reading skills are extremely important as they improve one's ability to communicate effectively. They are useful for immediate accomplishment like keeping up to date in class, improving general knowledge, writing letters, papers, reports and asking questions thereby improving writing ability. In fact, proficiency in reading is a pre-requisite to good writing ability. But reading alone will not help you unless you develop ability to comprehend what you have read.

Some suggestions for developing reading skills and accomplishing success in reading are listed below:

1. Objective of reading should be clear in the mind. Normally people read things in which they are interested.
2. Use the technique of skimming or scanning which means reading for major ideas and not each word. While scanning the materials, one should continue a silent communication with the author of the material i.e., responding to the material is one's means of understanding the author's concepts.
3. Take brief notes along with reading to remember what has been read.
4. One should read critically and then write down his own views related to the concepts.

9.9. Conclusion:

Feedback involves at least two persons one who gives and the other who receives it's the main function of given feedback it provides data about the person's style as behaviours and its effect on others. Interpersonal feedback contributes towards the improvement after communication between two persons.

Effective communication is a fine art which requires four types of skills i) speaking ii) listening iii) writing iv) reading. We shall now analyse these skills and see how by improving them. We can achieve effective communication.

9.10. Self Assessment Questions:

1. Explain the concept of Feedback mechanism? Discuss the interpersonal feedback?
2. What are the functions of feed back?
3. Explain the process of interpersonal feedback?
4. How feed back mechanism more effective?
5. Explain the combination skills in change process?

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LESSON – 10

ORGANISING CHANGE IN ORGANISATIONS

OBJECTIVE

After going through this lesson, you will be able to understand

- Organizing change in organization,
- Changing organization by redesigning tasks,
- Designing change in organizations and creating a strategy.

STRUCTURE

- 10.1 INTRODUCTION
- 10.2 TUNING THE CHANGE MIND SET
- 10.3 CHANGE AT THE HEART OF LIFE
- 10.4 CATEGORIES OF BUSINESS
- 10.5 FOCUS ON THE ORGANISATION
 - 10.5.1 CHANGING ORGANIZATION BY REDESIGNING TASKS
 - 10.5.2 CHANGING ORGANIZATION BY CHANGING TECHNOLOGY
 - 10.5.3 CHANGING ORGANIZATION BY CHANGING PEOPLE
- 10.6 DESIGNING CHANGE IN ORGANISATIONS
- 10.7 CREATING A STRATEGY
 - 10.7.1 EVOLUTIONARY / INSTITUTION BUILDING
 - 10.7.2 FOLLOWED REFOCUS
- 10.7.3 FOLLOW THE LEADERS
 - 10.7.4. MULTI- FRONT DIRECT
 - 10.7.5 SYSTEMATIC REDESIGNER
- 10.8 THE PERFORMANCE TASK
 - 10.8.1 DIRECT LEVERS
 - 10.8.2 INDIRECT LEVERS
 - 10.8.3 CONTEXTUAL LEVERS
- 10.9 THE LEADER'S ASPIRATIONS AND PREFERENCES
- 10.10 THE ENERGY FOR TRANSFORMATION
 - 10.10.1 FEARS
 - 10.10.2 ASPIRATION
 - 10.10.3 BELIEF
 - 10.10.4 CAPABILITY AND CAPACITY
- 10.11 BREATHING LIFE INTO A CHANGE STRATEGY
 - 10.11.1 EXECUTIVE REBOTTLING DECISION
 - 10.11.2 DIRECTION SETTING OR REDESIGNING TASK TEAMS
 - 10.11.3 MOBILIZING
 - 10.11.4 COMMUNICATING AND COACHING
- 10.12 SUSTAINING MOMENTUM

10.13 SUMMARY**10.14 KEY WORDS****10.15 QUESTIONS****10.16 SUGGESTED BOOKS FOR FURTHER READING****10.1 INTRODUCTION**

Traditionally and universally it is believed that people resist change due to its displacing effect overtime. However, people move towards its acceptance through negotiations over the 'price' of change.

History has time and again proven that the process of change is inevitable in the progress of mankind. The ability of the human race to innovate has brought about radical transformation of society. All the countries of the world are undergoing some kind of change which is especially true in the context of organizations. At times like this, more than ever, it is essential that the organizations appreciate the human resource management skills required to successfully hand the transformation of industry through one of its most critical periods.

10.2 TUNING THE CHANGE MINDSET

'The times they are changing', sang Bob Dylan, and 'more's the pity' perhaps you say. Perhaps, you are a manager in a manufacturing or service Company or a public authority, and 'they' won't let you alone to get on with things. Always something new is coming in, the organization is restructured, the company gets taken over, or new, government regulations or deregulations come in and change everything. Change- it's the one aspect of life that never seems to change. It happens all the time. The only thing is that there seems to be more of it and it happens more and more quickly. There's never time to catch your breath.

You are then totally fed up with change. 'There is no stability nowadays'. 'You no sooner get things sorted out and there is a restructuring, a product change or new competitor, running away with our business'. 'You just get the line running smoothly and reject to a minimum when in comes some new technology or a new product is introduced and chaos is let loose'. You sigh for the old days when you knew where you were; yes, things did change then, but much more steadily.

10.3 Change at the heart of life

It is really meant that change is at the very heart of life. Think about it for a moment, independent of business as such, and look at the role of change in general. You could say that life is change. From conception to death we are changing physically every microsecond, and certainly from the first moment of independent existence we are changing mentally, emotionally and spiritually. Physically we know that in every seven year period every molecule of our body has changed, very slowly and gradually, and we are certainly not the persons we were. Similarly we are not the same in our mental, emotional and spiritual senses.

For one thing, in every waking moment, and probably when we are asleep as well, we are taking in new impressions and rearranging the old impressions in the light of the new, so

that there is no such thing as stability. Neither would we want there to be. Several significant schools of philosophic thought have stressed this.

We are all the time taking into our minds new impressions through the senses. We see things, we hear things, we touch things, we taste things, and beyond that we have feelings about the messages our five senses bring to us. They make us sad, happy, impatient, excited, worried, angry, uplifted, determined, uncertain, jealous, envious; they make us love, hate, sympathise, empathise, co-operate, oppose, fight; and these emotions, being stirred, provide us with energy and impel us to action.

All these impressions and the emotions they stir are recorded in our memories. Everything we have ever seen, heard, tasted, touched, smelt and the related emotions, are indelibly written down in our human audio-video-taste-tactile-of factory type machines, in our brains or at least in our minds, if these are not the same. These data are all getting added to all the time. As more ingredients come into the mind, so the earlier ones seem just a little different – they are expanded or perceived in a new light.

Of course, if we had the whole of the tape machine playing at once, we should 'go out of our minds', and so memory is selective. The whole range of materials is not making its presence felt consciously all the time. A lot of it is buried, as we sometimes say, 'in the depths of the unconscious', but it is still there and gets called up by new events, and by being linked with them it is changed.

We have an exciting picture of the human mind as a flow of impressions, and emotions and ideas which connect them. The thinking we do about the impressions is part of the change process, because the bringing of things into new connections presents them in new light – indeed changes them.

So if change is the microsecond by microsecond essence of living, our theme of the need for a change mindset should not be difficult to absorb, because it fits with the very structure of our minds and of our thinking.

10.4 Categories of Business

Change can be better understood by the following box.

The Nature of Change

- ✓ Change can be defined as *to make or become different, give or begin to have a different form.*
- ✓ Change also means *dissatisfaction with the old and belief in the new.*
- ✓ Change *underlines a qualitatively different way of perceiving, thinking and behaving to improve over the past and present.*
- ✓ Change can be seen as *Continuous and intrinsic* to an organization or as *extrinsic and discontinuous.*
- ✓ Change can be *patterned and predicted or complex and unpredictable.*
- ✓ Change *is dual or bipolar.* Continuity without change leads to
- ✓ stagnation, frustration and boredom in individuals and change without continuity leads to ambiguity, conflict and degenerative pathology in individuals and organizations.

- ✓ The *rate of change* is faster than our ability to comprehend and cop with it.

Source: K. Harigopal (2001), Management of Change, P.26

10.5 Focus on the organization

Structural change models have been extensively used for organizational change. The emphasis is on developing a new structure of the organization, in response to the changing environment or the changing priorities of the organization, and to designing relevant systems (budgetary and information systems). The changes introduced demand new ways of working, and individuals respond to such demands. Some good accounts are available of such changes. Some turnaround work done is also in this category.

MBO is a specific example of structural change, using a structured way of helping an organization plan its time-bound objectives at all levels, and working to achieve the objectives set. Specific ways are adopted to monitor the working of group and individuals on these objectives.

While the various models have been suggested in this unit, it should be emphasized that these do not work in isolation, and in practice many approaches are combined. Experience has shown that structural changes, for example, cannot be sustained without relevant process support. Similarly, process facilitation must be followed by relevant structural changes so that the processes could be institutionalized and sustained.

10.5.1 Changing Organization by Redesigning Tasks

Redesigning tasks is another strategy a manager uses in change. Industrial engineering, scientific management by F.W. Taylor, improvements and creation of highly specialized jobs etc. all belong to this category of strategy. Jobs vary in scope and depth; and change efforts directed at the task (Job) are attempting to alter this scope and depth. By *Job scope* we mean the number of operations performed by the job holder and the frequency of the repetition of the job cycle. Whereas, relative influence of the job holder over the work environment and the degree of self-control in planning and performance of the job determines *job depth*. The process of upgrading, enlarging or enriching a job by increasing its depth and scope is called *vertical job loading* and also called job enrichment. Task-focused changes include:

- (i) High internal work motivation.
- (ii) High quality and work performance.
- (iii) Job enrichment.
- (iv) Scientific management.
- (v) Industrial engineering, etc.

10.5.2 Changing Organization by Changing Technology

Computerization is the fashion of the day in today's organization. The increasing technology and especially computer has profound influence on the organization and its employees. For instance, it results in more mechanistic organization structure. Since

departments tend to be consolidated, span gets reduced, functional departmentation replaces divisions, resulting in a centralized control. At the lower rungs it results in more routine jobs as well as more compartmentalized jobs in which workers' interaction is less and infrequent.

Computerization yet, is only one aspect of technological change. Other changes include introduction of new production technology, new employment procedures, new performance evaluation programmes etc.

Technology-focused changes comprise of:

- (i) Changing Problem-solving and decision-making procedures.
- (ii) Introduction of computer to facilitate managerial planning and control.
- (iii) Converting from unit production to mass production technology.

10.5.3 Changing Organization by changing people

A change in the organization requires a corresponding change in the individual's personality. Changing personality is a challenging task because the basic personality factors are usually formed and developed in the early childhood of the employee. However difficult it might be, it is another strategy of change.

There is no dearth of techniques that can be used to change people in organizations. According to Robert House "if the development is to be successful it must be geared not only to the participants' needs and learning abilities but also to the particular requirements and practices of the organization in which he managers". House contends that the technique used must appropriately fit the situation. Harrison is of the view that 'surface' techniques interventions such as management games, lectures, conferences, seminars etc., are helpful for providing the employees with new skills to do the job and are used in mechanistic or organic structures. He further emphasizes that the developmental change requires emotional involvement of the managers in employees problems. Motivational theories need no reiteration here. To meet rapidly changing conditions 'in-depth' organizational development interventions (for example, sensitivity training) are appropriate.

People-focused changes can be made through the following techniques:

- (i) Sensitivity training.
- (ii) Transactional analysis.
- (iii) Assertiveness training.
- (iv) Team building workshops.
- (v) Job-training programmes.
- (vi) Leadership and supervisory training.
- (vii) Management by objectives.

10.6 Designing change in organizations

Transforming an organization to enhance its performance is a daunting challenge faced by many organizations and the nature of the challenge differs from case to case. The change approach used by one organization may not have to be effective for another and even the most successful effort may eventually prove a dismal failure. The right strategy for a particular

industry, a company or for a leader is going to defer. A study done by Mc Kinsey of 25 different companies proved that each transformation was a unique response to a specific set of problems and opportunities. Some companies were facing up to future threats; some were on the brink of collapse. Some had to endure wave after wave of change; others were transformed within 18 months. Despite these differences, there does exist a similarity that suggest that it is possible ascertain which strategy will best create and sustain the momentum needed for transformation, depending on an organization's goals and the raw ingredients at its disposal.

10.7 CREATING A STRATEGY

The first and foremost requirement is to develop a strategy to create and sustain momentum—one that recognizes what changes is needed and where the energy to drive them will come from – before launching any initiative. Transformations that focus programmes such as reengineering or total quality management (TQM) can and fail because they are ill suited to a company's particular needs and resources.

The leaders can develop a strategy, which can bring about the change with improved performance and also liberate energy. This liberated energy can be channelised to improve future performance in the form of a virtuous cycle. After an episode of change, leaders can focus on a different set of strategy to move the process along. The leaders to accomplish the task could use following categories of strategies:

10.7.1 Evolutionary/Institution Building

The companies which are looking for long-term improvement rather than short-term results can follow this strategy. Since the company right now is not in deep trouble, leaders do not have to resist rapid change or bold actions. Instead, they can reshape their company's values, structures and performance measures so that line managers can drive the change.

10.7.2 Jolt and Refocus

This strategy aims to force a company to respond to a future threat. It may involve delivering top management, defining new business unit, and redesigning management processes. Such an approach is often used to shake up a grid locked power structure. It realigns power, creates urgency, shapes fears and aspiration, and affects beliefs. The jolt can be a potent means of improving performance, but it also causes confusion that can delay results.

10.7.3 Follow the Leaders

Leaders can sometimes personally grab the lever and initiate major changes from the top. This can help improve financial performance while removing only the most critical bottlenecks. With this strategy, performance improves rapidly, but more broad-based change is needed after if the transformation is to be sustained.

10.7.4 Multi-front Direct

Here task teams drive the change with a focus on immediate, direct financial improvement. The targets of the task-teams are more wide-ranging. They might seek performance gains through cost reduction, asset sales, or sales stimulation. Such programmes temporarily overwhelm the old organization, which is later realigned to sustain the improvements.

10.7.5 Systematic Redesign

In this strategy, task teams drive change across a broad set of economic levers to boost performance. Here, however, core process redesign and their organizational changes tend to be planned in parallel with the economic improvements to produce the necessary results.

10.7.6 Unit-level Mobilising

This strategy involves improvement of unit-level operations without the need to redefine strategy or organizational processes with an objective of achieving major gains in performance. Change leaders empower task teams to tap into the pent up ideas of middle managers and front line employees, creating a temporary, structure that ensures implementation.

The choice of the above mentioned strategies would depend upon three factors: how performance needed improves; the leader aspirations and preference; and the human energy available to power the transformation. These can help the manager of design an approach that will work best for his company.

10.8 The Performance Task

To design a successful strategy to change, leaders must start from an understanding of and why and how performance needs to improve- in other words, the performance imperatives. Performance imperative would depend upon whether a company faces an immediate threat to its viability or simply an opportunity to make improvements or whether there is a challenge on the horizon for which it needs to prepare itself. If the performance imperatives have been identified, then the issue is what needs to be changed, if they are to be achieved. There can be three levers which can be combined, each having a different impact on the performance of the company. The levers are:

10.8.1 Direct Levers

Direct levers bear on the revenues, costs, assets, and financial structure of a business, and hence on its financial performance. Overhead reductions and asset disposals are commonplace although some direct levers are industry-specific. To produce business results, changes must ultimately occur to the direct levers. Altering attitude or reorganizing a business may help bring about change, but it won't have the necessary financial impact.

10.8.2 Indirect Levers

The use of indirect levers such as organizational structure, performance measure and business unit strategy influences performance by focusing a company on what is important.

Decentralizing and forming small business units for example, can bring financial performance into sharper relief. Companies and business units can redefine their strategies and establish targets for performance and set out to build constitutional competencies to sustain and intensify their efforts.

10.8.3 Contextual Levers

Contextual levers such as vision, values and leadership styles challenge an organization and the individuals within it to create an environment that inspires high performance. In successful companies, high performance is almost a seamless part of its culture. Top management is demanding and uncompromising and management processes ensure a performance ethic. The problem with contextual levers is that changing them can consume enormous amounts of energy and create the illusion of progress with little real improvement. Fearing this, inexperienced leaders sometimes shy away from using them.

10.9 The Leader's Aspirations and Preferences

- ✓ The aspirations and preferences of the person leading the change determine the way in which transformations evolve. Leader's aspirations are often the source of energy that sparks the change.
- ✓ A leader's preferences are likely to be reflected in the style of the transformations. Leaders may have their own personal aspirations intertwined with organizational objectives. A strategy that amplifies, rather than resists a leader's qualities could prove to be key to combustion. But sustaining the fire may require different fuel.

10.10 The Energy for Transformation

Whatever a company's potential, transformation is doomed to fail unless change leaders can release and orchestrate the energy within the organization. Understanding how to energize transformation is a neglected area in the change literature, but one that lies at the heart of successful change.

The energy and power of the change leaders may not be sufficient enough to change their companies. What is required is the mustering of huge amounts of efforts from others. This actually means viewing change from other people's perspectives. Since collective effort is needed to propel a change through a number of episodes, various sources of energy need to be aligned. By forming coalitions, a critical mass of capacity and capabilities can be built up to transform potential energy into kinetic energy that would power change.

Often, spelling out the case for making changes respond to a new competitive situation falls on deaf ears. But by understanding what motivates people, leaders can identify which key individuals might be enlisted to help drive change. Four forces influence the energy available:

10.10.1 Fears

It is most obvious. If a business survival is in doubt, fear about job losses will prompt employees to improve their performance.

10.10.2 Aspirations

Fear is unlikely to propel an organization through several episodes of change. Aspiration is needed, especially when a company's existence is not at risk. Often the promise of becoming number one- the best oil producer, the finest paper company, the top-paying bank- instills a sense of pride and belonging that creates the energy to change.

10.10.3 Belief

Peoples beliefs also affect their willingness to participate I change, colours their judgments and decisions. If the leader has an unwavering confidence and belief in his company and people and therefore empowers the organization, he may be able to prompt initiative and healthy risk-taking among his employees.

A more difficult challenge is to overcome the limiting beliefs that make people deny or resist the need for change, however powerful its logic. Inevitably, there will be instances where people have to be replaced if they are unable to overcome such baseless prejudices.

10.10.4 Capability and Capacity

Even when people are motivated to act, they may not have the capability and the capacity to do so. Establishing devolved project centers, for example will not work unless enough managers understand the basis of commercial management. And when it comes to large-scale transformations, leadership can be a scarce resource. At some point, executives are likely to exhaust their own capacity, and the programme will run out of stream unless it can draw on, or build, broader leadership capabilities.

10.11. BREATHING LIFE INTO A CHANGE STRATEGY

Once change leaders have created their strategies it needs to be executed. They need to look into the forces that will give a change programme the momentum it needs. They have to make it come alive. Successful change leaders design initiatives explicitly to pull a particular performance lever those energies those charged with carrying out the change. Such initiatives fall into four groups.

10.11.1 Executive Rebottling Decisions

Used to make changes that will liberate substantial amounts of energy within an organization, or provide a major one-time benefit. Levers suited to this approach include top-level direct levers such as portfolio restructuring, plant rationalization, and strategic pricing and indirect and contextual levers such as removing key executives and changing the top management structures. It is easily overlooked in an era of empowerment, but this approach tends to be used when the CEO or another top executive is the prime source of the group.

10.11.2 Direction-setting or Redesign Task Teams

This initiative is appropriate when complex systems of cause-and-effect need to be understood, or when a diagnostic is required to set the direction. They usually require cross-functional participation and are used to initiate change in complicated systems or to institutionalise new behaviours such as in-plant skill building. This approach tends to be driven by down-the-line champions and relies on both the CEO and management for support.

10.11.3 Mobilising

These are structured efforts that can involve hundreds of people in problem-solving, and are often used on front-line direct levers such as cost reduction and quality improvement. It is here that specialized techniques proliferate: break through strategy, front-line problem solving teams, TQM and so on. These mobilizing initiatives link down-the line champions with a team at the top.

10.11.4 Communicating and Coaching

These are important complements to more performance focused initiatives, although they can stand alone. Coaching and training have a strong impact on contextual levels, and are also effective in reshaping performance expectation and vertical processes.

10.12. SUSTAINING MOMENTUM

Building initiatives correctly will help you achieve the necessary velocity for a transformation. Yet the dynamics of change have wider implications. What works for the first few years might not work for the next phase, as change initiatives within the company filter through the organization and influence energy and performance. Often it is evident that transformation will be lengthy task, involving more than one episode. A winning formula may prove elusive, or the transformation may demand changes at every conservable level. Certainly, the more people involved, the more energy required, and the more difficult the challenge. There may sometimes be little room for maneuvering. Unless leaders can successfully navigate a company's transformation from one episode to the next, the transformation is likely to run aground. Navigation demands sensitivity; on the part of change leaders, who need to detect the reverberations of change to adjust their strategy as the transformation take shape. Successful leaders recognize that the exact course and duration of a transformation cannot be mapped in advance; complicated plans detailing changes from beginning to end will be wasted. But processes to monitor and manage the change are vital if leaders are to sense infection points and move from one episode to the next without faltering.

Transforming a company is not a science: there are no formulae for success. By viewing a company from three perspectives – how performance needs to change and how fast; leaders aspirations and preferences; and the sources of energy available to drive the change – we can gain insight into what strategy will work.

A successful strategy demands effective executive, which would depend upon the type of initiative chosen that links the source of energy to the right performance levers. One should be sure to exploit the interdependent dynamics of the initiatives that keep the change moving ahead.

Energy should not be wasted by formulating intricate plans that pretend to know just how the transformation will evolve. It would be more valuable to navigate the processes and networks that allow leaders to gauge the unpredictable results of change and reformulate their strategy particularly if the transformation has to endure several episodes.

10.13. SUMMARY

Change, even when the cope is substantial and the obstacles daunting can be accomplished successfully provided the management takes a planned approach that is comprehensive, systematic and through. Success is particularly dependent on the extent to which management makes use of discussions with everyone concerned, and of participation. Success can often be assured when structural changes are made in the organization and an effective and unified management "team" is developed. Management must pay special attention to providing a high quality of supervision throughout its transition period and concluding with its follow-up and consolidation.

For implementing effective change programmes, organizations will have to respond to change in better-designed ways. Strategies and cultures that welcome, address and imaginatively manage change will continue to triumph. Successful organization will also require stealing a march on their competitors.

Broadly, there are at least five phases of managerial work which have been suggested in carrying out any change: (1) analysing and planning change; (2) communicating about the change, (3) gaining acceptance of the required changes in behaviour; (4) making the initial transition from the status quo to the new situation; and (5) consolidating the new conditions and continuing to follow up in order to institutionalize the change.

Change adept organizations share three key attributes, each associated with a particular role for the leader, i.e., imagination to innovate, professionalism to performance and openness to collaborate. The leaders, along with their passion, conviction and confidence can practice a list of skills to effectively manage change in organizations.

Organizations have to identify strategic levers that can help assist it to move from the present to the desired state. Those levers can be classified as strategy, structure and systems. For designing a change organization will have to create a strategy, understand how and how performance needs to improve, check on the aspirations and performance of the leader, orchestrate the energy for transformation, unleash people's power to bring changes, build coalitions, breathe life into a change strategy; and sustain the momentum.

10.14. KEY WORDS

1) Task Significance: Task significance means knowing that the work one does is important to others in the organization and outside of it.

2) Sensitivity training. A form of training based on behavior of persons in groups and, through undirected group interchange, designed to make these persons more aware of their feelings and the feelings of others toward them.

3) **Transactional analysis.** An approach to improving interpersonal effectiveness. Sometimes used in organizational development efforts, it concentrates on the styles and content of communication.

4) **Assertiveness training.**

Openness/Express honesty the feelings without hurting the feelings of others.

5) **Team building:** An effort to increase the effectiveness of works teams by improving interpersonal processes, goal clarification, and role clarification.

6) **Leadership and supervisory training.**The influence that particular individuals exert upon the goal achievement of others in an organization context.

7) **Management by objectives :(MBO):** MBO requires an employees and a superior to jointly establish performance goals for the future. Employees are subsequently evaluated on how well they have attained these agreed-upon objectives.

10.15 SELF ASSESSMENT QUESTIONS

- 1) Discuss the organizing change in organizations ?
- 2) Give a brief note on changing organizations in any organization by redesigning tasks?
- 3) What are the strategies is required for designing change in organizations?

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LESSON – 11

AUDITING ORGANISATIONAL COMPETENCIES

OBJECTIVE

- After going through this lesson, students will be able to
- Auditing organizational competencies. Understand
- Importance of value creation in an organization and need for effective organizational auditing.

STRUCTURE

11.1 INTRODUCTION

11.2 AUDITING ORGANISATIONAL COMPETENCIES

11.2.1 Value Creation in an Organization

11.2.2 Importance of Competency in Value creation

11.3 ROLE OF MANAGERS

11.4 AUDITING – GENERAL CONSIDERATIONS

11.5 ORGANISATIONAL AUDITING – ITS CONCEPT

11.6 DIAGNOCUBE: THE DIMENSION OF AUDITING

11.6.1 Systems

11.6.2 Components of the systems

11.6.3 The coverage of the area

11.6.4 The surrounding external environment

11.7 THEORY IN ACTION: THE FRAMEWORK OF ORGANISATIONAL AUDITING

11.8 NEED FOR EFFECTIVE ORGANISATIONAL AUDITING

11.9 ORGANISATIONAL AUDITING: PROCESS, INTERPRETATION AND METHODS

11.9.1 Process

11.10 PHASES IN AUDITING

11.10.1 Scouting

11.10.2 Contracting

11.10.3 Study design

11.10.4 Data gathering

11.10.5 Analysis

11.10.6 Feed back

11.10.7 Design

11.10.8 Support and Co-operation

11.10.9 Participation

11.10.10 Feed Back

11.11 INTERPRETATION**11.11.1 Interpreting the Initial Statement****11.11.2 Redefining the problem****11.11.3 Understanding the current state****11.11.4 Identifying the forces for and against change****11.11.5 Developing workable solutions****11.12 METHODS****11.13 SUMMARY****11.14 KEY WORDS****11.15 SELF ASSESSMENT QUESTIONS****11.16 SUGGESTED BOOKS FOR FURTHER READING****11.1 INTRODUCTION**

For organizations to succeed in today's competitive and complex environment, employees at all levels need to develop and demonstrate "the personal capabilities underlying characteristics and behaviors that drive superior performance at work.

Indian business is rapidly learning to operate in a scenario of competition and uncertainty. A good management must filter noise and dust continuously. These events do not affect an industry's fundamentals. The fact about Indian business remains intact, and that is a reality of companies learning to operate in a competitive environment. The truth is that Indian companies are now learning fast. The progress in last two years has been significant. The companies have now grasped the principles of good management in a competitive uncertain scenario: cut costs, cut time, stay lean, build organizational capabilities, build competencies and empower people are some of the items.

These guidelines are called as 'competitive edge'. Companies are now incorporating knowledge into their business. The new economy, in fact, is knowledge-intensive. The change in attitude is widespread right through the corporate ranks. For example, a HR manager does not see himself as an industrial relations man. He likes to see himself as a 'business partner', who provides valuable inputs to help steer the organization on the right path. Similarly, factory workers no longer just turn the wheels and put oil in the cogs. They are busy in innovative activities at the shop floor. This is the scenario of business India today, which does not get affected by minor waves in the business environment. Gradually, top Indian companies are on their way to becoming MNCs, so their dependence on the domestic market continues to decrease.

11.2 AUDITING ORGANISATIONAL COMPETENCIES

Competency has become a common word of all organization. The organizations are becoming more competency-driven by adopting different competency based techniques like Competency based interview technique or Competency Mapping for its employees. Directly or indirectly, the company by adopting a competency-based technique is on a way to create value.

11.2.1 Value Creation in an Organization

Almost every organization focuses on value creation and adopts various techniques of value creation. Organizations also focus on the core competency development but then remains unaware as the core competency as well as the competency of the employees and work process could be playing a dynamic role in value creation.

The value creation processes of the organizations can be based on individual competencies, but the development of capabilities, requests the existence of a network of links among competencies, within business processes and crossways different processes. The individual competencies activate the tangible and intangible resources that take part in the value creation processes. If individual competencies are the starting point to activate critical capabilities, on which, in turn, the value creation processes are based, then it becomes crucial for firms to employ suitable methodologies to support the analysis and development of these competencies

11.2.2 Importance of Competency in Value creation

Technological trends such as an increasing technological complexity, an explosion of knowledge creation and shortening Product Life Cycle against the background of Globalisation are increasingly challenging companies to raise their level of innovativeness. Thus, innovativeness cannot be left to chance but must be actively planned over the long term and strategically built up by developing competencies.

The various technical competencies are being used by organizations as weapon of competitive advantage. Since the mode of doing business and the nature of organization are undergoing a sea change, the roles in an organization need reassessment. This is where the role of core competency comes into existence.

In the performance of an organization, what ultimately matters is the quality of the product or service offered. Thus most of the companies' focal point is the quality, not only of the way the product is manufactured but also as how it has reached to the end user. It is not only the organizations core competency, which is important but also the employees competency is significant as it is the employees who play a major role in reaching the product to the end user. Thus we can refer the concept of 'Competency' and its usability as the indispensable node of Value creation in organization.

11.3 AUDITING THE ROLE OF MANAGERS IN PLANNING AND MANAGING ORGANIZATIONAL

Managers in most of the organizations are investing great amounts of time and energy in planning and managing organizational change. These planned change efforts are intended to respond to challenges arising from very turbulent and competitive environments in which organizations of the present day exist. In addition, organizations have also to meet with the demands of the customers and other stake holders who are well aware of and well informed of the developments and quality standards of products and services world-wide, thanks to the advancements in Information technology and ever growing communication media. The policy makers and the top management in organizations are also constrained to meet with the

challenges of change for sustaining current markets if not to 'leap-frog' competition and the latter requires mandating dramatic and innovative organizational changes.

While the need for change is felt by all organizations that alone does not make change happen. The success or failure of an organizational change effort depends crucially on understanding and realizing "why to change, how to change, who to change and when to change". Unfortunately, most often organizations initiate change processes without addressing these basic questions.

Asking these basic questions involve organizational auditing, which is to examine the symptoms, and going beyond the symptoms to arrive at the root cause of organizational problems. It also involves a critical examination of 'how effectively and efficiently the various systems operate and their interface and work-flow linkages'.

Auditing is a medical term. It is the act of identifying the nature of a problem, especially an illness. A doctor gives prescription only after a thorough understanding of patient's problem, what in other words is "auditing" of a disease that the patient is suffering from. Similarly, in the context of organizational change management, organizational auditing is fundamental in identifying appropriate changes to be implemented and for effective implementation of the designed change initiatives.

The organizational auditing, therefore, is a scientific effort to understand: the entire organization, to acknowledge its strengths and weaknesses, to examine how competitive it is and needs to be, to identify gaps between its current performance and competitive it is an needs to be, to identify gaps between its current performance and desired performance as benchmarked against competitive standards of the industry, and the ways and means of bridging the performance gaps. The auditing, hence, would not only focus on systems and subsystems but also on organizational processes such as goal setting, decision making, communication patterns and styles, intra and inter-group relationships, work-flow patterns and so on (Beckhard, R.1969).

Organizational auditing, basically, may be viewed as a knowledge gathering process about the structure, systems, strategy, staff, style, skills and shared values of an organization. The instruments of auditing have their basis in certain conceptual models and methods drawn from behavioral sciences.

11.4 AUDITING – GENERAL CONSIDERATIONS

Most of the calculated management decisions are based on some sort of auditing. Every manager, irrespective of his level, is in a continuous cycle of auditing-decision-action-evaluation, so long as his decisions and actions are not impulsive. His inability to diagnose directly affects his performance. Top management often takes decisions forwarded by the managers at lower levels. The top managers have often to 'see', not with their eyes but with their ears. The ears listen to what the other managers have diagnosed. The direct contact with organizational reality is minimum at the lonely heights of the organizational top. Yet periodically, they are supposed to know clearly what is happening within the organization. Much data, helpful for auditing, are screened off by managers at the lower echelons at their own discretion. The upper level may thus be handicapped by less available information and

data. Their level is the converging point of divergent views of the lower levels which make their own diagnoses. How many managements reject or synthesis these views without knowing the diagnostic bases from which their managers tend to operate?

Sometimes the management seeks help from external diagnosticians. Is this done in the interest of objectivity? It is to crosscheck its own view? In a recent study of 85 chief executives, by Bhattacharya, Chattopadhyaya and Sengupta, it was found that about 85 per cent of the chief executives agreed quite strongly that one of the reasons for using external diagnosticians was to have objectivity. But when it came to comparing using external diagnosticians was to have objectivity. But when it came to comparing the management's own views with those of the outsider, only about 75 per cent agreed quite strongly with the proposition while 29 per cent quite strongly disagreed. Putting these two sets of data together, one may get an indication of the dilemma that prevails in the situation. Neither can the internal auditing be accepted, nor can it be rejected. One feels that the objectivity lies outside; one has to crosscheck the internal diagnoses. Yet, how can one agree to crosscheck one's own internal diagnoses since they often constitute the operating base? The dilemma seems to be "Do I not rust and depend on my own instruments?"

The know ('gno') is the central concept in auditing. The urge to know, to sense what happens around an individual and integrate the experiences into a pattern, a syndrome, and to arrive at a distinguishing meaning of these experiences constitutes a basic urge of a variable, dynamic organism. This cognitive process of diagnosing is characterized by a high degree of selectivity in sensing. With selectivity, screening takes place.

Differential preferences and specializations emerge. Different schools of thinking develop. The specializations which are lamely to affect both internal managers and external diagnosticians provide rich depth and breadth in differentiation and divergence. But the associated need for integration and convergence to a single point of action-decision remains more often than not unattended. The role of the top management is specifically to deal with this duality.

11.5 AUDITING ORGANISATIONAL COMPETENCIES

Auditing involves

- Defining the episode under study by picking up the relevant "symptom"
- Arranging them into a pattern, and
- Distinguishing them from other patterns.

A systematic process of auditing has been widely used in natural sciences, in applied sciences like forensic science and criminology, medicine agriculture, engineering and in such other fields. In these spheres, auditing quite often ends when a name can be put to a distinguishable pattern of the mosaic of symptoms. For example, a criminologist's auditing is complete when he correlates all the relevant factors of a case and concludes it to be a murder and not a suicide; a physician or the radiologist concludes that it is a case of sodalities (and not myocardial infarction); a psychologist diagnoses the man as having high achievement motivation (and that he is not a social deviant). Organisational auditing, essentially, follows the same process. But since organizational pathology has not been studied in any great detail, it is impossible at present to integrate symptoms into such precise and definite syndromes. Moreover, basic sciences have contributed a great deal to understanding cause-effect relationships in other fields of science and technology. Such contributions being limited in organizational sciences, a great deal of heuristic approaches necessarily come into play.

Because of these limitations, there are different expectations from the role of an organizational diagnostician; (a) he should diagnose to the point of describing the present ailment; or (b) he should add to his prognosis; his estimates of the likely consequences over a period of time; or (c) in addition to auditing and prognosis, he should recommend prescriptions of active interventions. No firmly established norm has yet been developed regarding the extent to which the meaning of auditing should be extended. However, it would be pragmatic, if the process of auditing includes prognosis but not interventions. More importantly, it should trigger a process of self-searching through a relationship of mutuality between the external diagnostician and the organisation.

In the study of Bhattacharyya, Chattopadhyay and Sengupta, attention of the chief executives was drawn to this mutuality. Only some chief executives (12 per cent) said that the diagnostician "made his own auditing; and announced it to us". But other chief executives saw different approaches: 7 per cent said, "he should to us his way of looking at the problem"; 12 percent asserted that "he presented a tentative auditing, subject to changing"; 26 percent said that "he defined parameters of the problem, invited suggestions and evolved the auditing"; and lastly in the opinion of 43 per cent, "he was able to involve us in jointly arriving at a auditing". These studies indicate the variability in approaches but also show the dominant trend.

The approaches to organizational auditing vary not only with the nature of relationship between the diagnostician and the organization, but in a very substantive way depend on: (a) the preferred domain of auditing, (b) the methodology adopted in diagnosing, and (c) the assumptions in diagnosing.

11.6. DIAGNOCUBE: THE DOMAIN OF AUDITING

One of the concomitant aspects of specialization is selectivity in the preferred domain of work. With the same patient, a homoeopath and an allopath will have different domains of work; so will there be differences between the approaches of a neurosurgeon, an orthopedic surgeon and an ophthalmologist. An organisation, defined as a synergistic aggregate of systems and subsystems, offers different domains to work upon. The concept of domain as used here differs from that given by Van de Ven and Ferry (1980). According to him "Domain refers to the specific goals of an organization in terms of the functions it performs, the products or services it renders, and the target population and market it serves". In this definition the concept of domain is embedded in the contextual factors. The definition by which the word "domain" has been used in this chapter refers to the areas of substantive activities or constituents in the content of the organization.

The domains of organizational auditing can be conceived as bounded by four dimensions: (1) systems, (2) components of the systems, (3) the coverage of area, and (4) the surrounding external environment.

11.6.1 Systems: An organization can be considered as a combination of SET – Social-Economic- Technical systems. The social system, that is the peoples system, consists of psychological, social, cultural and political subsystems arising out of people at work as individuals, groups and multiple groups in a techno-economic setting. The economic system includes procurement, allocation and utilization of all resources, finance, cost marketing and the like, in a perspective setting made up by the other two systems-social and technical. The technical system includes work and technology required to perform

the work in a perspective of socio-economic setting. Organisational auditing has often remained confined to any one of these systems.

11.6.2 Components of the systems There are components in each system where the auditing is undertaken: (a) structure, (b) process, and (c) function. Structure refers to all elements in the organization and their comparatively enduring and lasting relationships and arrangements which have formal sanctions. Process refers to the manner in which events are conducted sequentially. Function includes strategic variables, performance variable, results and achievements and end products.

11.6.3 The coverage of the area The coverage of the domain refers essentially to the area of the organization opened up for diagnostic investigation. This may be in terms of time, space, people, events or phenomena occurring within the organization. The coverage may be classified into three categories: (a) singularity, (b) plurality, and (c) totality of events in the life span of the organization. For example, a medical diagnostician may be called in to diagnose a single episode of ailment (singularity), or a number of episodes and ailments (plurality), or the total health of the patient (totality). A diagnostician similarly can be called in; to investigate a single episode of say, a strike, a relationship in a given department, marketing of a particular product, on decision of a particular investment, and so on. Plurality of coverage indicates the opening up of the organization to more than one specific episode for investigation. The range of plurality will vary. Totality of coverage denotes a auditing based focused on the entire organisation, or an any phenomenon in its entirety.

11.6.4 The surrounding external environment: These domains are encircled by the environment. Organisational auditing can be undertaken on environment relation to any one of the cells of the domains or without relating it to any specific cell.

Besides environmental investigations, the model thus provides 27 typologies of organizational auditing. Each typology, represented by each cell, has three dimensions. Economic-structure-Plurality (ESP) will perhaps require the expertise of structure combined with knowledge of, say, engineering or chemistry. Social-process-diagnostician and is skilled in working on a single episode.

It is also possible that within each typology there are variant forms and emphases. For example, within a social system there are psychological, sociological, political and cultural sub-systems, as mentioned before. Therefore, the specialization of the diagnostician can further narrow down the focus of his diagnostic activity.

Often the diagnostician operates on more than one cell. But he can discern a distinct bias in his emphasizing a specific cell. It may be better when diagnosticians are able to use more and more cells in combination. This typology is useful to provide the identifications of the base from which the auditing is made-may be by the manger or by the external diagnostician; and the other bases that can and should be added to it to get a meaningfully comprehensive picture.

11.7 THEORY IN ACTION: THE FRAMEWORK OF ORGANISATIONAL AUDITING

Beyond the diagnostic domain that the diagnostician selects to work upon, and the method that he chooses to use, are some of his basic assumptions regarding man, organisation, man-in-the-organisation, quality of work life and the interrelationships that are crucial in organizational life. These assumptions in their turn also influence him to decide on the domain to work upon and to direct the process of auditing in a substantive manner.

In practice, diagnosticians have been observed to take different stances. The stance often taken in auditing is to examine the present state of affairs of the organization in relation to its future goals; and then the strategic variables take the topmost priority. But the controversy arises in determining the goals of the organization: (a) any organization pursues multiple objectives and these objectives need not be necessarily congruent; (b) the objectives at a give phase of development are not the same as at another phase of development of the organization; and (c) the impact of the environment of different types at different points of time will have different effects on the organizational objectives. Taken together, one may see that the **goal-oriented parameters of auditing** are not really static but are in a state of continuous flux.

Another approach pursued by the diagnostician is essentially normative. The organization, at the point of time of auditing, is as if sick and therefore deviant from the normal. The role of the diagnostician is to find out where the deviations exist and also to estimate the nature and magnitude of these deviations such that ameliorative, corrective action can be taken to revert it back to the normal. This is the stance of the physicians in diagnosing patients' ailments. When they find that the deterioration is irreversible, they attempt to arrest or retard the further progress of the disease. Some 'business healers' tend to follow the same principle.

The assumptions about organizational auditing have been influenced by early conception of organizations as a machine or organism. The fact of the matter is that an organization is neither a machine nor an organism. The analogies are valid only up to a certain level. The mechanistic approach to find the optimal fit of factors leading to a normative existence, or the organism approach to find adaptation to environment are, therefore, likely to be functional only up to a point.

Yet another approach, basically influenced by the practice of psychoanalysis, relies on the diagnostician analysing how he himself is made to feel at different stages of the relationship between the consultant and the client; and how those perceptions can be used to clarify the nature of the problems confronting the client (Bains, 1976). There are quite a few practitioners of this method. In this method also, the organization-organism analogy is quite manifest; the client is ill; the ailment lies not in malfunctioning at the conscious level, but the cause is rooted somewhere deep down at the unconscious level the organization. Auditing of that mental block and the client's deeper realization of it are what is to be aimed at.

One uses concept like "health". But then what is health? A sense of well being. What is well being? Diverse answers from philosophies are possible. One talks about the guiding concepts, like dynamic homeostasis, coping ability balance of integration and differentiation, negative entropy, equifinality, etc. Concepts have been borrowed from sciences like philosophy, physics, chemistry, thermodynamics, ecology and biology. There is nothing wrong

in borrowing. Progress of science has been accelerated by such acculturation. But the fact that so many concepts from the different disciplines are in active use, suggests that more comprehensive and satisfying explanation is yet to emerge. In its absence, one has to work with what is currently available and work towards finding a better concept. Accordingly, approaches to auditing will also be diverse. But some choice can still be exercised.

The process of auditing which has built-in enabling effect, which increases the ability of the managers to be better diagnosticians such that they can use the process continually in the cycle of auditing-decision-action-evaluation. This makes the organization self-reliant, may be better in the long run. The process of auditing that does not reduce everything into inputs, outputs and statistics, or into manipulative numbers, may provide a greater depth of vision and understanding about an organization.

The process of auditing depends entirely on the theoretical construct that the diagnostician works with. These constructs help one understand an organization, its mode of functioning, its various subsystems, its structure and design and so on. They help in developing models focusing on individual, intrapersonal and interpersonal processes, on group and group processes and on the total organization and its macro processes.

The contemporary models indicate the diversity in approaches. But in most cases the range extends from external environmental analysis to the analysis of organizational performance. The diagnostician has some choices; either he can accept any of the existing models and conduct his diagnostic exploration accordingly; or he can build his own model to guide his own exploration. But what is extremely useful is to have some model before the actual auditing is conducted. In the absence of a model, one may possibly be at a loss to determine what to look for in the organization and what data to collect. Even if data are amassed, they remain discrete, meaningless and therefore useless.

The process of auditing includes two basic features, divergence and convergence. The divergence starts from the focal point of a theory. From the theory constructs are evolved; they lead to operational models; operational models indicate the network of variables to be studied, variables under study indicate the data to be collected. Up to this point, the operational area becomes wider and wider. Once the data have been collected, the process of convergence starts. The volume of data has to be gradually reduced; analyses condense the data and ultimately they converge on the primary focal point—the organizational need. In the process some help is also rendered to theory building.

11.8 NEED FOR EFFECTIVE ORGANISATIONAL AUDITING

While it is understood that defining the problem itself is solving the problem partly, effective auditing lies in determining what change initiatives are needed in a given context. A well carried out auditing guides the development of objectives and strategy for organizational change and therefore its growth and improvement.

An effective organizational auditing would enable managers to:

- a. Understand the current performance levels of organizational subsystems and processes and how they could be improved.

- b. Study the perceptions and social psyche of the individuals and groups in the organization.
- c. Break away from tried and tested practices that may have served well in past but may not hold good in the current context.
- d. Plan strategically for the perceived organizational challenges.
- e. Avoid pitfalls that often accompany unsystematic implementation of change initiatives, and benefit from experiential learning of managing change.

11.9 ORGANISATIONAL AUDITING: PROCESS, INTERPRETATION AND METHODS

Organizational auditing is a basic prerequisite to develop strategy for systematic improvement of an organization. Such an effort focuses on following two aspects (Beckhard, 1969):

1. Firstly, auditing of the various subsystems that make up the total organization. These subsystems may be technical and social in nature to include natural "teams" such as top management, functional departments or different levels of management or workforce etc.
2. Secondly, auditing of the organization processes that may include decision making processes, communication patterns and styles, relationships between interfacing groups, management of conflict, planning methods etc.

Unlike conventional research, successful auditing requires skillful gathering and analysis of data. A diagnostic study can only succeed if it provides its clients with data, interpretations, and recommendations that are both valid and useful (Judd, Smith, & Kiddler 1991, Lyson, Ackerman, Domsch, & Joynt, 1988, on validity; Lawler, Nadler, & Cammann, 1980, and Turner, 1982, on evaluative criteria). To meet with these standards, the diagnostic practitioner must fill the requirements of three key facets of *auditing* – *process, interpretation, and method* and achieve congruence among them.

11.9.1 Process

The texture of client-consultant relations poses clear requirements for successful auditing. To provide genuinely useful findings and recommendations, consultants need to create and maintain cooperative, constructive relations with clients. Also, they need to negotiate successfully their relations with focal and other members of the organization.

11.10 PHASES IN AUDITING

Diagnostic studies typically include several distinct phases (Nadler, 1977). As the following description shows, the diagnostic task, models, and methods shift within and between phases, as do relations between consultants, clients, and other members of the client organization:

11.10.1 Scouting: Clients and consultants together explore what needs to be studied. While the client presents problems and challenges, the consultant assesses the appropriate tools and

techniques of research relevant to diagnose/reconnaissance organizational problems and strengths. Both may agree on the methodology for investigation.

11.10.2 Contracting: Consultants and clients negotiate and agree on the nature of the auditing and terms and conditions that qualify client-consultant relations.

11.10.3 Study design: The aims, objectives of the study, methods of study, measurement procedures, sampling, analysis, and administrative procedures etc., are planned.

11.10.4 Data Gathering: Data are gathered through primary and secondary measures to include interviews, personal observations, group discussions, work-shops, questionnaires and analysis of reports, procedures, rule books and other secondary data.

11.10.5 Analysis: The data are organized and analysed using relevant statistical tools and techniques and descriptive methodologies such as content analysis, critical incidents etc., and meaningfully summarized. Consultants (and sometimes clients) interpret them and prepare for feedback.

11.10.6 Feed back: Consultants present findings to clients and other members of the organization. Feedback may include explicit recommendations or more general findings to stimulate discussion, decision making, and where needed a further study.

In order to ensure effective auditing of an organization, it is suggested to handle the **five** processes related issues:

11.10.7 Design: What organizational features are to be studied, what units and individuals to be included for data gathering, what and how the data are collected and how the design and methods of the study will be perceived by the members of the organization?

11.10.8 Support and cooperation: What is the support of the top management for the study, and what resources will the client organization contribute? What are the attitudes of other members of the organization and of external stakeholders towards the study?

11.10.9 Participation: To what extent the members of the organization are interested and therefore participate in the study in the various phases of gathering, interpreting, and reacting data?

11.10.10 Feedback: When, how, and in what format will the study's feedback be given? Who will receive the feedback on the study and what use will they make of it? How the feedback can be used for any further study?

11.11 INTERPRETATION

The success of a auditing depends greatly on the ways that practitioners handle the interpretative task of defining the diagnosed problems, issues for study, methods of study, analyzing results, and preparing recommendations.

While interpreting the gathered data, the following set of questions remain pertinent

- 11.11.1 Interpreting the Initial Statement of the Problem.** How does the client initially define the problem, needs, and challenges faced by the organization or the unit where change is planned? How does the client view the desired state of the organization/unit?
- 11.11.2 Redefining the Problem:** The problem is to be redefined to have workable solutions developed. What assumptions underlie the preferred state of the organization need to be made explicit along with defining what constitutes organizational effectiveness. What aspects of organizational life will be the focal points of the auditing?
- 11.11.3 Understanding the current State.** How is the problem current being dealt with? How do members of the relevant groups define the problem and suggest solving it? What organizational resources and strengths are necessary to solve the problem to improve the organizational effectiveness? Who are mostly affected and in what ways among individuals, groups, and components of the organization by the redefinition of the problem and the envisaged approach to solve it?
- 11.11.4 Identifying the Forces for and against Change.** What internal and external groups and conditions create pressure for organizational change and what are the sources of resistance to it? How ready and capable of changing are the people and groups who are mostly affected by the problem and its possible solutions? What are the common interests or needs that could become a basis for working together to solve the problem or resist it?
- 11.11.5 Developing Workable Solutions.** Which behavioural patterns and organizational arrangements, if any, can be most easily changed to solve problems and improve effectiveness cost effective solutions? What interventions are most likely to produce these desired outcomes?

11.12 METHODS

The methods used to gather and analyze data can also determine the success of a auditing. To provide valid results, practitioners should employ rigorous methods of enquiry and analysis in keeping with practical constraints imposed by the nature of the assignment. Rigorous methods (which need not necessarily be quantitative) should be consonant with accepted standards of scientific inquiry. It is to ensure results that have a high probability of being valid (Judd et al., 1991) and replicable by other trained investigators. Non-rigorous approaches too can yield valid results to a certain degree, but may not be independently evaluated or replicated. In assessing the validity of their diagnoses, practitioners need to be especially aware of the risk of false positive that might lead them to recommend changes/actions that in the first place should not have been recommended and could eventually be harmful to the client organization (Rossi & Whyte., 1983).

To achieve reliability (i.e., reproducibility) practitioners can use structured data-gathering and measurement techniques, such as fixed-choice questionnaires or observations using a standard coding scheme. Unfortunately, it is very hard to structure techniques for assessing

many complex but important phenomena such as the degree to which managers accurately interpret environmental developments.

To produce valid and reliable results, investigators often must sort out conflicting opinions and perspective about the organization to construct an independent assessment. The quest for an independent viewpoint and scientific rigor should not, however, prevent investigators from treating the plurality of interest and perspectives within the client organization. The plurality may need to be treated as a significant organizational feature in its own right (Hennestad, 1988; Ramirez & Bartunek, 1989).

Whatever techniques practitioners use in auditing, they should avoid methodological overkill when they need only an estimate of the extent of a particular phenomenon (Freeman & Rossi, 1984). For example, if the intent is to group individuals in to slots of either 'satisfied' or 'dissatisfied' with regard to a procedure or solution, there is no need for a finer discrimination as to the degree of satisfaction or dissatisfaction that one might want to do in an academic research.

Consultants need to consider the implications of their methods both for the consulting process and the interpretive issues at hand, in addition to practical and methodological considerations. Thus a consultant might prefer to use non-rigorous methods, such as discussion in workshop settings, which could bring out participants involvement and commitment to the diagnostic study and its findings. Or they might prefer observational methods to interviews, to minimize the many nitty-gritty concerns that might arise during interviews.

The methods chosen and the ways that data are presented need to fit the culture of the client organization. In a high technology firm, for example, people might regard qualitative research as too impressionistic and unscientific. On the other hand, members of a volunteer organization might view the use of standardized questionnaires and quantitative analysis as too academic and impersonal.

11.13. SUMMARY

Indian business is rapidly learning to operate in a scenario of competition and uncertainty. The fact about Indian business intact, and that is a reality of organizations learning to operate in a competitive environment. The truth is that the Indian organizations are learning fast. The organizations have now grasped the principles of good management in a competitive un certain scenario: cut costs, cut time, stay lean, build organizational capabilities, build competencies and empower people are some of the items.

Auditing organizational competencies with a view to strengthening the organizations. Managers in most of the organizations are investing great amounts of time and energy in planning and managing organizational change. Thus auditing organizational competencies, basically may be viewed as knowledge gathering process about the structure, systems, strategy, staff, style, skills and shared values of an organization.

11.14. KEY WORDS

- 1) **Competitive Advantage:** Competitive advantage for an organization is dependent on its distinctive capabilities to use the available resources for value creation.
- 2) **Competitive edge:** Companies have now grasped the principles of good management in a competitive uncertain scenario: cut costs, cut time stay lean, build organizational capabilities, build competencies and empower people are some of the items. These guidelines are called as 'competitive edge'.
- 3) **Competency building:** The process of building capabilities of employees to improve their productivity.
- 4) **Competency mapping:** The process of identifying the competencies of all the employees of the organization.

11.15 SELF ASSESSMENT QUESTIONS

- 1) Explain the different approaches to organizational auditing.
- 2) Describe the process of organizational auditing.
- 3) What are the different domains of organizational auditing? Explain.

11.16 SUGGESTED BOOKS

1. Don Fabun, *The Dynamics of Change*, Englewood Cliffs, NJ Prentice-Hall, Inc., 1967, p.3.
2. Larry E. Griener, "Patterns of Organizational Change", Howard Business Review, My-June, 1967, pp.119-130.
3. Arnold S. Judson, *A Managerial guide to Making Changes*, London, John Wiley and sons, 1966. p.41
4. Elmer Burack, *Organizational Analysis: Theory and Application*, the Dryden Press, Illinois, 1975, p.468
5. Schein, E.H. '*Process Consultation: Reading, Mars*', Addison-Wesley, 1969 2nd ed. Vol.I, 1988 2nd ed. Vol.II, 1987.
6. Bhattacharya, S.K., Somnath Chattopadhyay and Subroto Sengupta, 1980. "*Management Consulting: Its Present Status and Future Direction in India*", Ahmedabad IIM (un-published).
7. Bain, A. "*Presenting Problems in Social Consultancy: Three Case Histories concerning the Selection of Managers*". Human Relations 1976,29,7,643-657.

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LESSON – 12

A CRITICAL STUDY OF CONTRIBUTIONS OF ALVIN TOFFLER, THOMAS J PETERS AND ROBERT H WATERMAN AND KANTER, ROSABETHM.

12.0 OBJECTIVE

After going through this lesson the students will be able to understand

- The contributions of management thinkers
- The contributions of Alvin Toffler, Thomas J Peters and Robert H Waterman and Kanter, Rosabethm.

STRUCTURE

12.1 INTRODUCTION

12.2 MANAGEMENT THINKERS

12.3 ALVIN TOFFLER

12.3.1 Pace of Chance

12.3.2 From here to there

12.4 THOMAS J. PETERS AND ROBERT.H WATERMAN

12.4.1 Ability to get things done

12.5 KANTER, ROSABETH M

12.5.1 Identifiable phases or stages of actuating culture change

12.5.2 Cultural attributes of change

12.6 SUMMARY

12.7 KEY WORDS

12.8 SELF ASSESSMENT QUESTIONS

12.9 SUGGESTED BOOKS FOR FURTHER READING

12.1 INTRODUCTION

In the business world, the successful organisations have three characteristics:

- They are more profitable than their counterparts,
- They are growing faster than their competitors, and
- They are recognized as leader of at least some part of their industries.

And, in the workplace context, what are happy people? They too have three main characteristics:

- They feel they have significant control over their own lives,
- They feel they are respected for the contribution they make, and
- They feel that they are contributing to something worth doing.

In the last two decades there has been a change in organizations for some very good, mutually supporting reasons and the one needs to find ways of managing, suited to specific, strategic circumstances.

In most of those organizations, most of the people haven't been very happy much of the time. Yet, by way of contrast, it is a common observation that the opposite-successful organizations and happy people – tend to go together most of time. Many of us would sadly claim that there were considerably more of those successful organizations run by happy people when we started working than there are today. So what's gone wrong? What are the reasons? Are we worse managers than our parents? Have organizations changed? Or people? Or both. The task somehow becomes more difficult, and the technique not kept up.

Most important of all, is there any reason to hope for a renaissance of management that can create a better world? This is a question where the rule, and not the exception, is successful organizations run by happy people; where the goals of organisations inspire passion and no problems, where leaders coach and counsel rather than command and control; and where we know how to sustain these characteristics in the face of intensive competition and wrenching change, so that future generations do not have to repeat the pain and suffering being experienced through out the world or organizations today.

There are reasons why we live in difficult times, that there is a discipline – grand strategy- to bring it about. Grand strategy is therefore about the transformation of management itself. Its purpose is to find a superior way of managing the ultimate competitive advantage.

12.2 Management Thinkers

Great management thinkers articulate that the pen is mightier than the sword and that the authority of words is so passionate that it can cut through systems, strategies, operations, and the observation of masses. That is the strength of verbal phrasing when words are expressed with clarity, vision, and profound perceptions; that is when they evolve into management thoughts and principles. People with this gift then become what we have phrased, 'Management Gurus'. Worldwide, there are renowned personalities known for their management concepts, principles, and practices. The likes of such 'management celebrities' are F W Taylor, Henry Fayol, P F Drucker, Elton Mayo, Tom Peters, Edward De Bono, Philip Kotler, Peter Senge, Bob Waterman, Stephen Covey, and many more.

Who are the leading and influential management thinkers? That was the simple question that inspired the author to think over and briefly outline the biographical sketches of the leading and original thinkers of management. A lot of hard work was required to answer this

basic question and finally it became possible to provide a very brief account of these management gurus.

12.3 ALVIN TOFFLER

Most managers cause change, though not always for the better. Yet no one is interested in change for its own sake but because it produces tangible improvements of some kind. In this book, therefore, we are concerned with positive change, which builds an organization, develops its employees, and creates new opportunities for further positive change and development.

12.3.1 Pace of Change

The second factor that has forced a rethink in handling change is the accelerating pace of change. The impact has become so noticeable that in the 1970s Alvin Toffler dubbed in 'Future Shock' and people have been writing, researching and commenting on it ever since. What are these changes? They are varied and not easily summarized except with rather unhelpful headings like political, social demographic, economic forces.

Exhibit-12.1

Technological factors that will influence change

- Genetic engineering
- Electronic office
- Automotive technology
- Communications
- Construction advances
- Space technology
- Energy
- Military aerospace technology
- Transportation
- Medical technology
- Robotics
- New materials
- Measurement tools
- Personal computers and networks
- Artificial intelligence

If we analyse them in more detail, we begin to realize what is happening around us. Some of the technology factors are shown in exhibit-12.1. There are also complex social forces at work. Exhibit-12.2 shows some 18 aspects of traditional life undergoing shifts likely to affect the environment in which organizations must exist. The dizzy pace of changes in company fortunes are more than enough to produce executive paranoia and stress. Only a few short years after quoting their examples of long terms success stories, the authors of *In Search of Excellence* were explaining the adverse changes in fortunes of many of the original companies.

The changes that many organizations have had to face in a decade or so have been stunningly symbolized by the motor industry and its suppliers, but there are also plenty of examples in other fields, ranging from computers to mining, from local government to hotels. Today's manager knows that we are living a period of rapid change, and today's business man does not need convincing of the necessity for responding to that change. As one European consultancy firms has pointed out:

Much that is written is like feeding horror stories to someone who is already living in a nightmare. It confirms his fears and strengthens his resolve to change but offers little practical help in the way of signposts or guidelines.

Many managers, unsure how to respond, become obsessed with structures, centralizations versus decentralization, quality of work programmes, revamping incentive systems, new personnel systems and so on. Once it hardly mattered if change was approached in such a narrow way as there was scope to recover from any major mistakes. But for the foreseeable future the climate is turbulent and stressful, and the price of large scale failure has become unacceptably high.

Considering the mass of contradictory advice from often highly credible and respectable sources, it is no wonder that many managers believe that learning to handle change constructively only comes from hard won experience (see Box 3). Yet it is possible to make some sense of what seems to work. A useful starting point is to have a model of organizational change which you can personally use, a mind map which is not confined to text books and management courses.

There is no universal model or framework of organizational change, however, and each manager must arrive at their own by an amalgam of personal values, hunches, attitudes, beliefs and perceptions. Models are mind set for thinking about something clearly. They stimulate more creative ways of tackling where, when and how to intervene to make things happen.

Exhibit 12.2 Emerging Social Changes

Traditional	Emerging
1. Quality of life and quality of work life seen primarily in economic terms.	Expanded quality of life and quality of working life values with growing emphasis on personal growth, self realization, fir with social/ physical environment.
2. Long-term results orientation towards rewards (from savings, promotion, superannuation, rewards in heaven.	Short-term rewards, hedonistic orientation- live now, buy now, pay later, enjoy immediate satisfaction.
3. Protestant work ethic- unquestioning acceptance of hard work, thrift-belief in free, capitalistic enterprise.	Conditional work ethic depending on job security, interest challenge, growth opportunities-belief in controlled markets, cargo-cult, socialism.
4. Accepted hierarchy of loyalties and responsibility to god, country, family, class group.	Variable loyalties and unclear responsibility; new hierarchy in descending order may be self, family class group country, God

5. Sanctity of property ownership, exploitative materialism, little concern for environment/ecology.	Shift rights of use and access to resources, awareness of societal ownership and ecological/ environmental impacts.
6. Relative community of interests among interdependent producer groups, along with rugged competitive individualism	Growing adversarial social group rivalries and competitions for special treatment, along with growing interdependence and collaboration within groups.
7. Declining union membership among blue collar workers.	Growing white collar and professional unionism.
8. Acceptance of selected drugs (tobacco, alcohol).	Acceptance of drug abuse as normal (hard drugs, drunkenness), decline in tobacco.
9. Respect for authority of position and hierarchical decisions, trust in government.	Growing disrespect for authority of position and government, growing respect for demonstrative expertise and desire for social consensus, participation in decision-making.
10. Acceptance of the status quo, conformity to established social norms, stability and routines.	Acceptance of dissent, tolerance to non-conformity of social norms, innovations, change, flexibility.
11. Acceptance of rigid moral and ethical principles of established religions	Relativism and more relaxed situation-based ethics and morals gap between religious principles and practice.
12. Acceptance of male dominance and double standards.	Growing freedom of women, and toward economic, sexual, social equality.
13. Racial cultural intolerance	Greater acceptance of multi-racial, multi-cultural factors as enriching every society.
14. Acceptance of paternalistic, but fair government and business, and of market mechanisms.	Growing resentment and lack of trust, along with increasing demands on government and business.
15. The individual as the basic unit and goal for social change-all men are equal	Social groups as the basic units which advance us as individuals- all men are equal but some are more equal than others.
16. Concern and resentment toward injustice (e.g. unemployment).	Apathy, resignation, rationalization for injustice (eg unemployed are mainly dole bludgers), with the emergence of a semi-permanent class of jobless persons.
17. A relatively even distribution of age cohorts in nuclear families	Rapidly ageing populations, with shift to non-nuclear families and isolation of oldies.
18. Education mainly of young people, creating realistic expectancies.	More education of young people and continuing of young people and continuing education of adults, creating unrealistic expectations.

12.3.2 From here to there

The simplest framework for thinking about the change process appears in Chart 2 in which diagnosis of the need for change leads on to planning and eventually to interventions. The latter lead to more problems and opportunities producing a new round of diagnosis, planning and interventions. In various forms this model will be used throughout this book.

We can view change from several angles. The most personal is how we as individuals must change ourselves, adapt and cope. Another angle, of particular interest to managers, is how organizations as a whole change. Excessive usage has turned the phrase 'organizational change' into a woolly concept, but at its simplest it is about moving a situation in the organization from

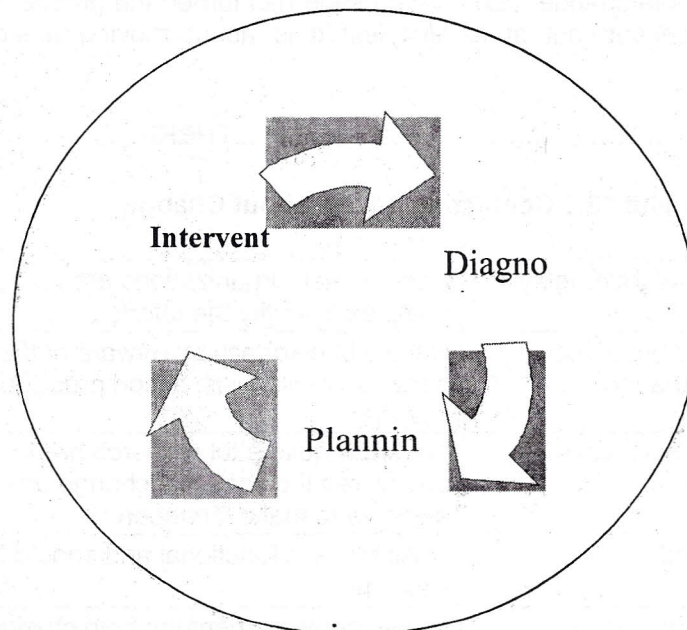
HERE toTHERE.

Exhibit 12.3 Conflicting advice about Change

Analyse the need for change thoroughly	Don't bother Organizations are too complex to justify the efforts
Don't rush into action. Be more reflective about the likely impact of change	Have a bias for action; beware of the paralysis of analysis; action precipitates change
We know little about the true levers of change	We know quite a lot research has uncovered the essential change process and how to make it happen
Resistance to change is bad	Resistance is functional and should be welcomed
When you have made a big change, evaluate before continuing	Maintain the momentum; help change on change to get real results
Go to great lengths to tell people what changes you want	Avoid announcements; make change quietly so they become established facts of life.
Reactive management is bad	Reactive management is good
Managers should be highly proactive	Managers are too prone to rush into action
Good managers do not need to use power relationships to achieve change	Effective managers use power relationships to foster change
Stability should follow from a major change effort	Stability is unattainable and undesirable
React to the environment to avoid organizational obsolescence	Act on the environment and transform it
Treat the organization as a giant system – everything depends on everything else	Treat the organization as merely loosely linked sub-systems
To manage change, manage the interdependencies	To manage change, promote individualism and personal autonomy
Change is best generated by good team work	Real change stems from rampant individualism and product or service

	champions
Go for evolutionary, step-by-step change	Go for radical transformations
Participation reduces the power gap between manager and sub ordinates.	Participation leaves the power gap unchanged; it merely links the needs pf managers and sub-ordinates.

Change smashes the status quo, altering what happens in the enterprise. There are two main types of organizational change:



- Strategic
- Operational (day-to-day).

The first is highly distinctive and relates to the future direction of the organization affecting one or more of the goals shown in Chart 1. Strategic change involves some major switch in what the organization does and how it does it, and it usually take place over months or years, rather than days or weeks.

Operational or day-to-day change, on the other hand, happens constantly. Mangers are always either causing or responding to events which seldom in themselves amount to strategic change, although a succession of day-to-day events can accumulate into a significant shift. Another angle on operational change is that it is mainly opportunity change in which managers take advantage of situations to alter situations.

12.4 THOMAS J. PETERS AND ROBERT.H. WATERMAN

Tom Peters (b.1942) is a native of Baltimore. He studied engineering at Cornell, before heading to the west coast to get his MBA and PhD at Stanford. He saw active service in the Vietnam War with the US Navy. In the mid-1970s he joined McKinsey as a consultant, leaving in 1981 to set up his own firm, now part of the Tom Peters Group.

In 1982 appeared *In Search of Excellence* (written with Robert Waterman, a fellow McKinsey partner). This became the best-selling management book of the twentieth century. This was soon followed by the nearly as successful *A Passion for Excellence* (1985).

The book has achieved a cult following as it tied in with the need in the United States in the early 1980s, to feel good about being an American again. It showed that if significant parts of American industry and business were excellent, others could be too. Its simplistic rhetoric earned Peters a wrap over the knuckles from the venerable Peter Drucker. He chided Peters for making "managing sound so incredibly easy. All you have to do is put that book under your pillow and it will get done".

In Search of Excellence was an American classic, containing really great stories of do-and-dare about 43 excellent American companies. It was not long on theorizing. It is liberally spruced with nuggets of home-spun wisdom: "If a window of opportunity appears, don't pull down the shade".

According to him, excellence in business depends on eight ingredients:

1. Activism, with people who "do it, fix it (and) try it"
2. Excellent companies "learn from the people they serve".
3. They promote entrepreneurship and autonomy
4. Management learns from a "hands-on" approach
5. Workers are valued as they key to achieving productivity
6. Excellent companies stick to their knitting, exploiting their core competencies and not pursuing wild goose chases
7. They keep their form simple and their staff lean;
8. They know how to be simultaneously tight-fitting and expansive.

Peters has always been in favour of delegation in a company as the manger can't know everything. If he tries, he'll get snowed under useless details.

A Darwinian approach to the achievement of excellence has to be adopted to achieve excellence. It is better to do something wrong than do nothing: people should not be terrified of making mistakes. The next time they try they'll learn from it and do it right, or hopefully better. So excellence could be gained incrementally, through a series of small steps bonded by a central message.

He is not a captive to consistency. A lot of the excellent companies praised by him in *Excellence* have not stood the test of corporate time and some have disappeared. In today's world of shifting industry boundaries, the notion of telling a company to stick to its knitting seems akin to an order for corporate suicide. But Peters doesn't mind changing his tune.

Since he believes now that there are no excellent companies, has modified the message. It is no longer enough to be excellent: companies have to stand out from the crowd, companies have to shrink, even deconstruct, they have to innovate, they must make the workplace more interesting.

Old structures are redundant as they are obstructing progress. In *Liberation Management* (1992), he pronounced the death of middle management with the sentence: "...middle managers as we have known them are cooked geese."

The individual employee increasingly has to brand himself or herself. He prophesies an increasing number of women workers. He welcomes this as women are better than men at working in teams.

He believes that "90 percent of white-collar jobs will be totally reinvented/re conceived in the next decade" His interest in crafting the new corporate citizen led to the production of a series of books including. *The Brand You 50* (1999) and *Project 50* (1999).

Peters is a consummate performer, injecting the same mechanism into his public appearances as is found in his books. A lecture by Tom Peters is a performance, and a spectacle. He is never static. Someone at an obvious loose end) once calculated that he walks seven miles on stage while giving a lecture. He gives about a hundred talks a year throughout the world. He jokes that that's why he called his first horse, "Frequent Flyer".

Tom Peters and Robert Waterman were also instrumental in the development of the 7Ss method of isolating management strengths and weaknesses, developed with their former colleague at McKinsey, Richard Pascale.

12.4.1 Ability to get things done

Making things happen is what managing change is all about. Where the various sub systems are often only connected by fairly tenuous links, effective leadership of change stresses proactive, transforming skills. The individual manager is motivated by an inner drive. Peters and Waterman's study of Excellence showed that a bias for action was a common feature of successful companies.

To get things done requires a manager to be more than responsive to people and situations. It demands pragmatic common sense combined with a good knowledge of the organization's principal aims. In practical terms it means that you as a manager may have to:

- FORMULATE your own goals
- EVALUATE your own successes and failures with ruthless and sometimes painful honesty
- SEEK constantly to clarify and simplify aims so that the tasks to make them happen are clearly identified and allocated
- GO beyond your own job boundaries and take an interest in events throughout the whole organization
- TEST constantly whether proposed action is really achievable and desirable

- KEEP an eye on the 'bottom line' which may be profitability, quality of service, morale and so on.

Robert McNamara, at one time in control of part of the Ford Motor Company, was convinced that a certain new model should show a particular level of fuel consumption. However the results varied from one test to another.

The man in charge of the tests kept sending McNamara the figures, explaining that there were always variations in wind conditions, drivers and the cars themselves. McNamara was insistent. He had graphs and charts and he felt that the numbers imply must behave.

It was another Ford man who came to the rescue. He suggested to the man in charge of tests: 'why don't you do the testing and then when it's done I'll go in a corner and smooth the numbers a little'. The numbers were smoothed and brought to McNamara who never went near the actual cars himself. McNamara beamed – the car was shown to be performing according to his numbers.

McNamara should have seen for himself what was happening. Since he disliked cars and was not too keen on meeting the people in the front line who were doing the actual work, he stayed tied to his desk, trying to control by numbers.

The importance of staying in close touch by walking around and seeing for yourself sounds so basic as to be hardly worth mentioning. Yet it is often neglected as a way of managing. Getting out and about is given all sorts of names: walking the shop floor, staying in touch, keeping a management profile, and even MBWA increasingly popular myth Peters and Waterman were not the ones to discover it, although in their study of *Excellence* they drew attention to its importance, finding that it was a pillar by which the highly successful Hewlett Packard computer firm operated. Nor is there any secret to it, though many managers seem reluctant either to do it or acknowledge its value.

At the tail end of many a large organizational dinosaur employees will often describe the lack of MBWA:

- The top brass? We never see them here'
- Our head of department? Never comes near us'
- Now you mention it, I've never even met the person in charge'
- She visits alright, spends most of her time in the office with our supervisor'
- Only time I've met the top boss was when I joined'.

These comments are rarer where managing change is valued and managers at all levels get out and about, staying in touch with what is, or is not happening. No matter how senior you become there is no substitute for MBWA.

In one highly profitable US confectionery firm the head office appointed the managing director of the UK subsidiary at a salary far above the normal market rate. Before leaving for England for his new job he received a message from head office: 'Good luck! Ask for help anytime, but if there's a strike you're fired'. That MD soon acquired an obsession with staying in touch, leaving his desk, plunging into the factory, and visiting all the distribution points. He

demanded such close contact with trade union representatives that he insisted on meeting them before they sought him out. By his walkabout approach he anticipated strikes, go slows and overtimes bans. He was so in touch that he could smell trouble coming.

Management by walking about is seeing and talking to employees at all levels, learning what they are thinking, tapping their ideas and enthusiasm. The larger the organization, the more important this task becomes, especially for those in the rarified atmosphere of the boardroom. A rather wider view of MBWA is getting out amongst customers, suppliers, competitors, politicians, almost anyone outside the hierarchy.

Senior managers can spend their lives driving a desk, answering phone calls, handling colleagues' questions, ploughing through reading matter and being legitimately busy. Once in such a groove it requires a special effort to develop time for walkabouts.

Resist the tendency to become almost totally reliant on talking to your immediate peers. While they have plenty in common with you and are usually sympathetic to your problems, such a narrow focus is apt to create management stagnation rather than the drive to promote change or learn whether agreed changes are actually happening.

How much in touch do you have to be? This is a dilemma as you ascend the corporate tree. Spend too little time walking about and you may be unpleasantly surprised by events. Spend too much time and you risk being forgotten by those at the centre. Staying in touch with all parts of your organization develops your authority and prestige and being well informed makes you valuable:

The bigger your job the more important it is to meet all levels of employees at their work place.

12.5 KANTER, ROSABETH M

Rosabeth Moss Kanter holds the Ernest L. Arbuckle Professorship at Harvard Business School, where she specializes in strategy innovation, and leadership for change. Her strategic and practical insights have guided leaders of large and small organizations worldwide for over 25 years, through teaching, writing, and direct consultation to major corporations and governments. The former Editor of *Harvard Business Review* (1989-1992), Professor Kanter has been named on lists of the "50 most powerful women in the world" (Times of London), and the "50 most influential business thinkers in the world" (Accenture and Thinkers 50 research). In 2001, she received the Academy of Management's Distinguished Career Award for her scholarly contributions to management knowledge, and in 2002 was named "Intelligent Community visionary of the Year" by the World Teleport Association. Her current work continues her focus on the transformation of major institutions, such as global corporations, health care delivery systems, and other organizations seeking innovative new models.

Professor Kanter is the author or co-author of 16 books, which have been translated into 17 languages. Her latest book, *Confidence: How Winning Streaks & Losing Streaks Begin & End* (a New York Times business and #1 Business Week bestseller), describes the culture and dynamics of high-performance organizations as compared with those on the decline, and shows how to lead turnarounds, whether in businesses, hospitals, schools, sports teams, community

organizations, or countries. Her classic prize winning book, *Men & Women of the corporation* (C. Wright Mills award winner for the year's best book on social issues) offered insight to countless individuals and organizations about corporate careers and the individual and organizational factors that promote success; a spin-off video, *A Tale of 'O': On Being Different*, is among the world's most widely-used diversity tools; and a related book, *Work & Family in the United States*, set a policy agenda (in 2001, a coalition of university centres created the *Rosabeth Moss Kanter Award* in her honour for the best research on work/family issues). Another award-winning book, *When Giants Learn to Dance*, showed many companies worldwide how to master the new terms of competition at the dawn of the global information age. *World Class: Thriving Locally in the Global Economy* identified the rise of new business networks and analysed the benefits and tensions of globalisation; it has guided public officials and civic leaders in developing strategies and skills for the economy of the future.

She has received 22 honorary doctoral degrees, as well as numerous leadership awards and prizes for her books and articles; for example, her book *The Change Masters* was named one of the most influential business books of the 20th century (*Financial Times*). Through Good Measure Inc., the consulting group she co-founded, she has partnered with IBM to bring her leadership tools, originally developed for businesses, to public education as part of IBM's award-winning reinventing Education initiative. She is an adviser to the CEOs of large and small companies, has served on numerous business and non-profit boards and national or regional commissions, and speaks widely, often sharing the platform with Presidents, Prime Ministers and CEOs at national and international events, such as the World Economic Forum in Davos, Switzerland. Before joining the Harvard Business Schools faculty, she held tenured professorships at Yale University and Brandeis University and was a Fellow at Harvard Law School, simultaneously holding a Guggenheim Fellowship.

Her latest initiative involves the development and creation of an innovative institute for advanced leadership, to ensure that successful leaders at the top of their professions can apply their skills not only in managing their own enterprises, but also in helping solve the most challenging national and global problems.

12.5.1 IDENTIFIABLE PHASES OR STAGES OF ACHIEVING CULTURE CHANGE

In a report on his observation of more than 100 attempts at organizational change, Kotter (1995) concludes that most of the failures are due to organisations' skipping or making mistakes at one of the eight necessary steps in the process.

- Establishing a sense of urgency.
- Forming a powerful guiding coalition.
- Creating a vision
- Communicating the vision
- Empowering others to act on the vision
- Planning and creating short-term wins
- Consolidating improvement and producing still more change.

- Institutionalizing new approaches.

12.5.2 CULTURAL ATTRIBUTES OF CHANGE

Organisations are cultures: they can be studied and manipulated as such. Just as individuals can adapt to their social surroundings, altering their appearance, beliefs and behaviours, so too can organizations (Kanter et al, 1992). However, it's worth emphasizing the importance of 'culture' as it relates to the creative management of change. Every enterprise, public or private, will possess a unique cultural blueprint, which dictate4s how it interacts with its environment and manages its people. Understanding the relationships between the cultural web and changing environment greatly assist the organization to manage change (Johnson & Scholes, 1997).

12.6 SUMMARY

Great management thinkers articulate that the pen is mightier than the sword and that the authority of words is so passionate that can cut through systems, strategies, operations and the observation of masses.

Alvin Toffler (1970s) explained pace of change in future shock and people have been writing, researching and commenting on it ever since. These changes summarized as technological factors that will influence change, emersions social changes and conflicting advise about change,.

Thomas J peters and Robert H waterman were also instrumented in the development of 75 method of isolating management strengths and weakness, developed writer their former colleague at Richard Pascale. Peters & Waterman study of excellence show that a bias for action was a common feature of successful companies.

Kanter, Rosabeth Moss specialized in strategy innovation and leadership for change. Her strategic and practical insights have guided leaders of large and small organisations world wide for over 25 years, through teaching, writing and direct consultation to major corporations and government. Her current work continues focus on the transformation of major institutions, such as global corporations, health care delivery systems and other organizations, seeking innovative new models. Her latest initiative involves the development and creation of innovative institute for advanced leadership, to ensure that successful leaders at the top of their professions can apply their skills in not only managing their own enterprises but also in helping to solve the most challenging national and global problems.

12.7 KEY WORDS

1. **Excellence – organizational excellence:** Excellence means surpassing or outstanding achievement. Excellence is important to the society because it sets an example, a standard of behavior that is socially useful. Human excellence is manifested not just through individual efforts. Team effort is often needed, especially in organizational settings, to ensure surpassing or outstanding achievement. In settings such as sizeable organizations; where specialization is extensive, excellent team work is vital for human excellence.

2. **Leadership:** The influence that particular individuals exert upon the goal achievement of others in an organization context.
3. **Productivity:** The output ratio within a time period with due consideration for quality.
4. **Competency:** Ability to perform exceptionally when and increase the stock of targeted resources within in the firm.
5. **Core Competence:** Activities that the firm performs especially well when compared to its competitors and through which the firm adds value to its goods and services over a long period of time.

12.8 SELF ASSESSMENT QUESTIONS

- 1) Discuss the contributions of Alvin Toffler's?
- 2) Examine the contributions of THOMAS J. PETERS AND ROBERT.H. WATERMAN
- 3) Give a brief note on contributions of Kantar, ROSABETH M
- 4) Discuss the role of management thinkers to understand the changes in organizations?

12.9 SUGGESTED BOOKS FOR FURTHER READING

1. Karampal, Management process and organizational Behaviour, IK International, New Delhi, 2007.
2. WATERMAN Jr. *The Renewal Factor*, Bantam Press, 1988, pp 293-312
3. KANTER R. *The Change Masters*, Geo Allen and Unwin, 1984, pp 148
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Dr. NAGARAJU. BATTU

LESSON – 13

EMPOWERING PEOPLE TO HANDLE CHANGE IN ORGANISATIONS

13.0 OBJECTIVE

After going through this lesson, students are able to understand

- Empowering people to handle change in organizations
- Definition, meaning of empowerment
- The actions that empower employees and barriers to empowerment
- Organizational development is the road to empowerment.

STRUCTURE

13.1 INTRODUCTION

13.2 EMPOWERMENT

13.2.1 Definition

13.2.2 Meaning

13.2.3 Actions that Empower Employees

13.2.4 Barriers to Empowerment

13.3 Organizational Development the Road to Empowerment

13.3.1 OD VALUES

13.3.2 OD INTERVENTIONS

13.4 COACHING A VITAL SKILL FOR HANDLING CHANGE

13.5 EMPOWERING PEOPLE TO HANDLE CHANGE IN THE NEW PEOPLE ECONOMY

13.5.1 KNOWLEDGE IS COMPETITIVE EDGE

13.5.2 NEW PEOPLE MANAGEMENT

13.5.3 CHANGE MANAGEMENT AND NPM

13.6 SUMMARY

13.7 KEY WORDS

13.8 SELF ASSESSMENT QUESTIONS

13.9 SUGGESTED BOOKS FOR FURTHER READING

13.1 INTRODUCTION

Chrysler Corp. has been empowering its people and achieving some spectacular results. Catherine Diethorn of Chrysler Financial designed a self-calculating branch cash system on her personal computer at home that saves the company \$525,000 annually. John Rousseau and James Groves, who work at a Chrysler stamping plant in Michigan, created a sound deadener used on car and truck doors that saves the company \$2 million a year. A twelve-person cross-

functional paint analysis team came up with ideas to improve vehicle paint quality that are saving Chrysler a staggering \$15 million a years.

Johnsonville Foods, a family-owned sausage company in Wisconsin, is proving that empowerment can work in small organizations, too. Johnsonville workers hire and fire one another, buy the company's equipment, and act as their own bosses. Volunteers from the shop floor write the manufacturing budget. Another group of workers designs the manufacturing line. And empowering employees has positively affected the company's performance. In one recent six-year period, Johnsonville doubled its return on assets, experienced a fifteen-percent annual rise in sales, and kept its pay-roll increase to only about half the growth in sales.

Even the public sector is jumping on the empowerment bandwagon. The state of Kentucky, for example, is putting into place an innovative incentive-pay system keyed to how well each school's students perform. The program involves a dramatic shift of power to teachers. School boards and principals become merely advisors as teacher-dominated governing councils in each school are given the authority to override a wide range of state and union rules. Disappointed with the traditionally way schools have been run, reformers hope that empowering teachers will produce better ideas in every area of education, from curriculum to teaching methods. The Kentucky plan provides bonuses of up to fifteen percent to the entire staff if its school improves- and to no one if it doesn't.

Organizations like Chrysler, Johnsonville Foods, and the state of Kentucky have joined other prominent companies –AT & T, Colgate Palmolive, PPG Industries, General Dynamics, Delta Airlines, Federal Express, Hewlett-Packard, IBM, Motorola, Wal-Mart – in recently moving to empower their employees. The impetus for this movement is clearly illustrated by AT&T's experience. Downsizing has meant that the people who are left often have to take over the task of others. One AT&T manager had to assume managerial responsibilities for three areas that had previously been handled by three people. This manager had to empower her people "because you can't know every data system and every policy. It's been a letting-go process and a stretching". Empowerment allows organizations like AT&T to become more efficient and more effective – to do more with less.

In the following pages, we'll provide a detailed definition of empowerment, show the kind of changes management needs to make if it wants to successfully empower its people, and consider some of the barriers to the effective introduction of empowerment.

13.2 Empowerment

People experience a feeling of helplessness when they lack the power to control their destiny. This is as true of organizations as it is of society. Some employees feel that their performance in the job is dependent on others in the organization and their own efforts have little impact on their performance. Such helplessness on the part of the employees leads to a lowering of their self-efficacy. Self-efficacy refers to the conviction in an employee that he has the ability to successfully perform his job and make meaningful contributions towards the growth and success of the organization. There are many reasons for an employee to experience low self-efficacy. The factors may be associated with the workplace or with organizational changes. Factors associated with the workplace include problems relating to working under an authoritarian leader, lack of variety in the job, ambiguity with regard to the employee's role in the organization, lack of freedom in the job, and faulty reward schemes in the organization- all these

could contribute to lowering the employee's self-efficacy. A lowering of self-efficacy may also occur during major organizational changes such as mergers, restructuring and downsizing.

Managers in organizations should make concerted efforts to enhance the self-efficacy levels of employees. Employees with low self-efficacy lack motivation and focus on their weaknesses rather than their strengths. As a result, they lack confidence in their abilities to accomplish complex and difficult tasks and are reluctant to take on challenges and additional responsibilities. Enhancing the self-efficacy levels of employees makes it possible for employees to achieve more for themselves and the organization. Empowerment is one way to raise self-efficacy levels of employees.

Empowerment, thus, is the process of identifying and removing the causes for low self-efficacy in employees. It helps employees to face work-related problems with confidence.

13.2.1 Definition

We empower people by involving them in their work through a process of inclusion. **Empowerment**, then, is a process that increases employee's intrinsic task motivation. What does management need to do to increase intrinsic motivation? Take actions that positively affect *impact, competence, meaningfulness, and choice*. Let's briefly define what's meant by these terms:

Impact. An employee's task has impact if it is perceived as "making a difference" in terms of accomplishing the purposes of the task.

Competence. If a person can perform task activities skillfully when he or she tries, then the task positively affects competence.

Meaningfulness. If you view the task you're doing as worthwhile-if you care about what you do-it provides meaningfulness.

Choice. A task provides choice if it allows the employee self-determination in performing task activities.

These four dimensions might remind you of our discussion of task characteristics theories, specifically the job characteristics model. If they did, you're on the right track. Impact is analogous to knowledge of results. In the JCM, feedback creates this psychological state. In the JCM, skill variety, task identity, and task significance lead to the psychological state of meaningfulness. Finally, choice is analogous to autonomy in the JCM. So the only real difference between the concept of empowering people and designing jobs that score high on the JCM's core dimensions is that empowerment requires that people believe they are able to perform activities competently. As you'll see, empowerment is an excellent concept for integrating many of the contemporary practices introduced in this book.

13.2.2 Meaning

The term empowerment means giving employees power and authority to make decisions on their own. When people are allowed to work with minimal interference from their superiors

and are given the authority and responsibility to make decisions, they are said to be empowered. Employees can be empowered by ensuring their participation in decision-making. Participation is defined as the mental and emotional involvement of people in the activities of the group, which encourages them to take responsibility for and contribute to the achievement of group goals.

Participation proves advantageous for the organization in many ways. It improves the quality and quantity of output. It also improves the motivation levels of employees, decreases the rate of attrition and absenteeism, and improves communication within the organization. Other lesser tangible benefits are decreases in the number of conflicts. Certain prerequisites are essential for participation; for instance adequate time should be allowed for participation, and the potential benefits of participation should be greater than the costs involved. For participating effectively, the employees must also have the relevant abilities and skills, and should be interested in that particular area of work and they should not perceive the process as a threat to their position or status. The degree of participation also depends on the area of job freedom for that particular department.

13.2.3 Actions that Empower Employees

Actions	Empowerment Dimensions			
	Impact	Competence	Meaningfulness	Choice
Delegate authority				X
Use participative decision making				X
Encourage self-management		X		X
Enrich jobs	X		X	X
Create self-managed Work teams	X		X	X
Create tasks that Provide intrinsic Feedback	X			
Install upward performance Appraisals			X	
Lessen formalization				X
Create a supportive Culture	X		X	X
Encourage goal Setting	X			

Educate and train

Employees

x

13.2.4 Barriers to Empowerment

Despite the recent popularity of empowerment, some notes of caution need to be sounded. There are potential barriers to empowerment that can doom any program. Some of these barriers are fairly easily removed, while others present long-term, or even impossible, obstacles to empowerment's success.

There are organizations where empowerment's goal of inclusion is incongruent with the culture. These are culture in which employees lack commitment, members fail to share the organization's goals, or employees are fearful of retribution if they take the initiative. A recent survey, for example, found that workers are often reluctant to take the initiative unless they have a union to protect them. Management, of course, can change its organizational culture to be more supportive of empowerment, but this is typically a long-term proposition.

Fear of retribution can be a problem for management, too. It is unreasonable to expect managers to distribute power to others if they can expect to be punished when those others make mistakes. Managers will not delegate authority if they must retain full responsibility for decisions made in their units. The practice of firing the coach when the team loses can be changed but where it exists has an entrenched history, managers will fight the process of empowering their people.

Some organizations have, intentionally or otherwise, hired employees with a low need for autonomy. They then reinforce this need by providing directive or autocratic leadership. Employees who want the security of having some-one tell them what to do and when to do it will resist empowerment. Training and education can often be effective in overcoming this obstacle, however.

Certain managerial personalities can be handicap to implementing an empowerment program. For example, managers with a high power need are likely to be reluctant to give up the control they have worked hard to others may not. Managers in the latter group will probably need to be replaced if empowerment is to work.

Finally, we suggest that some national cultures are incompatible with the empowerment philosophy. We might hypothesize those national cultures that are high in power distance, that view people as evil, or hold hierarchy in high regard are unlikely to readily embrace empowerment.

13.3 Organizational Development the Road to Empowerment

Organizational development (OD) is not an easily definable single concept. Rather, it is a term used to encompass a collection of planned-change interventions, built on humanistic-democratic values that seek to improve organizational effectiveness and employee well-being.

13.3.1 OD Values

The OD paradigm values human and organizational growth, collaborative and participative processes, and a spirit of inquiry. The change agent may be directive in OD; however, there is a strong emphasis on collaboration. Concepts such as power, authority, control, conflict, and coercion are held in relatively low esteem among OD change agents. The following briefly identifies the underlying values in most OD efforts:

1. *Respect for people.* Individuals are perceived as being responsible, conscientious, and caring. They should be treated with dignity and respect.
2. *Trust and Support.* The effective and healthy organization is characterized by trust, authenticity, openness, and a supportive climate.
3. *Power equalization.* Effective organizations de-emphasize hierarchical authority and control.
4. *Conformation.* Problems shouldn't be swept under the rug. They should be openly confronted.
5. *Participation.* The more that people who will be affected by a change are involved in the decisions surrounding that change, the more they will be committed to implementing those decisions.

13.3.2 OD Interventions

OD can be thought of as a road to empowerment. By that we mean that OD interventions can provide the change vehicle for making people more accepting and comfortable with empowerment. In the following pages, we'll present five interventions that change agents might consider using to help create the climate of trust, openness, and support needed to make empowerment work.

13.4 Coaching – a Vital Skill for Leaders:

The new breed of leaders recognizes that though autocracy no longer works, yet employee empowerment alone is not enough. The skills of coaching have lately been rediscovered by more effective organizations and teams. You cannot be a leader without a following, and you have to delegate appropriately. The leader is best placed to enhance the performance and learning abilities, on the job, of colleagues. Coaching aims to enhance these abilities. "It involves providing feedback, but it also uses other techniques such as motivation, effective questioning and consciously matching your management style to the coachee's readiness to undertake a particular task"

Self-leadership is an extensive set of strategies focused on the behaviours, thoughts, and feelings that we use to exert influence over ourselves. In the new economy, given the rapid change, complexity, high-tech autonomous work roles and employee empowerment in the knowledge-based enterprises, the new organizational structures are typically run by people who demand a different kind of culture than the old command-and-control format. Today, people are better educated and demand from their jobs more entrusted responsibilities and opportunities for personal growth, not just a paycheck. Talented and empowered employees are the prime ingredient of Organizational success and they need to be able to lead themselves

13.5 EMPOWERING PEOPLE TO HANDLE CHANGE IN THE NEW PEOPLE ECONOMY

If thought generates knowledge, the credo of tomorrow's corporation is clear. But knowledge of today's – and tomorrow's – business is not the understanding of the unchanging. It is, actually, a combination of know-what, know-why, and know-how, as embedded in the consciousness of the only entity capable of producing and processing it – people.

As the driving force behind the new economy, knowledge is powering corporations towards ways of doing business that they never thought possible. And as the most important determinant of the distinctive way in which every organization operates, it has become a factor of production today. Asserts management guru Peter F. Drucker "Knowledge is the only meaningful resource today".

13.5.1 KNOWLEDGE IS COMPETITIVE EDGE

Significantly, people are also the only resource that corporates cannot move freely across boundaries. What they're doing, therefore –as Japanese management guru Kenichi Ohmae points out – is to leverage their access to information, capital, and technology to break the old concepts of national business, and set up operations anywhere in the world that it wants to.

The more hi-tech dominates the shopfloor, the more crucial today is the role of people in manufacturing. Contemporary manufacturing practices are assigning entire tasks of teams of workers on the shopfloor, leaving them free to share precise responsibilities among themselves. Thus, the unique contribution of team member is crucial to the performance of that team.

13.5.2 NEW PEOPLE MANAGEMENT

Uniting the organisation's direction with that of its employees, a new human resource management is triggering a fusion of the knowledge pools of the individual and of the organization, culminating in the combined triumph of both. Global competitiveness can be achieved not through the best technologies and plants, but by effectively motivating employees to perform at global standards. A new approach to managing people becomes absolutely critical. As a result, the human resource function has acquired a new and crucial responsibility, ensuring that corporate and individual objectives are moulded into one.

CEOs can achieve that goal only by integrating human resource planning, implementation, and validation firmly with their strategic activities, thus giving birth to the new people management (NPM). Its principal mandate: develop and execute policies, programmes and practices that align all human activity to corporate objectives. The major paradigm shift taking place in the management of human resources is the progressive integration of conceptual values with operational values.

13.5.3 CHANGE MANAGEMENT AND NEW PEOPLE MANAGEMENT

To reinvent themselves in order to cope with the post-liberalisation competition, Indian corporations started in the wrong place: transforming organizational practices and processes without changing first the mindset of the people who would manage them. From reengineering to time-based management, from total quality management to cellular manufacturing, no attempt to bridge the gap with global standards in quality, costs, product-cycle time, or technology can succeed without managing people effectively.

For, all of them can only be actuated by linking the top management's vision for change to the frontline workers who will be its instruments. And it is the function of the NPM to establish a powerful coalition within the company by communicating that vision.

13.4 SUMMARY

People experience a feeling of helplessness when they lack the power to control their destiny. This is as true of organizations as it is of society. We empower people by involving them in their work through a process of inclusion. Empowerment, then, is a process that increases employee's intrinsic task motivation. Employees can be empowered by ensuring their participation in decision-making. Participation is defined as the mental and emotional involvement of people in the activities of the group, which encourages them take responsibility for and contribute to the achievement of group goals. Participation proves advantageous for the organization in many ways. It improves the quality and quantity of output. It also improves the motivation levels of employees, decreases the rate of attrition and absenteeism, and improves communication within the organization.

To reinvent themselves in order to cope with the post-liberalisation competition, Indian corporations started in the wrong place: transforming organizational practices and processes without changing first the mindset of the people who would manage them. From reengineering to time-based management, from total quality management to cellular manufacturing, no attempt to bridge the gap with global standards in quality, costs, product-cycle time, or technology can succeed without managing people effectively.

13.5 KEY WORDS

- 1. Coaching:** Coaching is a kind of daily training and feedback given to employees by immediate supervisors. It involves a continuous process of learning by doing.
- 2. Skill:** Ability to do something expertly and well.
- 3. Empowerment:** The act of delegating power and authority to a subordinate so that the goals of the manager can be accomplished.
- 4. Organizational development:** A collection of planned change interventions, built on humanistic democratic values that seek to improve organizational effectiveness and employee wellbeing.

13.6 SELF ASSESSMENT QUESTIONS

- 1) Define empowerment and explain its barriers?
- 2) Discuss the OD as the road to empowering people to handle change in organisations?
- 3) Explain empowering people to handle change in new people economy?

13.7 SUGGESTED BOOKS FOR FURTHER READING

- 1) Jayantee Saha, Management and Organizational Behaviour, Excel Books, New Delhi, 2006.
- 2) Kavita Singh, Organisational Change and development, Excell books, New Delhi, 2005.
- 3) Andrew Leagh Effective Change: Twenty ways to make it happen, University Press, Hyderabad, 1996.

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Lesson - 14

Organisational Development: Definitions, Meaning, Characteristics, Objectives and Values

1.0 Objective:

- After reading this introductory lesson on organisational Development (OD) students are.
- Able to make ware about the Definitions, and Meaning of O.D.
- Understanding the characteristics of OD.
- Know the objectives and values of O.D.

Structure of the Lesson:

- 14.1 Introduction
- 14.2 Definitions of Organisational Development (OD)
- 14.3 Characteristics of O.D.
- 14.4 Meaning
- 14.5 O.D. Objectives
- 14.6 O.D. Values
- 14.7 Conclusion
- 14.8 Self Assessment Questions
- 14.9 Glossary
- 14.10 References

14.1. Introduction:

Organization development (OD) deals with organizational aspects of the behavioural sciences and may be known as, or associated with, human resource development, organization behaviour, organization psychology, and organization renewal. OD also tends to overlap such fields as employee relations, sociology, anthropology, management, training, education, human relations, clinical psychology, and probably every other social and behavioural sciences.

Definitions of OD are many varied. A particularly useful one is : Any planned activity directed toward helping the members of an organization to interact more effectively in pursuit of the organization's goals. One practitioner's insist that other previsions be stipulated, such as : must be an organization-wide effort; must be directed toward more participative management; must provide for integrating the individuals goals with the organization's must be considered on ongoing process- not an activity. The real difference between OD activities and those technologically, economically, or administratively imposed is that OD is intentionally based on a scientific awareness of human behaviour and organization dynamics.

The Promise of OD. The great promise of OD lies in its ability to merge the interests of individuals and organization and make both more successful. Much personal unhappiness can be traced to feelings of being inadequately integrated in organizations- particularly in work organizations. Similarly much organizational inefficiency can be traced to member disinterest in, or even hostility to, the organization. In the past, organizations have been successful due largely to the intuitive talent of leaders or the fortuitous combinations of the many contributing factors. In the future, organizations will owe more of their success to those who aptly use OD concepts and techniques. OD will not overcome such deficiencies as outdated technology, inadequate financing, or hostile and overwhelming external forces, it will enable organizations to cope more effectively with these negative influences. OD does this by releasing the power of people to work willingly together for the common good.

14.2. Definitions of Organization Development:

The literature contains numerous definitions of organization development. We examine several here and present one of our own. A good way to gain an appreciation for what OD is all about is to see how various authors have described the field over the years. No single accepted definitions of OD exists, but there is general agreement on the nature of the field and its major characteristics.

Some early definitions of organization development follow.

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 behavioural-science knowledge.

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.

OD can be defined as a planned and sustained effort to apply behavioural science for system improvement, using reflexive, self-analytic methods.

Organization development is a process of planned change-change of an organization's culture from one which avoids an examination of social processes (especially decision making, planning and communication) to one which institutionalizes and legitimizes this examination.

As you can see, these definitions contain a great deal of overlap (that's encouraging), and several unique insights (that's enlightening) All authors agree that OD is a field of applied behavioural science related to planned change. Likewise, they agree that the target of change is the total organization or system. The goals of OD are increased organizational effectiveness and individuals development.

Schmuck and Miles provide an important insight into the OD process with the words "reflexive, self-analytic methods", In OD, organization members systematically critique how they

are doing in order to learn how to do better. Burke and Hornstein's idea of "Legitimizing" an "examination of social processes" speaks to the same issue of becoming more self-analytical.

Several definitions emphasize the importance of organization processes. Vail depicts OD as a "process for improving processes" a keen, accurate observation. Likewise, several definitions emphasize the crucial role of organization culture. Organization culture and processes are high-priority targets in most OD programs.

Achieving congruence among the components of the organization such as strategy, structure, culture, and processes is emphasized by Beer and by Cummings and Worley. Cummings and Widely suggest getting the components right (planned development), and keeping them right (reinforcement). Porras and Robertson suggest that OD is a "package" of theories, values, strategies and techniques. This package is what gives OD its distinct character compared to other improvement strategies.

Bennis calls OD both a response to change and an educational strategy intended to change beliefs, attitudes, values, and organization structure- all directed toward making the organization better able to respond to changing environmental demands. His definition is as relevant today as when it was first written. Porras and Robertson state that the aim of OD is to alter people's behaviours by changing organizational work settings. Beer's definition is the only one that mentions "developing the organization's self-renewing capacity"- a central goal in all OD programs - but the desirability of creating self-renewing, "learning organizations" is found in the writings of all these authors.

These definitions collectively convey a sense of what organization development is and does. They describe in broad outline the nature and methods of OD. There is no set definition of OD, and no agreement on the boundaries of the field, that is, what practices should be included and excluded. But these are no serious constraints given the fact that the field is still evolving, and the fact that there is a central core of understanding about the field, as shown in the preceding definitions.

Now let's turn to our definition of organization development. We do not propose it as the "right" definition, but as one that includes characteristics we think are important for the present and future of the field. Organization development is a long-term effort, led and supported by top management, to improve an organization's visioning, empowerment, learning, and problem-solving processes, through an ongoing, collaborative management of organization culture-with special emphasis on the culture of intact work teams and other team configurations-utilizing the consultant, facilitator role and the theory and technology of applied behavioural science, including action research. This is a lengthy definition, but it includes a number of components we consider essential. We will explain this definition in some detail.

By long-term effort we mean that organizational change and development take time-several years in most cases. Ralph Kilmann's book, *Beyond the Quick Fix*, tells the story correctly: There is no "quick fix" when it comes to lasting organizational improvement. In fact, it is more accurate to describe "improvement" as a never-ending journey of continuous change. A program or initiative moves the organization to a higher plateau, then another initiative moves it to yet a higher plateau of effectiveness.

The phrase led and supported by top management states a virtual imperative: Top management must lead and actively encourage the change effort. Organizational change is hard, serious business; it includes pain and setback as well as successes. Top management must initiate the improvement "journey" and be committed to seeing it through to completion. Most OD programs that fail do so because top management was ambivalent, lost its commitment, or became distracted with other duties.

By **visioning processes** we mean those processes through which organization members develop a viable, coherent, and shared picture of the nature of the products and services offered by the organization, how those goods will be produced and delivered to customers, and what the organization and its members can expect from each other. Visioning means creating a picture of the desired future that includes salient features of the human side of the organization and then working together to make that picture a reality.

By **empowerment processes** we mean those leadership behaviours and human resource practices that enable organization members to develop and utilize their talents as fully as possible toward the goals of individual growth and organizational success. Involving large numbers of people to help build the vision of tomorrow, develop the strategy for getting there, and making it happen is what we mean by empowerment. For empowerment to become a fact of life, it must be built into the very fabric of the organization- its strategy, structure, processes, and culture.

By **learning processes** we mean those interacting, listening, and self-examining processes that facilitate individual, team, and organizational learning. Peter Senge describes learning organization as "...organizations 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". As Charis, Argyris advises people and organization must avoid the top of "defensive routines", those habitual reactions to situations that prevent embarrassment and threat, but that also prevent learning.

Problem-solving processes refer to the ways organization members diagnose situations, solve problems, make decisions, and take actions in relation to problems, opportunities, and challenges in the organization's environment and its internal functioning. Recall that Michael Beer's definition called for "developing new and creative organizational solutions". We believe such solutions are enhanced by tapping deeply into the creativity, commitment, vitality, and common purposes of all members of the organization, in contrast to having only a select few be involved in problem solving. We further believe that having a compelling vision of a desired future that is widely shared and endorsed creates the best climate for effective problem solving by all the organization's members. Empowerment means involving people in problems and decisions and letting them be responsible for results.

By ongoing collaborative management of the organization's culture we mean, first that one of the most important things to manage in organizations is the culture, the prevailing pattern of values, attitudes, beliefs, assumptions, expectations, activities, interactions, norms, sentiments, and artifacts. And second, managing the culture should be a collaborative business – widespread participation in creating and managing a culture that satisfies the wants and needs of individuals at the same time that it fosters the organization's purposes is the best way to do this. Collaborative

management of the culture means that everyone not just a few, has a stake in making the organization work. Just as visioning, empowerment, learning, and problem-solving processes are opportunities for collaboration in organization development, so is managing the culture.

By including culture so prominently in our definition, we affirm our belief that culture is the bedrock of behaviour in organizations. There is reciprocal influence between culture, strategy, structure, and processes; each is important and each influences the others. But culture is of primary importance. Edgar Schein clarifies the nature and power of culture in his definition: "Culture can now be defined as (a) a pattern of basic assumptions, (b) invented, discovered, or developed by a given group (c) as it learnt to cope with its problems of external adaptation and internal integration (d) that has worked well enough to be considered valid and, therefore (e) is to be taught to new members as the (f) correct way to perceive, think, and feel in relation to those problems". So culture consists of basis assumptions, values and norms of behaviours that are viewed as the correct way to perceive, think, and feel-that is why culture change is necessary for true organizational improvement.

Our definition places roughly equal weight on culture and processes, in the belief that both are central in OD programs. Processes are how things get done, and we highlight the importance of visioning, empowerment, learning and problem-solving processes. Processes are relatively easy to change, so this is where OD programs often begin stop doing things one way and start doing them a different way. But change becomes permanent when the culture changes and the new ways are accepted as the "right" ways. We believe that when the culture promotes collaboration, empowerment, and continuous learning the organization is bound to succeed.

By intact work teams and other team configurations we recognize the centrality of teams for accomplishing work in organizations. We think teams are the basic building blocks of organizations. When teams function well, individuals and the total organization function well. Team culture can be collaboratively managed to ensure effectiveness.

Intact work teams consisting of superior and subordinates with a specific job to perform are the most prevalent form of teams in organizations. Team building and role and goal clarification interventions are standard activities in OD programs directed toward intact work teams. But in many organizations today, intact work teams do not have a boss in the traditional sense- the teams manage themselves. These self-directed teams assume complete responsibility for planning and executing work assignments. In addition to team building and role and goal clarification, members have to be trained in additional competencies such as planning, quality control, and using management information. Over time, performance appraisals, hiring, firing, and training become tasks controlled by self-directed teams. The results are usually highly gratifying both for the team members and for the organization.

In today's organizations there is also increased use of ad-hoc teams that assemble, perform a specific task, and disband when the task is completed. The current method for getting complex tasks done in organizations is to assemble a cross-functional team comprised of members from all the functional specialties required to get the job done such as design, engineering, manufacturing, and procurement. The old method was to have functional specialists work in the problem in serial or sequential fashion. When one function was finished with its part of the project, it "threw the

results over the wall" to the next functional unit in sequence. This method resulted in loss of synergy, wasted time, much rework, and considerable antagonism between the separate functional specialists.

In Liberation Management, Tom Peters predicts that the work of tomorrow (most of which will be "brain work") will be done by ad hoc teams brought together to accomplish a task, and then disbanded with the people going on to new tasks. Multifunctional projectization and horizontal systems are the terms he uses to describe these teams and their work. Temporary, multifunctional, constantly shifting teams will be the dominant configuration for getting work done, according to Peters. The thesis of Liberation Management is that contemporary bureaucratic structures with their functional specialties and rigid hierarchies are all wrong for the demands of today's fast-paced marketplace. He writes.

But I've come to realize that, in this madcap world, turned-on and theoretically empowered people... will never amount to a hill of beans in the vertically oriented, staff-driven, thick-headquarters corporate structures that still do most of the world's business. Empower until you're blue in the face. Call in the best consultants and create the best strategies. It'll make no difference unless the arteries are unclogged (the "structure" part), then radically rewired (the "systems" part).

The skills required to work effectively in teams will be at a premium in such a world.

The phrase utilizing the consultant-facilitator role conveys our belief that leaders can benefit from seeking the assistance of professional help in planning and implementing OD initiatives. In the early phases, at least, it is desirable to have the services of a third-party consultant-facilitator. The third party role is very powerful. That person is typically seen as bringing objectivity, neutrality, and expertise to the situation. The third party also is not captive to the culture of the unit undertaking the programme. This does not mean that the third party cannot be a member of the organization; rather, it means that he or she should not be a member of the particular unit that is initiating the OD effort.

Part of an effective OD effort is a growing awareness of the significance of the consultant-facilitator role and a growing capability of many organizational members to perform that role, whether on an ad hoc or a more formalized basis. Numerous members should be encouraged to increase their consultation skills and use these skills in various ways such as helping to run more effective meetings or provide counsel to peers. We are thus calling attention to the facilitator role in organizations as well as facilitator persons.

By the theory and technology of applied behavioural science we mean insight from the sciences dedicated to understanding people in organizations, how they function, and how they can function better. OD applies knowledge and theory. Therefore, in addition to the behavioural sciences such as psychology, social psychology, sociology, and so on mentioned earlier, applied disciplines such as adult education, psychotherapy, social work, economics and political science have contributions to make to the practice of OD. Porras and Robertson state.

Organizational development (OD) is the practical application of the science of organizations. Drawing from several disciplines for its models, strategies, and techniques, OD focuses on the

planned change of human systems and contributes to organization science through the knowledge gained from its study of complex change dynamics.

And finally, by action research we mean the participative model of collaborative and iterative diagnosis and action taking in which the leader, organization members, and OD practitioner work together to define and resolve problems and opportunities. Because of the extensive applicability of this model in OD, another definition of organization development could be organization improvement through participant action research.

14.3. Characteristics of Organisational Development:

This definition contains the elements we believe are important for OD. To summarize, here are the primary distinguishing **characteristics of organization development**.

1. OD focuses on culture and processes.
2. Specifically, OD encourages collaboration between organization leaders and members in managing culture and processes.
3. Teams of all kinds are particularly important for task accomplishment and are targets for OD activities.
4. OD focuses on the human and social side of the organization primarily, and in so doing also intervenes in the technological and structural sides.
5. Participation and involvement in problem solving and decision making by all levels of the organization are hallmarks of OD.
6. OD focuses on total system change and views organizations as complex social systems.
7. OD practitioners are facilitators, collaborators, and co-learners with the client system.
8. An overarching goal is to make the client system able to solve its problems on its own by teaching the skills and knowledge of continuous learning through self-analytical methods. OD views organization improvements as an ongoing process in the context of a constantly changing environment.
9. OD relies on an action research model with extensive participation by client system members.
10. OD takes a development view that seeks the betterment of both individuals and the organization. Attempting to create "win-win" solutions is standard practice in OD programs.

These characteristics of organization development depart substantially from traditional consultation modes. Schein identifies the three following basic models of consultation- the first two are not OD, the third model is a good description of OD".

In the "**purchase of expertise model**" a leader or unit identifies a need for information or expertise, which the organization cannot supply, and hires a consultant to meet that need. Examples include hiring a consultant to (1) survey consumers or employees about some matter (2) find out how other organizations organize certain units, or (3) search out such information as the marketing strategy of a competitor. The consultant then makes recommendations.

In the “**doctor-patient model**” a leader or group detects symptoms of ill health in a unit or more broadly in the organization, and employs a consultant to diagnose what is causing the problem or problems. The consultant, like a physician, then prescribes a course of action to remedy the ailment.

In the “**process consultation model**” the consultant works with the leader and group to diagnose strengths and weaknesses and to develop action plans. Furthermore, in this model the consultant assists the client organization to become more effective in diagnosing and solving problems.

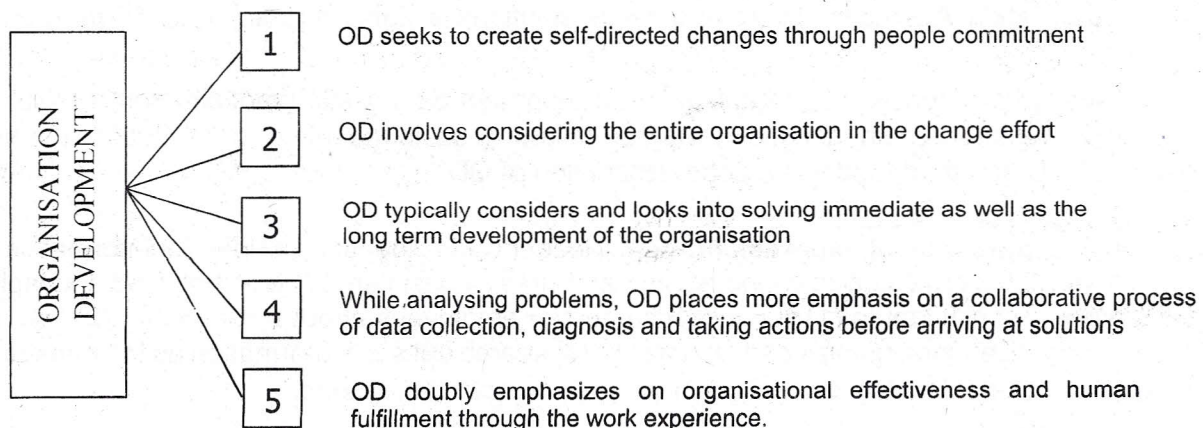
The first two models depict traditional management consulting; the third model is more typical of OD consulting. In OD the clients are assisted in the ways they go about solving problems. The consultant suggests general processes and procedures for addressing problems of concern. The consultant helps the clients to generate valid data and learn from them. In short, the OD consultant is an expert on process-how to structure effective problem solving and decision making.

In a nutshell these definitions clarify the distinctive features of the field of OD and suggest why it is such a powerful change strategy. The participative, collaborative, problem-focussed nature of OD marshals the experience and expertise of organization members as they work on their most important problems and opportunities in ways designed to lead to successful outcomes. Where these ideas came from is presented in the next chapter on the history of OD.

14.4. Meaning:

Organization development (OD) is a planned, systematic process of organizational change based on science research and theory. The goal of OD is to create adaptive organisations which are capable of repeatedly transforming and reinventing themselves so as to remain effective. Organisational development as a field of behavioural sciences is a collection of techniques with a certain philosophy and a common body of knowledge. The figure 17.6 statements will indicate how OD approaches differ from other approaches to organisational change.

Figure 14.1 : How OD approaches differs from other approaches



14.5 OD Objectives:

As pointed out by Margulies and Raja, "OD Technology is aimed at developing new organizational learning and new ways of coping and dealing with problems". The primary focus is on improving productivity, morale and satisfaction of employees in an organisation. It is not a difficult exercise to catalogue the other important objectives of OD:

1. To increase the level of trust and mutual emotional support among all organizational members.
2. To increase the incidence of confrontation of organizational problems both within groups and among groups in contrast to 'sweeping problems under the rug.'
3. To create an environment in which authority of assigned role is augmented by authority based on knowledge and skill.
4. To increase the openness of communications, laterally, vertically and diagonally.
5. To increase the level of enthusiasm and personal satisfaction in the organization.
6. To find synergistic solutions to problems with greater frequency.
7. To increase the level of self and group responsibility in planning and implementation.

14.6. OD Values:

OD change efforts place a premium on humanistic values and goals consistent with these values. In fact OD is a way of looking at the whole human side of organizational life. The emphasis of OD on human dimensions of organization is reflected in the following cardinal list of humanistic values.

Thus, OD develops a view of people in organization, that is radically different from the traditional approaches about organizations. Tannenbaum and Davis have identified a new set of values, though not completely accepted, that OD tries to bring about ultimately.

1. Providing opportunities for people to function as human being rather than as resources in production process.
2. Providing opportunities for each organization members, as well as for the organization itself, to develop to his full potential.
3. Seeking to increase the effectiveness of organization in terms of all of its goals.
4. Attempting to create an environment in which it is possible to find exciting and challenging work.
5. Providing opportunities for people in organizations to influence the way in which they relate to work, the organization, and the environment.
6. Treating each human beings as a person with a complex set of needs, all of which are important in his work and in his life.

Table 14.1 the transition of employees values through OD

Away form	Toward
A view of people as essentially bad.	A view of people as basically good
Negative valuation of people	Confirming as human beings
Resisting individual differences	Accepting and utilizing individual differences
Walking off personal feelings	Expressing feelings
Maskmanship and game playing	Authentic behaviour
Distrust	Trust
Avoiding facing others with relevant data	Making appropriate confrontation
Avoiding risk taking	Willing to risk
Emphasis on competition.	Emphasis on collaboration

(Source: Adapted from R. Tannenbaum and S.A. Davis, Values, Man and organizations", Industrial Management Review, Winter, 1969, pp. 67-86).

14.7. Conclusion:

Most of the controversial work in the field of organizational change fall under the rubric of OD. Organization development offers some very attractive methodologies and philosophies to practicing manager and academician alike. OD has its devotees, its financial adherents, and also its detractors. He entire field of OD is undoubtedly rife with substantial controversy. There can be, however, little doubt that many current practices of OD are sound, having withstood scientific inquiry and produced demonstrable positive results. At the same time there are practices having polarized opinions of both managers and the members of academic community. But as field of inquiry and professional practice, OD remains committed to the humanistic values inherent in its origin.

OD is a systematic and practical approach to launching and diffusing change in organization OD is a complex educational strategy which aims to bring about a better fit between the human beings who work in and expect things from organizations and environment with its insistence on adapting to changing times.

14.8. Self Assessment Questions:

1. Define organisational Development?
2. What is meant by OD? Explain the characteristics of OD?
3. What are the objectives of O.D?
4. What are the values Organisational Development?

14.9. References:

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Lesson - 15

The Organization Development Process

15.0. Objective:

After studying this lesson students are able to understand the organisation development process. Assumption underlying organisational development, skills useful in organisational development, process consultation and meaning the OD process.

Structure of the Lesson:

- 15.1. Introduction
- 15.2. The organisation development process
 - 15.2.1 Initial diagnosis
 - 15.2.2 Data Collection
 - 15.2.3 Data feedback and confrontation
 - 15.2.4 Action planning and problem solving
 - 15.2.5 Use of interventions
 - 15.2.6 Evaluation and follow up
- 15.3. Assumption underlying organisational development
- 15.4. Skills useful in organisational Development
- 15.5. Process consultation
 - 15.5.1 Individuals
 - 15.5.2 Groups
 - 15.5.3 Organisation
- 15.6. Feedback
- 15.7. Managing the OD Process
 - 15.7.1. Diagnosis
 - 15.7.2. Importance of Diagnostic activities is emphasized by backward
 - 15.7.3. The six Box model
 - 15.7.4. Third wave consulting
- 15.8. Conclusion
- 15.9. Model Questions
- 15.10. References

15.1. Introduction:

OD is a complex process. It may take a year or more to design and implement, and the process may continue indefinitely. OD tries to move the organization from where it is now (requiring diagnosis) to where it should be (by action interventions). Even then the process continues, as it is desirable to evaluate the outcomes and maintain the momentum.

15.2. Organisation Development Process:

Although there are many different approaches to OD, a typical complete program includes most of the following steps.

15.2.1. Initial diagnosis:

The consultant meets with top management to determine the nature of the firm's problems, to develop the OD approaches most likely to be successful, and to ensure the full support of top management. During this step the consultant may seek inputs by means of interviews with various persons in the organization.

15.2.2. Data collection:

Surveys may be made to determine organizational climate and behavioral problems. The consultants usually meets with groups away from work to develop information from questions such as these :

- a. What kinds of conditions contribute most to your job effectiveness ?
- b. What kinds of conditions interfere with your job effectiveness ?
- c. What would you most like to change in the way this organization operates ?

15.2.3. Data feedback and confrontation:

Work groups are assigned to review the data collected, to mediate among themselves areas of disagreement, and to establish priorities for change.

15.2.4. Action planning and problem solving:

Groups use the data to develop specific recommendations for change. Discussion focuses on actual problems in their organization. Plans are specific, including who is responsible and when the action should be completed.

15.2.5. Use of interventions:

Once the action planing is completed, the consultant helps the participants select and use appropriate OD **interventions**. Depending on the nature of the key problems, the interventions may focus on individuals, teams, interdepartmental relations, or the total organization.

15.2.6. Evaluation and follow-up:

The consultant helps the organization evaluate the results of its OD efforts and develop additional programs in areas where additional results are needed.

For example, in one organization, the consultant asked managers to provide tapes of committee meetings that they chaired subsequent to the program. The consultant analyzed these tapes and used them to discuss with managers how well each was applying what was learned in the OD program.

Since the steps in OD are part of a whole process, all of them need to be applied if a firm expects to gain the full benefits of OD. A firm that applies only two or three steps, such as diagnosis and team building, is likely to be disappointed with the results; however, the whole process can produce quite favorable results.

Mobil Oil has implemented numerous OD programs, and it reports these results :

- ◆ Improved supervisor – employee communication.
- ◆ Streamlined paperwork requirements.
- ◆ More systematic problem analysis and problem solving.
- ◆ Better interdepartmental relationships.

The company concluded that the most critical step in OD is the first one-obtaining permission, active support, and total involvement from top management.

15.3. Assumptions Underlying Organization Development:

OD consultants and change agents, whether internal or external, make a set of assumptions that guide their actions. Sometimes these assumptions are implicit and need to be exposed. It is important for any change agent to identify those assumptions so that they will be aware of their impact on the choice of methods and skills. They also need to share the assumptions with managers and employees so that those groups will clearly understand the basis for the OD program.

A wide range of assumptions can be made, but certain ones are relatively common at the individual, group, and organizational level. OD advocates typically hold a highly positive view point regarding the capabilities, unused potential, and interests of all individuals. This stems from the humanistic values that are implicit in OD theory. Groups and teams are seen as vital building blocks of organizations, but since they are powerful and complex, they are not always easy to change. Organizations are viewed as rigid bureaucracies that will likely stifle employee development and growth, but possibilities are seen for positive conflict and goal compatibility.

Managers and employees should probe the hidden assumptions of OD specialists, question their legitimacy, and decide whether they can accept them. OD consultants must be ready to share their assumptions, withstand inappropriate challenges to them, and revise them where necessary. Only when these vents happen can a high-trust working relationship develop among the parties to an organization development effort.

15.4. Skills Useful in Organization Development:

A highly skilled OD practitioner needs to develop a broad range of skills useful in guiding organizations change efforts, including consultation skills (diagnosis, contracting, designing change), interpersonal skills (such as trust building, coaching, and listening, which was discussed),

research skills (planning and conducting a study and evaluating results), and presentational skills (public speaking and report preparation). Among the skills, two additional and closely related ones stand out as critical to success – process consultation.

15.5. Process Consultation:

In contrast to experts (who share sophisticated technical information) and problem solvers (who define problems and suggest solutions), OD accents yet another role. **Process consultation** is a set of activities that help others focus on what is currently happening around them. In effect, the process consultant holds up a mirror and helps other persons see themselves in action. The intent of process consultant is straightforward: to help someone perceive, understand, and react constructively to current behavioral events. The process consultant gets employees to examine the intended versus the actual roles of themselves and others within groups, the ways in which groups discuss and solve problems, the use and abuse of power and authority, and explicit and implicit communication patterns.

Process consultants are helpers, drawing upon several key skills. They *observe* individuals and groups, recording conversational patterns and nonverbal behaviors. They *ask probing questions* designed to help others identify problems. They resist “owing” another’s problems or giving expert advice. If necessary, they *confront* individuals by asking them to examine their behavior and its consequences or to explore new alternatives. All the while, the process consultants is attempting to help other people learn to help themselves. In other words, the process consultant always tries to create independence in others so that they can more effectively think and act for themselves.

15.5.1. Individuals:

- ◆ People want to grow and mature.
- ◆ Employees have much to offer (e.g., energy and creativity) that is not now being used at work.
- ◆ Most employees desire the opportunity contribute (they desire, seek, and appreciate empowerment).

15.5.2. Groups:

- ◆ Groups and teams are critical to organizational success.
- ◆ Groups have powerful influences on individual behavior.
- ◆ The complex roles to be played in groups require skill development.

15.5.3. Organization:

- ◆ Excessive controls, policies and rules are detrimental.
- ◆ Conflict can be functional properly channeled.
- ◆ Individual and organizational goals can be compatible.

Meg, an OD consultant, attended a staff meeting of a community service organization. She listened intently for the first half hour, often biting her tongue to remind herself not to engage in discussing the subject before the group. Soon the conversation strayed to several unrelated

topics. Sarah soon turned to Meg and asked, "Should we stay more closely focused on the main topic?" Without answering yes or no, Meg used Sarah's question as an opportunity to highlight a group member's sensitivity to a process issue. In this way she hoped to encourage Sarah and others to be even more attentive to the group's processes in the future. Meg was acting as a process consultant at this moment.

15.6. Feed Back:

OD relies heavily on feedback to participants so that they have useful data on which to base decisions. Feedback encourages them to understand how they are seen by others and to take self-correcting action.

An example is a feedback exercise in one OD program. Participants are separated into two groups representing two different departments in the organization. Both groups are asked to develop answers to the following questions:

- What characteristics best describe our group ?
- What characteristics best describe the other group ?
- How will the other group describe us ?

After the separate groups have prepared their answers, they assemble and present their answers to the other groups. They give concrete feedback about impressions each group has of the other, and there usually are major misunderstandings. In this presentation no arguments are allowed. Questions are accepted only to clarify what the other group is saying.

The groups again are separated to discuss two other questions :

- How did these misunderstandings occur ?
- What can we do to correct them ?

With this new feedback, the groups met to develop specific plans of action for solving their misunderstandings. In each instance feedback about themselves is the basis for their next activities.

15.7. Managing the OD Process:

In this chapter we examine what leaders, organization members, and OD practitioners do as they implement and manage organization development programs. By now you know that diagnosis forms a foundation for intervening, and that intervening involves implementing various change-inducing action programs. Thinking about how to manage this process is the focus of the present discussion. First we take an in-depth look at diagnosis from several different perspectives or approaches. This is followed by an examination of the considerations that go into selecting and implementing interventions. Finally, guidelines for the overall management of OD programs are presented and explained.

15.7.1. Diagnosis:

There are three basic components of all OD programs: diagnosis, action, and program management. The diagnostic component represents a continuous collection of data about the total system or its subunits, and about system processes, culture, and other targets of interest. The action component consists of all the activities and interventions designed to improve the organization's functioning. The program management component encompasses all activities designed to ensure the success of the program, such as developing the overall OD strategy, monitoring events along the way, and dealing with the complexities and surprises inherent in all programs. Figure 6.1 shows what we mean when we describe the OD process in terms of diagnosis, action, and program management components.

The first step is to diagnose the state of the system regarding the client's focus of interest—whether the total system or some part of the whole. What are its strengths? What are its problem areas? What are the unrealized opportunities that are being pursued? Is there a discrepancy between the vision of the desired future and the current situation? From the diagnosis comes identification of strengths, opportunities, and problem areas. Action plans are developed in step 2 to correct problems, seize opportunities, and to maintain areas of strength. These action plans are OD interventions specifically tailored to address issues at the individual, group, intergroup, or organizational levels, as well as address issues related to select processes, such as communication or decision making. Step 3 consists of fact-finding concerning the results of the action taken. Did the actions have the desired effect? Is the problem solved or the opportunity achieved? If the answer is yes, organization members move on to new the different problems and opportunities; if the answer is no, the members initiate new action plans and interventions to resolve the issue (step 4). Often when problems remain unsolved after an initial attack on them, step 3 and 4 entail redefining and reconceptualizing the problem areas. Step 5, 6, 7 and so on may be required some problems and opportunities, but further steps are just iterations of the basic sequence of diagnosis-action-evaluation-action. Again, this process looks logical and linear in Figure 6-1, but in practice it is more complicated.

During the entire sequence, attention is also directed to managing the OD process itself. Energy and effort are expended to ensure that the program is supported by the organization members, that the program is relevant to the organization's priority concerns, and that the program is making discernible progress. Managing the OD program is a constant concern and a continuous activity.

Diagnosing the System, Its Subunits, and Processes:

Organization development is at heart an action program based on valid information about the status quo, current problems and opportunities, and effects of actions as they relate to goal achievement. An OD program thus starts with diagnosis and continuously employs data collecting and data analyzing throughout. The requirement for diagnostic activities—activities designed to provide an accurate account of things as they really are—stems from two needs: the first is to know the state of things or “what is”; the second is to know the effects or consequences of actions.

15.7.2. The importance of diagnostic activities is emphasized by Beckhard as follows:

The development of a strategy for systematic improvement of an organization demands an examination of the present state of things. Such an analysis usually looks at two broad areas. One is a diagnosis of the various subsystems that make up the total organization. These subsystems may be natural "teams" such as top management, the production department, or a research group; or they may be levels such as top management, middle management, or the work force.

The second area of diagnosis is the organization processes that are occurring. These include decision-making processes, communications patterns and styles, relationships between interfacing groups, the management of conflict, the setting of goals, and planning methods.

TABLE 6-1 Diagnosing Organizational Subsystems

DIAGNOSTIC FOCUS OR TARGET	EXPLANATION AND IDENTIFYING EXAMPLES	
The total organization (having a common "charter" or mission and a common power structure)	The total system is the entity assessed and analysed. The diagnosis might also include, if relevant, extra system (environmental) organizations, groups, or forces, such as customers, suppliers, and governmental regulations. Examples are a manufacturing firm, a hospital, a school system, a department store chain, or a church denomination.	
Large subsystems that are by nature complex and heterogeneous.	This target group stems from making different "slices" of the organization, such as by hierarchical level, function, and geographical location. Two criteria help to identify this set of subsystems; first they are viewed as a subsystems by themselves or others: and second, they are heterogeneous in makeup, that is, the members have some things in common, but many differences from each other, too. Examples would be the middle-management group, consisting of managers from observe groups, the personnel department members of an organization that has widely dispersed operations with a personnel group at each location: everyone in 1 plant in a company that has 10 plants; a division made up several different business.	
Small subsystems that are simple and relatively homogeneous	These are typically formal work groups or teams that have frequent face-to-face interaction. They may be permanent groups, temporary task forces or newly constituted groups (e.g., the group charged with the "start-up" of a new operation, or the group formed by an acquisition or merger). Examples are the top management team, any manager and his or her key subordinates, committees of a permanent or temporary nature, task force teams, the work force in an office, the teachers in a single school, etc.	

TYPICAL INFORMATION SOUGHT	COMMON METHODS OF DIAGNOSIS
<p>What are the norms ("cultural oughts") what is the organization's culture? What are the attitudes, opinions, and feelings of system members toward various "cognitive objects" such as compensation, organization goals, supervision, and top management? What is the organization climate – open vs. closed authoritarian vs. democratic, repressive vs. developmental, trusting vs. suspicious, cooperative vs. competitive? How well do key organizational processes, such as decision making and goal setting, function? What kind and how effective are the organization's "sensing mechanisms" to monitor internal and external demands? Are organization goals understood and accepted?</p>	<p>Questionnaire surveys are most popular with a large organization. Interviews, both group and individual are useful for getting detailed information, especially if based on effective sampling techniques. A panel of representative members who are surveyed or interviewed periodically is useful to chart changes over time. Examination of organizational "potsherds" – rules, regulations, policies, symbols of office and/or status, etc., yields insight into the organization's culture. Diagnostic meetings held at various levels within the organization yield a great amount of information in a short time period.</p>
<p>All of the above, plus: How does this subsystem view the whole and vice versa? How do the members of this subsystem get along together? What are the unique demands of this subsystem? Are organization structures and processes related to the unique demands? Are there "high" and "low" subunits within the subsystem in terms of performance? Why? What are the major problems confronting this subsystem and its subunits? Are the subsystem's goals compatible with organization goals? Does the heterogeneity of the role demands and functional identity get in the way of effective subsystem performance?</p>	<p>If the subsystems are large or widely dispersed, questionnaire and survey techniques are recommended. Interviews and observations may be used to provide additional supporting or hypothesis-testing information. Organization records reports and information are good sources of information about performance and problems.</p>
<p>The questions on culture, climate attitudes and feelings are relevant here, plus: what are the major problems of the team? how can team effectiveness be improved? What do people do that gets in the way of others? Are member/leader relations those that are desired? Do individuals know how their jobs relate to group and organizational goals? Are the group's working processes, i.e., the way they get things done as group, effective? Is good use made of group and individual resources?</p>	<p>Typical methods include the following: individual interviews followed by a group meeting to review the interview data; questionnaires: observation of staff meetings and other day-to-day operations; and a formal : and a formal group meeting of self-diagnosis.</p>

<p>Small, total organizations that are relatively simple and homogeneous</p>	<p>An example would be a local professional organization or small company. Typical problems as seen by officer might be declining membership, low attendance, difficulty in manning special task forces, or poor quality and declining profits.</p>	
<p>Interface or intergroup subsystems</p>	<p>These consist of subsets of the total system that system that contain members of two subsystems, such as a matrix organizational structure requiring an individual or a group to have two reporting lines. But more often this target consists of members of one subsystem having common problems and responsibilities with members of another subsystem. We mean to include subsystems with common problems and responsibilities such as production and maintenance overlaps, marketing and production overlaps.</p>	
<p>Dyads and/or triads</p>	<p>Superior/ subordinate pairs, interdependent peers, linking pins-i.e., persons who have multiple group memberships-all these are subsystems worthy of analysis.</p>	
<p>Individuals</p>	<p>Any individual within the organization, such as president, division heads, key occupants of positions in a work flow process, e.g., quality control, R&D. In school systems, this would be students, teachers, or administrators.</p>	
<p>Roles</p>	<p>A role is a set of behaviors enacted by a person as a result of occupying a certain position within the organization. All persons in the organization have roles requiring certain behaviors, such as secretaries, production supervisors, accounts, scientists, custodians.</p>	
<p>Between – organization systems constituting a suprasystem-this is the arena of Transorganizational OD.</p>	<p>An example might be the system of law and order in region, including local, country, state, federal police or investigative and enforcement agencies, courts, prisons, parole agencies, prosecuting officers and grand juries. Most such suprasystems are so complex that change efforts tend to focus on a pair or a trio of subparts.</p>	

<p>How do the officers and the members see the organization and its goals? What do they like and dislike about it? What do they want it to be like? What is the competition like? What significant external forces are impacting external forces are impacting on the organization?</p>	<p>Questionnaires or interviews are frequently used. Descriptive adjective questionnaires can be used to obtain a quick reading on the culture, "tone", and health of the organization. Diagnostic group meetings can be useful. Organizational records can be examined.</p>
<p>How does each subsystem see the other? What problems do the two groups have in working together? In what ways do the subsystems get in each other's way? How can they collaborate to improve the performance of both groups? Are goals, sub goals, areas of authority and responsibility clear? what is the nature of the climate between the groups? What do the members want it to be?</p>	<p>Confrontation meetings between both groups are often the method for data gathering and planning corrective actions. Organization mirroring meetings are used when three or more groups are involved. Interviews of each subsystem followed by a "sharing the data" meeting or observation of interactions can be used.</p>
<p>What is the quality of the relationship? Do the parties have the necessary skills for task accomplishment? Are they effective as a subsystem? Does the addition of a third party facilitate or inhibit their progress? Are they supportive of each other?</p>	<p>Separate interviews followed by a meeting of the parties to view any discrepancies in the interview data are often used. Checking their perceptions of each other through confrontation situations may be useful. Observation is an important way to assess the dynamic quality of the interaction.</p>
<p>Do people perform according to the organization's expectations? How do they view their place and performance? Do certain kinds of problems typically arise? Do people meet standards and norms of the organization? Do they need particular knowledge, skills, or ability? What career development opportunities do they have/want/need? What pain are they experiencing?</p>	<p>Interviews, information derived from diagnostic work team meetings, or problems identified by the human resources department are sources of information. Self-assessment growing out of team or subsystem intervention is another source.</p>
<p>Should the role behaviors be added to, subtracted from, or changed/ is the role defined adequately? What is the "fit" between the person and role? Should the role performer be given special skills and knowledge? Is this right person for this role?</p>	<p>Usually information comes from observations, interviews, role analysis technique, a team approach to "management by objectives". Career planning activities yield this information as an output.</p>
<p>How do the key people in one segment of the suprasystem view the whole and the subparts/ are there frictions or incongruities between subparts? Are there high-performing and low performing subunits? Why ?</p>	<p>Organizational mirroring, or developing lists of how each group sees each other, is a common method of joint diagnosis. Questionnaires and interviews are useful in extensive long-term interventions.</p>

Table 6-1 shows how one would proceed to diagnose a system and its subsystems (the whole and its subunits). For each of the major targets or subsystems in an organization, the typical information desired and common methods of obtaining the information are given. The OD practitioner may be interested in all these target groups or in only one or two of them; he or she may work with one subsystem during one phase of the program and other subsystems during subsequent phases. Frequently the improvement strategy (the overall OD intervention strategy) calls for concentrating on different organizational targets in a planned sequence. For example, the program may start at an important subsystem, move to another subsystem, and then extend to the total organization; or the initial focus could be on the total organization and then move to selected subsystems.

An alternative way to conceptualize the diagnostic component emphasizes the organization's principal processes rather than its primary target groups. Such a scheme is presented in Table 6-2 showing the principal organization processes, the typical desired information concerning the processes, and the common methods of obtaining the information.

In practice the OD consultant works from both tables simultaneously. Although interested in some specific target group from Table 6-1 and the information about that group, the consultant is also interested in the processes found in that group and would rely on Table 6-2. Organizational processes are the what and the how of the organization, that is, What is going on? and How is it being accomplished? To know about the organization's processes is to know about the organization in its dynamic and complex reality. Organization development practitioners typically pay special attention to the processes listed in Table 6-2 because of their centrality for effective organization functioning, because of their ubiquitous nature in organizations, and because significant organizational problems often stem from them. Careful examination of the two tables will give a good sense of the inner workings of an OD program and its thrusts, emphases, and mechanics.

TABLE 6-2 Diagnosing Organizational Processes

Organizational Process	Identifying remarks and explanation	Typical information sought	Common methods of diagnosis
Communications patterns, styles and flows	Who talks to whom, for how long, about what? Who initiates the interaction? Is it two-way or one-way? Is it top-down: down – up ; lateral?	Is communication directed upward, downward, or both? Are communications filtered? Why? In what way? Do communications patterns “fit” the nature of the jobs to be accomplished? What is the “climate” of communications? What is the place or written communications vs. oral?	Observations, especially in meetings; questionnaires for large-sized samples; interviews and discussions with group members—all these methods may be used to collect the desired information. Analysis of videotaped sessions by all concerned is especially useful.
Goal setting	Setting task objectives and determining criteria to measure accomplishment of the objectives takes place at all organizational levels.	Do they set goals? How is this done? Who participates in goal setting? Do they possess the necessary skills for effective goal setting? Are they able to set long-range and short-range objectives?	Questionnaires, interviews, and observation all afford ways of assessing goal-setting ability of individuals and groups within the organization.
Decision making, problem solving, and action planning.	Evaluating alternatives and choosing a plan of action are integral and central functions for most organization members. This includes getting the necessary information, establishing priorities, evaluating alternative, and choosing one alternative over all others.;	Who makes decisions? Are they effective? Are all available sources utilized? Are additional problem-solving skills needed? Are organization members satisfied with the problem-solving and decision-making processes?	Observation of problem-solving meetings at various organizational levels is particularly valuable in diagnosing this process. Analysis of videotapes sessions by all concerned is especially useful.

Conflict resolution and management	Conflict-interpersonal, intrapersonal, and intergroup-frequently exists in organizations. Does the organization have effective ways of dealing with conflict?	Where does conflict exist? Who are the involved parties? How is it being managed? What are the system norms for dealing with conflict? Does the reward system promote conflict?	Interviews, third-party observations, and observation meetings are common methods for diagnosing these processes
Managing interface relations	Interfaces represent those situations wherein two or more groups (sub-systems) face common problems or overlapping responsibility. This is most often seen when members of two separate groups are interdependently related in achieving an objective but have separate accountability.	What is the nature of the relations between two groups? Are goals clear? Is responsibility clear? What major problems do the two groups face? What structural conditions promote/inhibit effective interface management?	Interviews, third-party observations, and observation for group meetings are common methods for diagnosing these processes.
Superior-subordinate relations	Formal hierarchical relations in organizations dictate that some people lead and other follow: these situation are often a source of many organizational problems.	What are the extant leadership styles? What problems arise between superiors and subordinates?	Questionnaires can show over all leadership climate and norms. Interviews and questionnaires reveal the desired leadership behaviors.
Technological and engineering systems	All organizations rely on multiple technologies-for production and operations, for information processing, for planning, for marketing, etc., to produce goods and services.	Are the technologies adequate for satisfactory performance? What is the state of the art and how does this organization's technology compare with that? Should any changes in technology be planned and implemented/	Generally this is not an area of expertise of the OD consultant. He or she must than seek help from "experts" either inside the organization or outside. Interviews and group discussions focused on technology are among the best ways to determine the adequacy of technological systems. Sometimes outside experts conduct an audit and make recommendations; sometimes inside experts do so.

Strategic management and long-range planning vision/mission formulation	Monitoring the environment, adding and deleting “products”, predicting future events, and making decisions that affect the long-term viability of the organization must occur for the organization to remain competitive and effective. Vision and mission establishment the framework for strategy.	Who is responsible for “looking ahead” and for making long-range decisions? Do they have adequate tools and support? Have recent long-range decisions been effective? What is the nature of current and future environmental demands? What are the unique strengths and competencies of the organization? What are the threats to the organization? Is mission clear? Widely shared?	Interviews of key policy-makers, group discussions, and examination of historical records give insights to this dimension.
Organizational learning	Learning from past successes and failures, from present “blind spots” and from all organizational members is essential to remain competitive, vital, and to develop new paradigms.	What are our strengths, problem areas? What observations, ideas, suggestions are available from all organizational members? Does our present behavior square with what we espouse? What are the “learning disabilities” (Senge”) of this organization? Are the present paradigms changing? What all the new paradigms be like? Are we recording our philosophy, our learning’s, our progress?	Interviews, questionnaires, group methods of diagnosis; examination of assumptions and culture; (Sechein); games and exercises to create awareness of organizational learning disabilities; examination of defensive routines (Argyris, ”Senge”); visioning, including environment analysis.

These tables are intended as tools for diagnosing organizations, their processes, and their subunits. For example, say the vice president of a large heterogeneous division composed of several different businesses with multiple manufacturing and marketing organizations is worried about decreasing profitability. The questions the vice president needs answers to are those listed for the total organization and large sub-systems from Table 6-1, as well as questions about organizational processes such as goal setting, decision making, technology, and strategic management from Table 6-2. This knowledge would likely be gained in the diagnostic phase of an OD effort sponsored by the vice president.

Continual diagnosis is thus a necessary ingredient of any planned change effort. Such diverse activities as getting rich, managing your time, and losing weight, for example, all begin with an audit of "what is"—the status quo—and then require continual monitoring of the changing status quo over time. From a comparison of "what is" with "what should be" comes a discovery of the gap between actual and desired conditions. Action plans are then developed to close the gap between the actual and the desired conditions; and the effects (consequences) of these action plans are continuously monitored to measure progress or movement toward the goal.² Diagnostic activities are therefore basic to all goal-seeking behaviors.

Organization development, with its emphasis on moving the organization from "what is" to "what should be," requires continuous generation of system data. In this regard, Argyris states that the consultant ("interventionist" in his terms) has three "primary intervention tasks": to help the client system generate valid data; to enable the client system to have free, informed choice; and to help the client system generate internal commitment to the choices made.³ Argyris says: "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. Valid information is that which describes the factors, plus their interrelationships, that create the problem for the client system.

Granted that diagnosis is a sine qua non of effective organization development, two issues remain. First, is the diagnosis systematically planned and structured in advance so that it follows an extensive category system and structured question format, or is the diagnosis more emergent—following the data wherever they may lead? Second, what diagnostic categories are to be used? Practice varies widely on these two dimensions. We tend to be about in the middle of the "structured in advance - emergent" continuum. We have some structured questions but follow up on leads as they develop in the course of the diagnosis. We also tend to use the diagnostic categories of Tables 6-1 and 6-2 because we focus on system and subsystem cultures and processes.

Furthermore, in an OD program, not only are the results of diagnostic activities important but how the information is collected and what is done with the information are also significant aspects of the process. There is active collaboration between the OD practitioner and the organization members about such issues as what target groups are to be diagnosed, how the diagnosis is best accomplished, what processes and dynamics should be analyzed, what is to be done with the information, how the data will be worked with, and how the information will be used to

aid action planning. Usually information is collected through a variety of methods—interviews, observations, questionnaires, and organization records. Information is generally considered to be the property of those persons who generated it; the data serve as the foundation for planning actions. This is basically an action research model. Therefore, the diagnostic component and the action component are intimately related in organization development.

15.7.3. The Six-Box Model:

Another diagnostic tool is Marvin Weisbord's six-box model, a diagnostic framework published in 1976, and still widely used by OD practitioners.⁵ This model tells practitioners where to look and what to look for in diagnosing organizational problems. Weisbord identifies six critical areas—purposes, structure, rewards, helpful mechanisms, relationships, and leadership—where things must go right if the organization is to be successful. Practitioners use this model as a cognitive map, systematically examining the processes and activities of each box, looking for signs of trouble. Assume there are problems with a major product produced by the organization. These problems will have their causes in dysfunctional processes located in one or more of the six boxes. The problems could be caused by ill-advised structures, poor leadership, unclear purposes or purposes at variance with the product, lack of helpful mechanisms, and so on. The six-box model is a simple but powerful diagnostic tool.

According to Weisbord, the consultant must attend to both the formal and informal aspects of each box. The formal system represents the official ways things are supposed to happen; the informal system represents the ways things really happen. For example, the formal reporting of relationships and organization of tasks and people prescribed in the structure box may not reflect the real structural arrangements found in the informal system. The practitioner needs answers to two questions: First, are the arrangements and processes called for by the formal system

15.7.4. The Six-Box Organizational Model:

Correct for each box? Second, are the arrangements and processes developed by the informal system correct for each box? It is common to find that formal arrangements are inappropriate, but the informal system works around that by developing methods to correct the deficiency. By the same token, it is common to find that the formal system is correctly designed, but the informal system is not following those correct procedures and consequently performance suffers. The formal/informal distinction, that is, what's supposed to happen versus what is really happening, is a powerful element of OD practice theory and one of the secrets to understanding organizational dynamics. Weisbord recommends a thorough diagnosis, looking at multiple boxes, before choosing interventions.

15.7.5. Third-Wave Consulting:

About ten years after the six-box model appeared, Weisbord wrote an article titled, "Toward Third-Wave Managing and Consulting," in which he reconsiders the issues of diagnosis and intervention.⁶ "Third wave" refers to the assertion by futurist Alvin Toffler that the world has progressed through the agricultural revolution (the first wave) and the industrial revolution (the second wave), and is poised on the brink of an information and technological revolution (the third wave), in which the hallmark will be rampant change in virtually all institutions of society. Weisbord believes this

requires new paradigms for managing and consulting. As far as diagnosis and intervention are concerned, Weisbord no longer likes a problem-centered, "sickness" model of organizational diagnosis where the diagnosis leads to a list of problems, and interventions are designed to cure the problems. Instead, he prefers to focus on "wellness," to help people achieve the desired futures chosen by them, and to create workplaces that have meaning and community. Operationally, this means moving from a view of the consultant as an expert on diagnosis and intervention, to a view of the consultant as a stage manager of events to help people do what they are trying to do.

Weisbord identifies four "useful practices" for the third-wave consultant: (1) assess the potential for action (look for conditions where there are committed leadership, good business opportunities, and energized people); (2) get the "whole system" in the room; (3) focus on the future; and (4) structure tasks that people can do for themselves. This optimistic, goal-oriented view for helping people in organizations is a valuable perspective on diagnosis. More information on this approach can be found in Chapter 11 and in Weisbord's *Productive Workplaces*.

15.8. Conclusion:

Organizational development has become a quite well known term in the last decade. While there is some variation in defining it, most of the definitions used focus on the idea that it generally consists of change programs that utilize a variety of techniques in restructuring organizational functioning in order to make them more capable of surviving in a dynamic society and of providing more satisfying, ego-enhancing experience to employees.

In this chapter various techniques commonly used in organizational development programs have been reviewed. Job enrichment and increased participation in decision making on both an individual and group level have been extensively used in both this country and elsewhere with generally favorable results. Societal restructuring as a result of government legislation has taken place in a number of nations including Israel, Yugoslavia, West Germany, Sweden, and France. The results have generally been favorable, and this type of restructuring seems to be increasing.

Among the more explicit training programs used in organizational development programs are T-group training, need-achievement training, and less frequently, rational training. The first of these techniques is an opening-up approach in which individuals are encouraged to explore their reactions to others and others' reactions to them. Among the goals of T-groups are to increase the effectiveness of group functioning and to reduce interpersonal anxieties and frustrations. Research has found that T-group training can have positive effects, but a number of conditions can negate its effectiveness. Need-achievement training uses the concept of increasing one's familiarization with achievement stimuli in order to positively motivate trainees toward achievement. This approach stems from McClelland's theory of motivation and has had some positive results. Rational training uses cognitive restructuring as a mechanism for reducing individual demands of the self and the world and, thus, one's anxiety about not meeting demands. Indirect research has supported the value of this approach. More research would be desirable for these and other techniques used in organizational development.

15.9. Self Assessment Questions:

1. Describe the organizational development process ?
2. What are the assumption underlying organizational development ?
3. Explain how managing the organizational development process ?
4. Elucidate the skills useful in organizational development ?

15.10. References:

1. Fried Lander, F, and Brown, L.D., Organisation Development, Annual review of Psychology Vol. 25 Palo Alto, Calif : Annual reviews, 1974. P.P. 313-342.
2. Argyris. C. Intervention theory and method : A behaviour Science View, Reading, Mass : Addison – Wesley, 1970.

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Lesson - 16

The Organisational Development Approaches to Change

16.0. Objective:

The objective of the lesson is to introduce the organizational development approaches to change.

Structure of the Lesson:

- 16.1. Introduction**
- 16.2. OD approaches to change**
 - 16.2.1. Experimental learning Methods**
 - 16.2.2. Role playing**
 - 16.2.3. Simulation**
 - 16.2.4. Behaviour Modeling**
- 16.3. Changing Attitudes through persuasive Messages**
 - 16.3.1. Establish your credibility**
 - 16.3.2. Use a positive tactful tone**
 - 16.3.3. Make your presentation clear**
 - 16.3.4. Present strong evidence to support your position**
 - 16.3.5. Tailor your argument to the listen**
 - 16.3.6. Use logic**
 - 16.3.7. Use emotional appeals**
- 16.4. Some experiences in organizational development**
 - 16.4.1 OD-A Management Function**
 - 16.4.2 The CEO's Approach**
 - 16.4.3 CEO The Key Man**
- 16.5 Model Question**
- 16.6 References**

16.1. Introduction:

Organizational development (commonly referred to as OD) is a practical and systematic approach to launching and diffusing change in organizations. It is an attempt to improve the overall organizational efficiency. It is basically a long range programme, not a one-shot deal, attempting to change the behavioural attitudes and performance of the total organisational. It is not a one-time training and development, programme but is an ongoing and cycling process. It is a "complex educational strategy which aims to bring about a better fir between the human beings who work in and expect things from organisations, and the busy, unrelenting environment with its insistence on adopting to changing times".

16.2. OD Approaches to Change:

16.2.1 Experiential Learning Methods:

OD programs rely heavily on experiential learning, and the approach emphasized is **laboratory training**. It provides situations in which the trainees themselves experience through their own interactions some of the conditions they are talking about. In this way they more or less experiment on themselves. This kind of training tends to have a greater impact on them than conventional training methods and encourage transfer of the new skills to the job. The following laboratory methods will be discussed; role playing, simulations, and behavior modeling.

16.2.2 Role Playing:

Role playing is a laboratory method that can be used rather easily as a supplement to conventional training methods as well as in OD. It is spontaneous acting of a realistic involving two or more people under classroom conditions. Dialogue spontaneously grows out of the situation as it is developed by the trainees assigned to it. Other trainees in the group serve as observed and critics. Role playing is often considered a substitute for experience. In a sense it is more than experience because it permits technique of observation, discussion, and emphasis that are not customarily a part of experience.

Since people assume roles every day, they are somewhat experienced in the art, and with a certain amount of imagination they can project themselves into roles other than their own. This idea is not new, because dramatics is as old as recorded history. In role playing trainees can broaden their experience by training different approaches, while in actual situations they often have only one chance. People may, in two hours in a role-playing group, observe as many different approaches to a problem as they would in two years of normal experience. By evaluating these different ways of handling the same situation, they are able to see the strengths and weakness of each approach. Here is a sample introducing to a role-playing exercise:

“Suppose that you and another student decided to save money by sharing the text for this course. Everything worked fine until the night before the first test, when you both claim to have a desperate need to use the book for at least three hours of studying. It is now 8:30 P.M.”

At this point you might ask to meet with another role player to act out your approach to the problem. When the role playing is finished, the trainer would likely ask for a report of the various outcomes from different pairs and then discuss examples of how problem was solved and the behavioral ideas that were demonstrated.

Role playing also has weaknesses that partly offset its strengths. It is time-consuming and expensive. It requires experienced trainers because it can easily turn sour without effective direction and subsequent discussion. The trainees may resent it as a childish approach to serious problem unless it is introduced carefully. Some trainees are embarrassed and hesitant to take part.

Conversely, other trainees may place more emphasis on acting and showing off than on the problem involved.

16.2.3 Simulations:

While role-playing exercises are often relatively brief, **simulations** may last for hours or even days. Simulations are comprehensive experimental approaches that create many dimensions of work life in organizations. This may include the physical setting, the organizational hierarchy and roles, and even the production tasks. Simulations are a large step toward re-creating reality, and they provide a more natural setting for observing behavior. Communication patterns, decision-making styles, and conflict resolution approaches provide rich data for assessment and feedback to the participants. Upon completion of the simulations, consultants can lead the group in analyzing what took place. Some issues are:

- What occurred, and why?
- Who talked to whom, and who was excluded?
- How did participants feel about their behavior in the simulation?
- What could they have done better?
- What did they learn that will help them in the future?

One difficulty with simulations is their cost, for they can be expensive to design and operate. Unless the facilitators are carefully trained, there is also a risk that participants will be criticized unless they made the "right" decisions. As with any laboratory method, not all participants are willing to experiment with new behaviors. Unless this happens, the potential learning for both themselves and their colleagues may be limited.

16.2.4 Behaviour Modeling:

One effective form of laboratory training that builds upon the social learning process of observation and imitation is **behavior modeling**. It is a method for teaching skills to handle commonly encountered behavioral problems. For example, the method is used to help supervisors learn to motivate a poor performer, how to deal with a tardy employee, and how to give recognition to an outstanding performer. Behavior modeling relies on demonstration, explanation, practice and feedback.

Here is how a typical program works. After a brief introduction, the trainees see a videotape of one or more successful ways to solve a work problem. A tape or film using professional actors may be used, but typically people in the company do the acting for the sake of greater realism. Trainees discuss why the solution was effective, and then they practice similar solutions in increasingly harder situations.

As trainees leave the class, they are asked to try the new approach before the next class. When they return for the next class, they discuss and even demonstrate their experiences with the new approach. Then a new tape with a different problem is shown and the training cycle is repeated.

As shown Figure 16.1, the training model used for behaviour modeling is entirely different from the traditional training model. For example, traditional lecture- and – discussion methods are used to teach new behavioral frameworks which are supposed to help change attitudes. In turn, the changed attitudes should lead to changed behavior and better results. The assumption is that attitude changes must precede behavior changes.

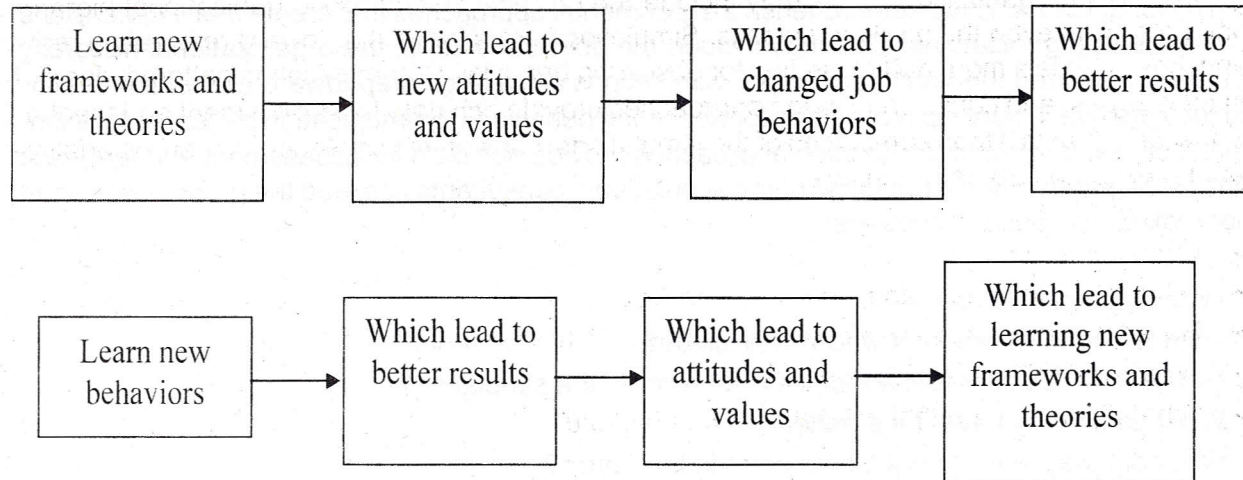


Figure 16.1 Training model used for behaviour modeling

By way of contrast, behavior modeling teaches the behavior first. As the new behavior is observed, trainees see that it produces superior results. After the principles underlying the new behavior are explained, the trainees practice and receive feedback and reinforcement. With this preparation, they return to their jobs with the confidence to experiment. When the behavioral skills work on the job, the trainees fully accept the value of the approach and enthusiastically return for more training in new skills. In this case, behavior change occurs before a change in attitude.

Behavior modeling programs have proved to be successful in changing supervisory behaviors, although it is somewhat costly. Because it is practical and easy to understand, the participants usually like the approach. Behavior modeling has been used most frequently for training supervisors in areas such as handling employee complaints, conducting meetings, and coaching.

Seventeen first-level supervisors in a wood products plant received behavior modeling training on topics such as handling absenteeism, safety violations, and inadequate performers. Results showed that the employees in the plant perceived that their supervisors became more active listeners, engaged in more participative problem solving, and used positive reinforcement more extensively. Turnover and absenteeism rates declined significantly, and three measures of performance improved. Further, the behavior changes were sustained over the six-month follow-up period.

16.3. Changing Attitudes through Persuasive Messages:

You hear through the grapevine that one of your employees thinks you're insensitive to the needs of racial minorities. You know that not to be the case. Is there anything you can do to change this employee's attitude?

We introduced the concept of cognitive dissonance and evidence demonstrating that people dislike inconsistency. Based on that research, we know that one way for employees to reduce dissonance is to change their attitudes to bring them into line with other attitudes or behavior. So if you can arouse dissonance with your employee-possibly through making her aware of specific actions you've taken that clearly demonstrate your concern for racial minorities – you might be able to change her attitude about you.

Another technique for inducing attitude change involves the use of persuasive messages. That is, we can induce others to change their attitudes by consciously manipulating what we say to them. The following summarizes the research on persuasive skills. It emphasizes oral persuasion but can be easily adapted for written communications.

16.3.1 Establish your credibility: Nothing undermines persuasive efforts more than lack of credibility. People don't want to listen to a person they don't trust or believe. Credibility is developed through demonstrating competence, objectivity, and high ethical standards.

16.3.2 Use a positive tactful tone: Assume the person you're trying to persuade is intelligent and mature. Don't talk down to that person. Be respectful, direct, sincere and tactful.

16.3.3 Make your presentation clear: Before you can convincingly articulate your view to someone else, you need to be clear about what it is you want to say. Once your objective is clear, you should present your argument one idea at a time. Don't jump from issue to issue, and avoid unrelated topics. Focus on your end objective, and then present your ideas in a straight path that will lead the person to the conclusion you want and the objective you set.

16.3.4 Present strong evidence to support your position: You need to explain *why* what you want is important. Merely saying your viewpoint is important is not enough?

16.3.5 Tailor your argument to the listener: Effective persuasion demands flexibility. You have to select your argument for your specific target. Whom are you talking to? What are his or her goals, needs, interests, fears, and aspirations? How much does the target know about the subject you're discussing? What are his or her preconceived attitudes on this subject? How entrenched are those attitudes?

16.3.6 Use Logic: While a logical, reasoned argument is not guaranteed to change another's attitudes, if you lack facts and reasons to support your argument, your persuasiveness will almost certainly be undermined.

16.3.7 Use emotional appeals: Presenting clear, rational, and objective evidence in support of your view is often not enough. You should also appeal to a person's emotions. Try to reach inside the subject and understand his or her loves, hates, fears, and frustrations. Then use that information to mold what you say and how you say it.

16.4. Some Experience in Organisational Development:

The wrong notions in the minds of the people are as follows. Some view OD as an activity to be carried out by external agencies. It is more a matter of jargon used by outsiders who are called in the consultants by the company for effecting changes. Changes in the organization are to be brought about by the consultant on OD. The consultant is hired by the company for bringing about OD. The consultant may interview certain levels of senior executives and, subsequently, a certain number of other employees for collecting data. Ultimately, the consultant submits a host of recommendations to the CEO for implementation. Other view OD as the sole concern of certain agents within the organization who are paid to bring about changes. It is therefore their baby and everybody need not be bothered about the change. Unfortunately, there are also arm-clear executives who on one hand are not contributing much to the goals of the organization, and on the other constitute a potential threat to OD by spreading rumours disfavouring OD implementation. In fact, such people aim to scuttle OD efforts. OD, to them, is not a novel exercises for improvement; it is rather an archaic theoretical exercise in futility. When an OD specialist approaches such a person for information, he tries to keep himself at bay from the specialist and leaves the latter with the impression that no OD will work and, therefore, it is not needed in the organisation. Such exercises have also been tried out earlier in the organisation merely as a window-dressing activity, and that too, without any purpose or results. They talk confidently that the organisation can only afford such exercises in terms of money and time for the sake of fame in society.

16.4.1 OD- A Management Function:

The misgivings outlined in the above paragraphs do exist, at least in some of the organizations I am aware of, quite often at the senior level of management. OD is as much a management function, to be precise, as Marketing, production, Planning and Control or any other function is. OD is for the well-being of the total organisation and the people. It takes care of all aspects of the organization to make it vibrant, strong and lively. But basically OD's success depends upon the behaviour, beliefs and assumptions of the CEO about the people and the organisation.

16.4.2 The CEO's approach:

In some organisations, one may come across a CEO who may have a road-roller approach with a string belief in pressure tactics, and who may adopt a 'be nice' behaviour in the people of higher production. Such a CEO talks big about accomplishing things in the interest of the organisation, whereas in reality he may be achieving just the opposite. In fact, the appointment of such a CEO may be political. Ostentatiously, the CEO may read books on scientific management but without any belief in professional management. Whereas the CEO should be the crusader for change and the architect of the organisation, on the contrary, he goes in for organisational change only under pressure from his bosses. Since his orientation is unprofessional, as a self-centered person he may only be interested in self-growth through the projection of concocted high turnover figures on paper. Such persons are not interested in the economic management of the plant. Being the CEO, his words are respected. But, such a CEO is a liability to the organisation. He

takes decisions looking towards short-term gains but ignoring far reaching adverse impacts. Such a CEO exerts himself more for his personal gain than for organisational effectiveness. Such persons may thrive through their political affiliations. Their style of management is termed as highly impersonal, unethical, unprofessional as well as autocratic.

Feeling sick of unprofessional environment, qualified professionals may even leave the organisation. The resultant effect, in turn, is that 'yes' men abound in number and the atmosphere is charged with politicking, personal rivalries between groups, indiscipline as well as lack of organisational goals and conformity rather than performance matters. In a competitive world, such a situation cannot be tolerated. The corporate management may well step in and change the CEO. If corrective action is not taken in time by the corporate management, the already deteriorating situation may take a turn for the worse, become a political issue and the organisations may run into the danger of losing its image. To name OD as a means to end to the troubles and bring improvements in to such a problem – ridden organisation is very much an uphill task. Notwithstanding this OD intervention and commitment of the new CEO for change through OD can lead to lasting gains for the organisation, through at the expense of heavy investments in terms of time and synergy of the top man as well as his team.

16.4.3 CEO's the key man:

The CEO is the key man in making any organisation successful or otherwise. There are several examples to quote to establish this point. The services of an ineffective CEO, however, are always in danger of being dispensed with. Normally, being aware that their career is at stake, people do strive hard to reach the expected norms or standards of performance. The point that professionalism is the only means for survival gets registered in their mind.

A successful CEO builds the organization on the strengths of the individuals who make up the organization. He carries the entire team along with himself in his behaviour which sets the trend in managing the organization. For initiating any change process, he may first scrutinize the cause of the existing ailments, if any, along with self-introspection as to whether he is proceeding in the right direction. He may plan to arrest the descending trends in the organisational processes as also to transact with the internal/ external environments vis-à-vis the market conditions through the OD strategy.

16.5. Conclusion:

OD is a proactive approach for initiating change in an organisation. It is a means to improve the effectiveness of the organisation. OD follows certain processes in its application which has been dealt with in earlier chapters. An organisation has no choice but to go in for professionalism in management and by professionalism I mean a managerial strategy for improvement, growth and happiness throughout the organisation. This managerial strategy is what may be called a strategic approach to change, which also is a part of the OD effort. OD will continue to exist in its application for achieving organisational improvements in the present as well as in the future socio-politico-economic environment. In fact, the higher the threat for survival and growth of the organisation, the greater is the threat for survival and growth of the organisation, the greater is the need for converting the threats into opportunities through managerial innovativeness and strategic

managing. The future of OD exists because the industrial organisations also will always exist as important agents of change in the socio-political system. The future of OD, therefore, is bright and the need for OD approach to change is greater today than ever before, in view of the changed scenario in the country. Organisations need to survive and grow, and the OD strategy is the surest way to success.

16.6 Model Questions:

1. Explain the organisational development approaches to change ?
2. Describe the changing activities through persuasive messages ?

16.7. References:

1. Freud Luthan - Organisatioanl behaviour
2. Keith Davis - Organisatioanl behaviour
3. VSP Rao - Organisational theory behaviour
4. Stephen P Robbins - Organisatioanl behaviour

- Dr. Nagaraju Battu

Lesson - 17

Organisational Development Interventions

17.0. Objective:

After studying this lesson, you should be able to

- ◆ Explain the organisational development interventions, i.e., structural interventions task technology, intervention, people focus interventions.
- ◆ Implications for performance and satisfaction.

Structure of the Lesson:

- 17.1. Introduction
- 17.2. Organisational Development interventions
 - 17.2.1. Structural Interventions
 - 17.2.1.1. Structural Reorganization systems
 - 17.2.1.2. New Reward systems
 - 17.2.1.3. Changing organisational culture
 - 17.2.2. Task Technology Intervention
 - 17.2.2.1. Job design
 - 17.2.2.2. Socio-Technical Systems
 - 17.2.2.3. Quality of work life (QWL)
 - 17.2.2.4. Some basic tenets from socio technical systems.
 - 17.2.3. People-focussed Interventions
 - 17.2.3.1. Sensitivity Training
 - 17.2.3.2. Survey Feedback
 - 17.2.3.3. Process consultation
 - 17.2.3.4. Team Building
 - 17.2.3.5. Inter group Development
- 17.3. Implications for Performance and Satisfaction
- 17.4. Conclusion
- 17.5. Self Assessment Questions
- 17.6. References

17.1. Introduction:

The number of OD interventions is not small. It is large. But they all vary in the range and depth of their penetration into the organizational system and the purpose they serve. No two interventions are alike and there is no single OD method capable of serving all the likely objectives of organisation. Sometimes several methods of OD are used together. Most of the OD interventions are inherited from the predecessor the human relations movement, and some are developed in the recent past. The OD methods essentially lead to action and change guided by learning theory, advanced educational training approaches and the development of skills and insights about the individuals and the development of interpersonal inter group relations.

17.2. Organisational Development and Interventions:

What are some of the OD techniques and interventions for bringing about change? In this section review the more popular intervention techniques. We have categorized them under structural, task-technology, and people-focused interventions.

17.2.1. Structural Interventions:

Structural OD interventions emphasize making organizations more organic and egalitarian. We can see this emphasis in OD programs that include major structural reorganization, introduction of new rewards systems, and efforts to change organizational cultures.

4.2.1.1. Structural Reorganization:

Formal structures are not chiseled in stone. The structural configuration that was right for a firm in 1980 can put it at a competitive disadvantage in 1990. So structural reorganization may be necessary. Recent trends indicate that structures are becoming flatter, more decentralized, and more organic. Notice that these trends are all consistent with OD values.

OD change agents favor flatter organizations for at least three reasons. First, it provides economic benefits. By widening spans of control and cutting the number of vertical levels, the organization reduces administrative over-head costs because there are fewer managers. Second, fewer vertical levels improve communication. Third, wider spans of control typically result in employees having greater autonomy since managers can't directly oversee their subordinates as closely.

Decentralized decision making is a popular intervention favoured by OD change agents. Pushing authority downward creates power equalization. It allows people closest and most knowledgeable about an issue to make decisions regarding that issue. Decentralization also gives lower-level employees greater control over their work.

One increasingly popular way to facilitate decentralization decision making has been through the introduction of computers. Sophisticated computerized information systems change access patterns to information. Many are currently being designed to allow lower-level managers and operative employees to gain direct access to the information they need to make operating decisions.

The trend in OD structural interventions has been toward making organizations more organic. OD change agents are trying to make organizations less bureaucratic so they can respond more quickly to changes in the environment. Where bureaucratic structures are necessary to maintain competitive efficiency, OD change agents have often favored adding organic submits to gain flexibility. Major structural reorganizations are typically quite disruptive and threatening to those people affected. As a result, OD change agents favor employees actively participating in the reorganization process.

4.2.1.2. New Reward Systems:

OD change agents enthusiastically endorse operant conditioning's notion that behavior is a function of its consequences. This focuses attention on the organization's reward system.

Generally speaking, organizations did a poor job in the postwar era in linking rewards to employee performance. Production workers increasingly were paid by the hour rather than by output. Clerical and managerial personnel received a monthly salary that often had little direct relationship to productivity.

As discussed organizations have only recently moved to enact "Pay -for-performance" programs. OD change agents have been actively involved in helping to develop and implement these programs. While individual based bonus plans are most popular, OD change agents typically favor plans that emphasize group and organizational performance. For instance, a significant portion of an employee's compensation might be calculated on the productivity of his or her work team, or comprised of year -end bonuses based on the overall profitability of the company. The reason such programs are favored by OD specialists is that they are more likely than individual based plans to facilitate team work and cooperation.

4.2.1.3. Changing Organizational Culture:

The challenge involved in changing an organization's culture was addressed in the Point-Counter point. As discussed, there is considerable debate about whether organizational cultures can be changed. Even among those who argue that change is possible, it is clear that it's a long-term process.

Regardless of the difficulty, many major corporations -for example, AT &T, Xerox, Scott Paper, and Ford Motor Co. - have undertaken the task. Interestingly, consistent with OD values, the changes have been almost exclusively toward introducing new cultural values - support less management control, increased tolerance for risk and conflict, and opening up communication channels. Many large and historically successful organizations have been learned the hard way that cultures can become obsolete and create serious impediments for responding to a changing environment. Like Weaver Popcorn, presented in this chapter's opening, the emphasis has moved toward making organizational cultures more flexible, more responsive, and more focused on customer needs, service, and quality.

For those organizations taking on the task, what are they doing ? They're reorganizing, replacing and reassigning people in key positions; changing their reward systems; creating new stories, symbols, and rituals; and modifying their selection and socialization process to hire and support individuals who will espouse the new values.

4.2.2. Task - Technology Interventions:

Task - technology interventions emphasize changing the actual jobs that people do and / or the technological processes and tools they use to perform these jobs. Included in this category are job redesign, socio-technical systems, and quality-of-work life programs.

4.2.2.1. Job Redesign:

We discussed job redesign. Examples of redesign interventions include job rotation, enlargement, enrichment, and autonomous work teams.

Job redesign is similar to structural reorganization except instead of focusing the change effort at the level of the organization, the focus is at the job level. As a result, in contrast to organization redesign, job redesign is more widely practiced and can be implemented by lower-level supervisors as well as by senior –level managers.

OD change agents have actively promoted the redesign of jobs along the lines suggested by the job characteristics model. That is, they have sought to take jobs and increase their skill variety, task identity and significance, autonomy, and feedback.

Successful job redesign interventions that follow the job characteristics model share several common qualities. The organizations have cultures that support employee autonomy and participation, they have low formalization that allows flexibility in redesigning tasks, and they either are non-unionized or have the support of the union.

4.2.2.2. Socio-technical Systems:

The accomplishment of any task requires a technology and a social system. The technology consists of the tools, techniques, procedures, skills, knowledge, and devices used by employees to do their jobs. The social system comprises the people who work in the organization and their interrelationships. Proponents of a **socio technical systems** approach to change argue that any successful work design must jointly optimize the social and the technological demands of the job.

When originally introduced in the 1950s, the socio technical systems perspective was one of the first to recognize that the needs of both the organization and the individual employee had to be considered in the design of work. Technology constrains the social system by shaping the behaviors required to operate it. However, if job designers ignore the personalities and attitudes of workers, their interaction patterns, their relationships with their supervisors, and the like, then the best designed technical system will fail to achieve its full potential.

For change agents who want to use socio-technical system as a guide in redesigning jobs, what should they do? Probably the best place to begin is to conceptualize work design as organizing groups of workers rather than individuals alone. Then the various technologies that are within the feasible set for achieving the group's objectives can be evaluated to find the proper match. Outlines some specific tenets derived from the socio-technical systems philosophy.

4.2.2.3. Quality of Work life (QWL) :

A process by which an organization responds to employee needs by developing mechanisms to allow them to share fully in making decisions that design their lives at work.

The term **quality of work life (QWL)** describes a process by which an organization responds to employee needs by developing mechanisms to allow them to share fully in making the decisions that design their lives at work. It may help to think of QWL as an umbrella concept that encompasses literally dozens of specific interventions that have a common goal of humanizing the workplace.

While QWL encompasses a large number of interventions, one author has divided them into eight specific categories.

1. Adequate and fair compensation.
2. A safe and healthy environment.
3. Jobs that develop human capacities.
4. A change for personal growth and security.
5. A social environment that provides personal identity, freedom from prejudice, a sense of community, and upward mobility.
6. Rights of personal privacy, dissent, and due process.
7. A work role that minimizes infringement on personal leisure and family needs.
8. Socially responsible organizational actions.

Any comprehensive list of QWL programs would encompass job redesign, participative management, flextime, and quality circles, as well as programs that offer employees the opportunity to purchase equity in their firms, or programs that provide protection against arbitrary action by their supervisors.

4.2.2.4. Some Basic Tenets from Socio-technical Systems:

1. The work system becomes the basic unit rather than the single jobs into which it is decomposable.
2. Correspondingly, the work group rather than the individual jobholder becomes central.
3. Internal regulation of the system by the group rather than external regulation of individuals by supervisors now becomes possible.
4. The individual becomes viewed as complementary to the machine rather than an extension of it.
5. Variety is increased for both the individual and the organization, rather than variety decreasing, as is common in machine bureaucracies.

4.2.3. People-Focused Interventions:

The vast majority of OD intervention efforts have been directed at changing the attitudes and behaviors of organization members through the processes of communication, decision making, and problem solving. While this group of interventions could include corporate training programs and management development, OD has emphasized five specific people-focused interventions: sensitivity training, survey feedback, process consultation, team building, and intergroup development.

4.2.3.1. Sensitivity Training:

Training groups that seek to change behavior through unstructured group interaction. It can go by a variety of names – laboratory training, **sensitivity training**, encounter groups, or T-groups (training groups) –but all refer to a method of changing behavior through unstructured group interaction. Members are brought together in a free and open environment in which participants discuss themselves and their interactive processes, loosely directed by a professional behavioral scientist. The group is process oriented, which means that individuals learn through observing and participating rather than being told. The professional creates the opportunity for participants to express their ideas, beliefs and attitudes. He or she does not accept- in fact, overtly rejects – any leadership role.

The objectives of the T-groups are to provide the subjects with increased awareness of their own behavior and how others perceive them, greater sensitivity to the behavior and how others perceive them, greater sensitivity to the behavior of others, and increased understanding of group processes. Specific results sought include increased ability to empathize with others, improved listening skills, greater openness, increased tolerance of individual differences, and improved conflict resolution skills.

If individuals lack awareness of how others perceive them, then the successful T-group can effect more realistic self-perceptions, greater group cohesiveness, and a reduction in dysfunctional interpersonal conflicts. Further, it will ideally result in a better integration between the individual and the organization.

4.2.3.2. Survey Feedback:

The use of questionnaires to identify discrepancies among member perceptions, discussion follows and remedies are suggested.

One tool for assessing attitudes held by organizational members, identifying discrepancies among member perceptions, and solving these differences is the **survey feedback** approach.

Everyone in an organization can participate in survey feedback, but of key importance is the organizational family – the manager of any given unit and those employees who report directly to him or her. A questionnaire is usually completed by all members in the organization or unit. Organization members may be asked to suggest questions or may be interviewed to determine what issues are relevant. The questionnaire typically asks members for their perceptions and attitudes on a broad range of topics, including decision making practices; communication effectiveness, coordination between units; and satisfaction with the organization, job, peers, and their immediate supervisor.

The data from this questionnaire are tabulated with data pertaining to an individual's specific "family" and to the entire organization and distributed to employees. These data then become the springboard for identifying problems and clarifying issues that may be creating difficulties for people. In some cases, the manager may be counseled by an external change agent about the meaning of the responses to the questionnaire and may even be given suggested guidelines for leading the organizational family in group discussion of the results. Particular attention is given to the importance of encouraging discussion and ensuring that discussions focus on issues and ideas and not on attacking individuals.

Finally, group discussion in the survey feedback approach should result in members identifying possible implications of the questionnaire's findings.

Are people listening? Are new ideas being generated? Can decision making, interpersonal relations, or job assignments be improved? Answers to questions like these, it is hoped, will result in the group agreeing upon commitments to various actions that will remedy the problems that are identified.

4.2.3.3. Process Consultations:

Consultants give a client insight into what is going on around him or her, within him or her, and between him or her and other people, identifies processes that need improvement.

No organization operates perfectly. Managers often sense that their unit's performance can be improved, but they are unable to identify what can be improved and how it can be improved. The purpose of **process consultation** is for an outside consultant to assist a client, usually a manager, "to perceive, understand, and act upon process events" with which he or she must deal. These might include work flow, informal relationships among unit members, and formal communication channels.

Process consultation (PC) is similar to sensitivity training in its assumption that organizational effectiveness can be improved by dealing with interpersonal problems, and in its emphasis on involvement. But PC is more tasks directed than sensitivity training.

Consultants in PC are there to "give the client 'insight' into what is going on around him, within him, and between him and other people". They do not solve the organization's problems. Rather, the consultant is a guide or coach who advises on the process to help the client solve his or her own problems.

The consultant works with the client in *jointly* diagnosing what processes need improvement. The emphasis is on 'jointly', because the client develops a skill at analyzing processes within his or her unit that can be continually called on long after the consultant is gone. Additionally, by having the client actively participate in both the diagnosis and the development of alternatives, there will be greater understanding of the process and the remedy and less resistance to the action plan chosen.

Importantly, the process consultant need not be an expert in solving the particular problem that is identified. The consultant's expertise lies in diagnosis and developing a helping relationship. If the specific problem uncovered requires technical knowledge outside the client and consultant's expertise, the consultant helps the client to locate such an expert and then instructs the client in how to get the most out of this expert resource.

4.2.3.4. Team Building:

High interaction among group members to increase trust and openness.

Organizations are made up of people working together to achieve some common end. Since people are frequently required to work in groups, considerable attention has been focused in OD on **team building**.

Team building can be applied within groups or at the intergroup level where activities are interdependent. For our discussion, we shall emphasize the intragroup level and leave intergroup development to the next section. As a result, our interest concerns applications to organizational families (command groups), as well as communities project teams, and task groups.

Not all group activity has interdependence of functions. To illustrate, consider a football team and a track team.

Although members on both teams are concerned with the team's total output they function differently. The football team's output depends synergistically on how well each player does his particular job in concert with his teammates. The quarterback's performance depends on the performance of his linemen and receivers, and ends on how well the quarterback throws the ball, and so on. On the other hand, a track team's performance is determined largely by the mere addition of the performances of the individual members.

Chrysler Corp. has used team building to reduce historical conflicts with unionized employees. This group of employees from Chrysler's Newark assembly plant in Delaware implemented the first modern operating agreement negotiated between Chrysler and the United Auto Workers. It allows more flexibility and communication in the workplace and helps labor and management functions as a team.

Team building is applicable to the case of interdependence, such as in football. The objective is to improve co-coordinative efforts of team members which will result in increasing the group's performance.

The activities considered in team building typically include goal setting, development of interpersonal relations among team members, role analysis to clarify each member's role and responsibilities, and team process analysis. Of course, team building may emphasize or exclude certain activities depending on the purpose of the development effort and the specific problems with which the team is confronted. Basically, however, team building attempts to use high interaction among group members to increase trust and openness.

It may be beneficial to begin by having members attempt to define the goals and priorities of the group. This will bring to the surface different perceptions of what the group's purpose may be. Following this, members can evaluate the group's performance – how effective are they in structuring priorities and achieving their goals? This should identify potential problem areas. This self-critique discussion of means and ends can be done with members of the total group present or, where large size impinges on a free interchange of views, may initially take place in smaller groups followed up by the sharing of their findings with the total group.

Team building can also address itself to clarifying each member's role in the group. Each role can be identified and clarified. Previous ambiguities can be brought to the surface. For some individuals, it may offer one of the few opportunities they have had to think through thoroughly what their job is all about and what specific tasks they are expected to carry out if the group is to optimize its effectiveness.

Still another team building activity can be similar to that performed by the process consultant, that is, to analyze key processes that go on within the team to identify the way work is performed and how these processes might be improved to make the team more effective.

4.2.3.5. Intergroup Development:

OD efforts to improve interaction between groups.

A major area of concern in OD is the dysfunction conflict that exists between groups. As a result, this has been a subject to which change efforts have been directed.

Intergroup Development seeks to change the attitudes, stereotypes, and perceptions that groups have of each other. For example, in one company the engineers saw the accounting department as composed of shy and conservative types and the personal department as having a bunch of "smiley types who sit around and plan company picnics". Such stereotypes can have an obvious negative impact on the co-ordinative efforts between the departments.

Although there are several approaches for improving intergroup relations, a popular method emphasizes problem solving. In this method, each group meets independently to develop lists of its perception of themselves, the other groups, and how they believe the other group perceives them. The groups then share their lists, after which similarities and differences are discussed. Differences are clearly articulated, and the groups look for the causes of the disparities.

Are the group's goals at odds? Were perceptions distorted? On what basis were stereotypes formulated? Have some differences been caused by misunderstandings of intentions? Have words and concepts been defined differently by each group? Answers to questions like these clarify the exact nature of the conflict. Once the causes of the difficulty have been identified, the groups can move to the integration phase – working to develop solutions that will improve relations between the groups.

Subgroups, with members from each of the conflicting groups, can now be created for further diagnosis and to begin to formulate possible alternative actions that will improve relations.

4.3. Implications for Performance and Satisfaction:

In this lesson we've discussed structural, task-technology, and people-focused interventions for bringing about change. But do these OD interventions work?

A lot of the evaluative studies of OD interventions lack rigor, relying heavily on case studies and anecdotal data for support. Some researchers have gone so far as to claim that any positive results of OD interventions are due more to the weak or loose methodologies used for evaluation than to the effectiveness of the interventions, and that the more rigorous the research, the more likely the results are to show negative findings. On the other hand, there is evidence that the quality of OD research designs have improved and that methodological weaknesses are more likely to be found in earlier studies. Nevertheless, we should acknowledge that research in this area is far from flawless. However, given this caveat, what *can* we say about OD in its relation to behavior and attitudes?

One meta-analysis of 126 studies looked at the effect of task –technology and people-focused interventions on satisfaction. The authors concluded that : (1) people- focused interventions had a larger effect on attitudes than did task-technology interventions; (2) using two or more interventions is superior to using only one; and (3) the outcomes that result from OD interventions are in most instances situationally specific, so care should be taken in making generalizations.

Another meta-analysis, this one covering 207 interventions, has proven more beneficial in helping us assess effectiveness because it emphasized a wider range of interventions and looked

at more dependent variables. In this meta-analysis, the reviewers placed studies into eleven program categories. The common denominator among these categories is that they all were concerned with introducing change. But as illustrates, many of the interventions were programs consistent with OD values. This would include appraisal and feedback, goal setting, work redesign, organization structure, work schedules, and socio-technical systems.

Table 4.1
Effectiveness of Eleven Intervention Programs

Program	Percent Indicating Positive Effect On		
	Productivity	Absenteeism and Turnover	Attitudes
Recruitment and selection	NS	50	100
Training and instruction	92	71	78
Appraisal and feedback	93	60	67
Goal setting	95	67	70
Financial compensation	90	78	75
Work redesign	88	80	70
Supervisory methods	92	92	100
Organization Structure	100	100	NS
Decision making techniques	100	NS	0
Work schedules	61	73	78
Socio-technical systems redesign	95	70	100
NS = No studies identified			
Adapted from R.A. Katzell and R.A. Guzzo, "Psychological Approaches to Productivity Improvement", <i>American psychologist</i> , April 1983, p. 469.			

The results, in aggregate, are impressive. While some of the results are distorted because of the small number of studies identified, you can't ignore the general direction of the findings: eighty-six percent of the measures of productivity showed improvement, seventy-five percent of the measures of withdrawal showed positive effects and seventy-five percent noted more favorable attitudes toward work. So although the strength of effects vary by type of intervention and choice of dependent variable, change intervention programs overall appear generally to have a positive impact on employee behavior and attitudes.

May be one of the strongest cases for the effectiveness of OD values is a review of more than 500 studies, covering tens of thousands of employees, where change agents moved organizations from having authoritarian to participative climates. One to two years after the change, productivity & earnings in the organizations improved fifteen to forty percent, while control and organizations that didn't undergo the change interventions failed to generate such improvements.

17.4. Conclusion:

OD is systematic, integrated and planned approach meant to improve individual as well as organisational well-being in changed situation. The main objective of OD is to improve the overall effectiveness of the organisations. The popular methods of OD are Kurt Lewin's method, Greiner's

method and Leavitt's model. Action research process includes steps like problem identification, data collection, problem analysis, action plan information and implementation, and feedback. Sensitivity training, job redesign, career planning, survey feedback, MBO, QWL, team building, and process consultation are the major OD interventions. The selection of an OD intervention is influenced by the factors like applicability, feasibility, and acceptability.

17.5. SELF ASSESSMENT QUESTIONS:

1. What is OD interventions?
2. Discuss some of the technique of OD intervention oriented to 'Task' and 'People'?
3. Explain the various interventions of organizational development.

17.6. REFERENCES:

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