

Organizational Development

INTRODUCTION

Organizational transformation, organizational development is a buzz word in successful and growth oriented organizations. Information technology revolution and other technology adoption has made tremendous dent into structure, functioning, systems, process and speed with which change takes place in the organizations. Cycle time of production and delivery of products to customer has improved and cycle time reduction is a continuous phenomenon. As the boundaries of markets have increased with free market concepts, the competitiveness has also increased. Technological change and social revolution that the individual is facing these days, he is experiencing a distinct pressure. It has a sequential impact on life style. It is therefore, essential for organizations to improve organizational culture, redefine and redesign jobs, accord full freedom of work and empower the employees so that the organizational productivity is improved and the employees carry at home the pleasant memories of workplace so that their social life is pleasant and enjoyable. Organizations are at work constantly to improve the job satisfaction of employees through organizational development. Organizations have to keep pace with the external environment to enable internal processes and systems updated. Organization development relates to development of individual, group and introduction of such systems in the organization so that the productivity is increased. Organizational development is about people and the organizations and how they function.

Definitions

Organizational development is a planned process of change in an organization's culture through utilisation of behavioural science technologies.

“Organizational development is a long term efforts, led and supported by top management to improve an organization's visioning, empowerment, learning and problem solving processes, through an ongoing, collaborative management or organization culture – with special emphasis on the culture of intact work teams and other team configurations – utilising the consultant – facilitator role and the theory and technology of applied behavioral science, including action research¹.”

Features of Organizational Development

- (a) **Long term effort:** Organization development can not be completed in short span

of time. As French and Cecil state that it is not a quick fix. It takes several years or even decades to achieve a change. A manager must set very high goals and achieve the same in stages.

- (b) **Organization development must be initiated, led and supported by top management:** Any change to be effective must be planned at the highest level, initiated and supported throughout its journey. Organization development is a serious issue and top management should not loose sight of it even in the worst of the situations. They must encourage subordinates to introduce change leading to development.
- (c) **OD is a visioning process:** 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. It is important, therefore, for the members of the organization to anticipate customer preferences, develop a viable plan to design and produce product and services, which delight them. Application of conceptual skill is important for visioning.
- (d) **OD is an empowerment process:** Empowerment is not meant to be a delegation of authority. It is much more than that. Empowerment envisages identification of leadership qualities and human behaviour practices. It envisages setting up of organizational goals, which promotes individual growth, involving each of the individuals in organizational processes, formulating suitable strategies and attaining organizational empowerment that deals with freedom of action in work environment. It involves job redesign, structural modifications and attainment of goals.
- (e) **Learning process:** Peter Senge describes learning organizations 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 aspirations is set free, and where people are continually learning how to learn together”². Organization development is interaction of individuals, teams and groups functioning within the parameter of various systems and organization processes with the aim of sharing knowledge and achieving environment leading to growth.
- (f) **Organization development is a problem solving process:** Problem solving is a collective process in which individual creativity, commitment, vitality is chanelised to diagnose the problem and solve it. The aim of problem solving is achievement of organizational purpose. Collectively organizational environment plays a vital role in problem solving. If internal environment is ideal, problems ease. Contribution of members for a common cause even makes it easier.
- (g) **An ideal culture is mandatory for Organization Development to be successful:** Organizational processes, systems, visioning, empowerment can be successful if all the members share the common cultural values in the organization. These are ways how organization development can be achieved. Organization culture is something like a fertile land. It consists of basic assumptions, values and norms of behaviour which are perceived as correct. Culture is bedrock of organizational behaviour. The culture is passed on to the new employees. Organizational culture and processes are central to organizational development. Processes are how things are done. For organizational development, it is necessary to enrich organizational culture and update processes to cope with changing environment.

- (h) **Team based and applied science:** Organizational development revolves around teams, the work assigned to them, the process they adopt and ultimately the output. Team is central to organization. They are building blocks of the organization, when team functions well, the whole organization functions well. Teams are usually independent and task oriented. They are self-directed and take full responsibility of job right from planning to executing. Team takes full responsibility of its success and failure. Complex job is undertaken by cross functional teams who assemble for a purpose and when it is achieved they disband for another mission. Organizational development is applied in nature. It relates to people and their behaviour in a particular situation. Models of psychology, social sciences, economics and other interactive fields are necessary for any organizational development efforts to be successful.

Organizational development focuses on culture and process. Individual group operates under a particular process and develops social relationships. Decision making and problem solving is at all levels. Organizational development relies on action research and focuses on total system change on a long term basis. Organizational development relies on continuous change and development of individual employee and organization as a whole.

Organization development **“is a long term philosophy based on collective commitment, vision, empowerment, problem solving and employee welfare where latest technology and organizational processes are used to create quality of work life to achieve organizational effectiveness and transformation into a vibrant, competitive and growth oriented learned organization.”**

Objective of Organizational Development Programme

1. Individual and group development.
2. Development of organizational culture and processes by constant interaction between members irrespective of levels of hierarchy.
3. Inculcating team spirit.
4. Empowerment of social side of employees.
5. Focus of value development.
6. Employee participation and problem solving and decision making at various levels.
7. Evaluate present systems and introduction of new systems thereby achieving total system change if required.
8. Transformation and achievement of competitive edge of the organization.
9. Achieve organizational growth by total human inputs by way of research and development, innovations, creativity and exploiting human talent.

Quality of Work Life

Objective of quality of work life (QWL) is to improve the general working environment of the organization so that the employees enjoy working because they feel pleasant experience interacting with each other. Lawler (1975) suggests that one of the ways of measuring QWL is to focus on the behavioural outcomes such as rate of turnover, absenteeism, drug abuse, alcoholism, and mental and physical illness resulting from psychologically harmful jobs.

Dubin (1975) points out that job involvement or the self investment of individuals at work is a good index of QWL experienced at work. Uma Sekaran has explained QWL encompassing the extent of job involvement or self-investment at work, their sense of competence (i.e., the extent of their confidence in their own competence at work), the job satisfaction or the satisfaction they derive from the various facets of their work such as from the nature of the job itself, the supervision, co-workers, pay, promotional oppourtunities, growth and development on the job, and other aspects of work environment. Mental health of the employees is also an important factor to measure QWL. Uma Sekaram has carried out research studies in this respect and developed a model of mental health. He has considered individual, job, organization and other network factors as independent variables. Job involvement, sense of competence and job satisfaction as intervening variables and mental health as dependant variable which is an ultimate indicator of QWL. The model is explained in Figure 19.1 below:

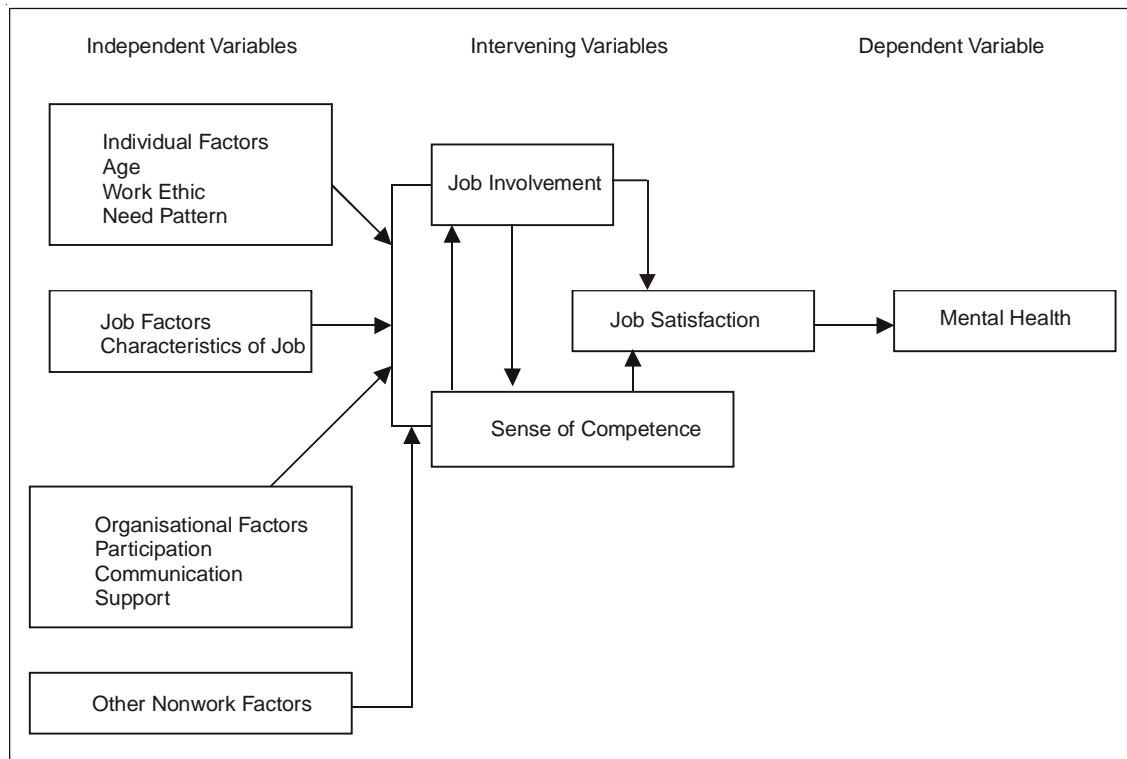


Fig. 19.1. Paths to the Mental Health of Employees

QWL, apart from employee point of view, is also considered from organizational point of view that includes factors that measure organizational growth and effectiveness. These include profits, market share, customer satisfaction, product quality, product innovativeness, services after sales and the image they carry. Social aspect of the QWL measures factors like ecology maintenance, pollution control generating additional employment, social responsiveness etc. QWL is therefore measured by combined impact of individuals delight, organizational growth and societal gains.

Features of Quality of Work Life

Quality of work life is a concept evolved to solve problems and achieve organizational development. Some of the feature of QWL are as under:

1. Team building and voluntary participation of employees in organizational developmental programme.
2. Training of employees in team problem solving.
3. An understanding of no loss of job in the event of loss caused due to implementation of QWL programmes.
4. Training and development of employees.
5. Use of quality circles and organization for periodic meetings to review the progress of quality of products and to study the problems affecting employee performance of the plant level and general work environment.
6. Organization of meetings, brain storming sessions to discuss on the matters of customer welfare, quality, safety, customer care and production schedules.
7. Job designing.
8. Skill training.
9. Autonomy of planning.
10. Evolving various methods to promote responsiveness of workers.
11. Any other issue which promotes employee autonomy, problem solving and improvement of work culture within the overall umbrella of development of organization.

ORGANIZATIONAL DEVELOPMENT INTERVENTION STRATEGIES

Study of organizational development can be carried out on four different fronts as under:

- (a) People side or organization which includes personal counselling and career planning at intra personal level.
- (b) Problem solving, interpersonal communication and interpersonal relationship at dyadic level.
- (c) Group goal achievement and aspects related to group dynamics at group level.
- (d) Societal level, organizational development intervention may include assisting people to resolve their personal problems like housing, education, induction programmes and social acceptance especially for those who are new to the organization. Organizational development strategies can be broadly classified in Figure 19.2 on the next page.

Organizational Strategies for Personal Concern

1. Sensitivity Training

Sensitivity training was first introduced by Kurt Lewin in 1945. Sensitivity training is also known as T-groups or Lab training. The method is used to train teams with an ultimate objective of organizational development. Sensitivity training envisages formation of unstructured small groups. Members of the group interact with each other and learn from various situations. Kurt Lewin was a profile theorist, researcher and practioner of interpersonal and inter group dynamics and a strong propagator of community relationship

| OD Strategies for personal concern | Job related OD interventions |
|------------------------------------|------------------------------|
| Sensitively training | Work flow |
| Transactional analysis | Job redesigning |
| Process consultations | |
| Team building interventions | |
| Third party interventions | |
| Individual counseling | |
| Life and career planning | |
| Role playing | |

| Social-technical intervention | Structural interventions |
|---|----------------------------|
| System analysis | Change in physical setting |
| Flexible work hours | Formalisation |
| Job sharing facilities | Organizational mirroring |
| Job evaluation and role analysis techniques | |

Fig. 19.2. Diagram showing Intervention Strategies

as an approach to overall organizational development. T group developed various models of role playing, learning, change and transactional nature of human beings. Team building dynamics was the major contribution of T group. Vertically structured group was used which, divert with personal topics, interpersonal relations, communication and self analysis. Sensitivity training also involved organizational topic like deadlines, study pertaining to duties and responsibilities, policy, procedures and inter organizational group relationship.

Lewin carried out sensitivity training by field theory, group dynamics, evolving change processes and action research that was of profound importance to people involved in development. The method helped individual to change attitude, understand human nature, modify behaviour to suit a particular situation and be a useful member of the team.

2. Team Building Interventions

Teams: Team is a small number of people with complimentary skills who are committed to a common purpose, set of performance goals, and an approach for which they hold, themselves mutually accountable. (Katzenbach and Douglas Smith) Teams have emerged as the most important group phenonenon in various organizations. Joseph Juran first tried to adopt “team approach to problem solving”. Today, teams have become increasingly popular as a result of advanced information technology and concern for total quality management and organizational learning processes. Organizational development has shifted from a reliance on individual managers and workers to inter-functional management teams and work teams that focus on complex problems and tasks. Teams can be formed for any purpose. They can go beyond traditional formal work group by having a collective synergistic

effect. Production teams, teams for rendering advice in the form of board and review panels are generally formed. Teams can also be formed for completion of the specific task like research and development, engineering work etc. Action teams for sports, entertainment, expedition, surgery and negotiation are also formed. The objective of such teams are to plan, implement and receive feedback of the job done. However Quality Circles and Self Managed Teams are very common in most of the organizations.

Teams and Work-groups: “Team” is frequently used for any group, especially to get them to work to-gether and to motivate them. Jon and Douglas differentiated team and work-group. A work-group’s performance is a function of what its members do as individuals. A team’s performance includes both individual results and what we call “Collective work products”. A collective work products is what two or more members must work to-gether. It reflects the joint, real contribution of team members. Comparative understanding of teams and the work-group is given below:

| Teams | Work-group |
|---|--|
| <ol style="list-style-type: none"> 1. Plays a shared leadership role. 2. Team has individual as well as mutual accountability. 3. Team has a specific purpose. It is a specific part of organizational purpose. 4. Collective work products. 5. Encourages open ended, active Problem-solving meetings. 6. It measures performance directly by assessing collective work products. 7. The team discusses, decides, and Real work together. | <ol style="list-style-type: none"> 1. The workgroup has strong, clearly focused leader. 2. Individual accountability for the part of work he is doing. 3. Its purpose is the same that of the organization. 4. Work group has individual work products. 5. Work group runs effective meetings. 6. Work group measures effectiveness directly (for example, financial performance of overall business). 7. It discusses, decides, and work together. |

Fig. 19.3. Comparison of team and work group

(Reference Jon R.Kazenback and Douglas K. Smith, “The Discipline Teams” Havard Sussiness Review)

Quality Circles and Self-managed Teams

Quality circles are made up of volunteers from the lower levels of operations in manufacturing and offer advice to management on improving quality and productivity. On the contrary, self-managed teams, sometimes called autonomous work teams, are formally designated by management and can be made up of employees from all levels. Self-managed teams may make decisions and do the real work of the organization. These teams have no appointed manager. They do their own managerial functions.

Development of Self-managed Teams: Self-managed teams can be developed to a great extent. These teams should be made up of dedicated people who enjoy working together, who maintains high standards and demonstrate high productivity. These teams should be monitored on a regular basis and evaluated in the following areas:

- (a) Team mission
- (b) Goal achievement

- (c) Empowerment
- (d) Open and honest communication
- (e) Positive role and norms

By controlling such key functions, self-managed teams can be effective and contribute to the performance goals of the organization⁴. Effectiveness of the team can be achieved by considering following points:

- (a) A proper training and development schedule should be planned well in advance.
- (b) A facilitator (trainer) must be co-opted with the team right from the beginning. Team members and facilitator should develop rapport. Facilitator should create an environment where individual member can clear his doubts without hesitation.
- (c) Group goals should be set up in advance and required resources made available to the team. Processes should be well established.
- (d) Decision making, delegation of authority and extent of empowerment be clearly spelt out by the organization. Members should experience autonomy in the work environment.
- (e) The group should be trained in various methods of group decision making, intra group relations and have an adequate knowledge of various group functions
- (f) Intra-group procedures involving setting up of meeting format, involving taking down of minutes of conference and progressing each point should be known to each of the members of the group.
- (g) Team members should be so trained that they are self-managed.

3. Transactional Analysis

We have already studied transactional analysis in Chapter 10. TA was first introduced by Eric Berne in 1964. He stated that every individual has three ego states in varying degree. Person acts and reacts depending upon situation and the ego state displayed by the person with whom one is interacting.

- (a) Parent ego state represents feelings of superiority, authority, being judgemental and so on.
- (b) Adult ego state represents maturity, objectivity, logic and rationality in communication.
- (c) Child ego state indicates dependant, impulsive and rebellious nature of behaviour. Most of us have one dominant ego state. Any communication between two people is called transaction. The transaction can be analysed in terms of ego state from which each of the transactions can be complimentary, crossed and ulterior. Complimentary transaction are those transactions where two people communicate verbally from a compatible ego state. For example adult to adult communication. Crossed transaction occur when a message from one ego state is responded in a incompatible ego state. An adult to child communication falls in this category. Such type of communications are not good and it produces anger, resentment and frustration between the two individuals involved in the communication. An ulterior transactions take place when two parties involve themselves in communication where main issue is circumvented.

- (d) TA is a useful technique to understand people, their attitude and behaviour. Communication should preferably be from adult-adult ego state. This will lead to better understanding and logical approach to the problem. Crossed and ulterior communication should be avoided while interacting with each other. TA helps to quickly identify and untangle crossed transactions. By understanding the extent to which ulterior transactions occur in organizations, efforts can be made, if necessary to minimize them since avoiding authentic encounters adversely affects the organizational effectiveness. It is therefore necessary for the employees to identify individual ego state, situations under which one is working, organizational stress and its effect on individual behaviour and transact accordingly. By practice, interpersonal problems can be reduced to a great extent and organizational growth is achieved.

4. Process Consultation

Process consultation requires combination of skills in establishing helping relationship, knowing what kinds of processes to look for in organizations and intervening in ways to improve organizational processes (Schein, 1969). The essence of process consultation is that a skilled consultant (facilitator) works with managers, groups and individuals with the object of developing their process skills. It involves diagnosing, understanding and solving process related problems. There are various processes in the organizations like enrolment process, administrative process having various sub-processes within it. The managers have to evolve a particular process and see to it that it is implemented by all the employees. For example communication process. In this process manager must ensure free flow of vertical, horizontal and diagonal information flow and that no work should suffer for want of required information in required format. Should there be any problem an outsider consultant is employed to examine the process, identify problem areas, suggest solutions, implement and obtain feedback. It involves ascertaining solutions to various issues in the organization. Major processes that are generally evaluated are as under:

- (a) Organizational structure and organizational design modification
- (b) Dynamics of inter-personal relationship
- (c) Nature and scope of communication
- (d) Issues relating to leadership style that are followed by various leaders
- (e) Group problem solving on organizational, social and domestic issues
- (f) Decision making process
- (g) Welfare measures
- (h) Training and development
- (i) Issues of production, Quality control leading to product modification and thereby achieving organizational effectiveness.

The process consultation sensitizes the individuals who are directly or indirectly involved in above processes. Phenomenon is observed in the organizational systems where individual display their voluntary commitment to develop organizational processes and assist each other to resolve issues irrespective of their departmental boundary.

5. Third Party Peacemaking Interventions

Third party interventions are used by a facilitator to resolve conflict in the organization.

Walton (1969) suggests that a fundamental aspect of third party peacemaking is for the consultant to make two disagreeing parties to confront and agree that the conflict does exist which is leading to situation where organizational development is hampering. The problem generally relates to emotional disagreement by conflicting parties. The facilitator resolves the issue by creating congenial atmosphere by way of selecting a place, mode and appropriate agenda for the meeting. During the conduct of meeting, he evolves such techniques that both parties do agree that there exist a conflict between them. The facilitator identifies the problem and suggest remedial methods. If the problem is of structural nature like sharing scares resources, then the problem solving strategies are implemented. If the problem is of emotional nature like anger, distrust, fear the consultant has to adopt strategies for behaviour modification. This will take a reasonably longer time and efforts to resolve the problem.

6. Individual Counselling

Counselling refers to the process of advising an employee or preferably in most cases, listening to the statement of his problem and enabling him to form his own thinking and taking a solution for it (Harrel)⁵. Counselling relates to understanding and helping people. As counselling involves discussion, it forms a process of communication. Effective counselling is a function of communication skills by which an individual tends to share his emotions with another individual. Counselling deals with resolving emotional difficulties of individuals which excludes mental illness. Although the emotional problems may not appear to be very significant to others, they are important to the individual who has them and thus whose productive efficiency is affected by them. The problems may relate to stagnation in promotion, job insecurity, feeling inappropriate handling by superiors, job stress and the like. Apart from emotional imbalance, need for counselling may arise from varied on-and-off the job conditions such as dissatisfaction, resistance to change, alienation, frustration, stress and conflict. Counselling provides to solve employee problems so that they develop self-confidence, self-worth, understanding and ability to work effectively. Various functions therefore of counselling are to advice, reassurance, communication, release of emotional tension, clarified thinking and re-orientation (Keat Devis)⁶. While performing the above functions, counselling may have several accomplishments. (Maier) indicates seven such accomplishments of counselling. These are

- (a) Identification of attitudes and values.
- (b) Reduction of frustration
- (c) Location and acceptance of true problems
- (d) Stimulation of problem solving
- (e) Development of responsibility
- (f) Conformity of solution with value system
- (g) Availability of expert knowledge

Counselling is of two types:

- (a) **Directive Counselling:** Directive counselling is process of listening to employees emotional problems and advising him. Advice is not preferred as compared to listening. Facilitator may develop mutual understanding with the individual so that the later may be free to release his tension and thus modify self behaviour.

The advice and assurance provided by the counsellor during the counselling process may be worthwhile if the employee has faith in the counsellor. It is more of matter of trust and belief between the two.

- (b) **Non-directive Counselling:** Roger's, the founder of non-directive counselling states as, "within the client reside constructive forces whose strength and uniformity have been either entirely unrecognized or grossly underestimated. In most of us, if not all, individuals there exists growth forces, tendencies towards self-actualization. The individual has the capacity and the strength to devise, quite unguided, the steps which will lead him to a more mature and more comfortable relationship to his reality. All of his capacities are realized in the individual if a suitable psychological environment is provided (Rogers)⁷. This non-directive counselling is instrumental in the release of dynamic forces within the individual and resolving emotional problems.

7. Life and Career Planning

Life has become very fast because of automation, Social change, technological leap. Expectation of individual have therefore grown out of proportion. In a family both husband and wife are earning members and they desire growth and social recognition. It is the responsibility of the organization to plan growth of each of the officer/ managerial cadre. This will enhance organization culture, growth and develop sense of belonging. This will also facilitate succession in the family run organizations. At supervisor and workers level, training and development is essential. It is the responsibility of the line managers to organize periodic cadres, refresher courses, promotion cadres and ensure that the work force is kept updated. Career Manning Cell should be established in large organization, whose sole responsibility should be to plan, organize and conduct career planning courses in consultation with HR department, training institutes, government agencies and NGOs. One of the drawbacks of career planning is constant turnover of employees for various reasons. If career planning is effective, the employee turnover will reduce drastically. Career planning is one the important functions of the organization which should be taken seriously.

8. Role Playing

Role playing is a spontaneous acting of a realistic situation. Real life situations are used to teach the trainees. When role is played by few individuals, the others observe and criticize at the end of the session. Role playing is a substitute for experience. It emphasizes techniques of observation, participation, copy and discussion. Trainees try to enrich by trying different approaches of role playing. Role playing as a tool of organizational development is an important instrument. It should be carried out under an expert so as to derive maximum advantage.

JOB RELATED INTERVENTIONS

1. Workflow

In highly technological environment, every job has to be reviewed periodically to ensure the job has the following attributes:

- (a) **Task identity:** As far as possible a job must identify “**whole**” from its inception to its completion. It is necessary because a worker identifies himself with the job and derieves a greater satisfaction.
- (b) **Meaningfulness:** While designing a job due care should be taken that every job should involve skill variety. The job should encompass use of abilities of individuals. The job should not be of routine nature.
- (c) **Task Significance:** Employees will derieve maximum satisfaction if the job they are doing is of a great significance. For example manufacturing of a firing mechanism in a petrol vehicle is of great significance.
- (d) **Autonomy:** Employees should enjoy autonomy while they are performing. Freedom of action, decision making and discretion in scheduling a job adds to the organizational development efforts. autonomy envisages the content, structure and organization of job is such that individuals or groups performing those jobs can plan, regulate and control their own work. Autonomy implies use of individual skills effectively so that the contribution to accomplishment of job is meaningful. It regulates the individual. Autonomy is self govenrnance.

2. Job Evaluation

Wendell French defines job evaluation as “a process of determining the relative worth of the various jobs within the organization, so that differential wages may be paid to jobs of different worth. Relative worth of a job means relative value produced.” The variables which are assumed to be related to value produced are such factors as responsibility, skill, efforts and working conditions. It is important to note that job evaluation is ranking of job, not the job holder. Job holders are rated through performance appraisal. Job evaluation provides basis for developing job hierarchy and fixing structure. It must be remembered that job evaluation is about relationship, and not absolute. That is why job evaluation cannot be sole determining factor for deciding pay structure. Various external factors like technological changes, labour market, collective bargaining capacity of the workers political and economic factors affect the level of wages. It is important to note that regular review of various jobs should be done by the organization and suitable modification to pay structure made. Employees have a positive impact on personal development. It is at the work place that the individual derieve their satisfaction and further organizational development in a long run.

3. Job Redesign Strategies

Job design refers to the study of jobs, tasks and constellations of tasks. It includes job enrichment, job enlargement, job characteristics models and social information processing perspectives. The traditional approach involved fitting people to job. A more recent approach to designing jobs incorporates both objectively gathered descriptions of the jobs and the perceived requirements and relationships of job holders. Since Hertzberg’s work on job enrichment, a great deal of interest has been aroused in job redesigning, apart from collecting data pertaining to the job and work, a great deal of emphasis on human values have been added. Davis proposed the concept of job design as “the organization (structuring) of a job to satisfy the technical – organizational requirements of the work to be accomplished and the human requirements of the person performing the work”. Job designs change as job holder needs and work requirement change. Job redesign strategies seek to address these

changes. Job redesign approaches aimed at enhancing productivity and employee motivation include job enlargement. Scope of the job, variety, activities, number of processes and required skills to accomplish work. Job extension, (doing more of the same work), is a form of job enlargement.

Socio-Technical Interventions

1. Systems Analysis

An organization should study environment both external and internal, analyse the socio-economic factors like prevailing standard of living, social demands on employees, aspirations of children and the ability of the individual to fulfill the same. Demographic factors also play a dominant role in the organizational development paradigm. Based on the above factors an organization should design its reward system so that the employee is able to live in a desired level and meet its social obligation. This is important because the systems so evolved would be able to generate enthusiasm and desire to excel in the job that will bring growth to the organization. Contingency approach should be adopted by the managers in this respect and aspirations of the employees be met. Off late the individual has started comparing his status vis-vis the status of the workers word over. Certain amount of parity is required to be adopted by the organizations. In the light of the above discussion following system needs attention:

- (a) Recruitment system
- (b) Reward system
- (c) Appraisal system
- (d) Training and development
- (e) Organizational mission with particular reference to growth potential
- (f) Technical upgradation
- (g) Social recognition
- (h) Ability and will of the organization to plan for the growth of children of the employees to enable them to be competitive in the present social scenario.

2. Flexible Work Hours

Organization should plan working based on brick pattern. The responsibility to produce is assigned to teams and work groups. The work should be assigned to them based on timings. All the resources are made available and no interference be made by the senior members thereby providing them the total autonomy. Concept of flexi hours has been discussed in greater details in Job Design chapter. Flexible work hours are necessary for dual career families. For instance, dual career members, who are now trying to combine their family and work lives, face problems managing their work – family interface. Workshop conducted for both spouses on time management, childcare, stress management, and management of the overlaps among the work and family boundaries will be immensely helpful for the members. Uma Sekaran concluded that spending organizational resources for such workshops increase the productivity for the organization⁸.

3. Job Sharing Facilities

Organizations should create job-sharing facilities within the organization and may also

have tie-ups with other organization for sharing the job. This is particularly required for research and development branch of any organization. Job sharing creates additional facility without any monetary burden on the organization and optimum utilization of resources is achieved. If the facilities are available for performing the work, employees can meet the dead line of their tasks.

4. Job Evaluation and Role Analysis Techniques

An individual should be trained in handling more than one job so that, should there be need, he could be gainfully employed in a different role (job). Individual has to play different roles in the organization. He should be made self-sufficient so that he can fulfill his obligation. It is important that an individual should be satisfied on the job he is performing. Job redesign, job rotation, job simplification, job automation is some of the methods where organizational development takes place.

Structural Interventions

1. Change in Physical Setting

Physical setting and its importance on productivity is a subject on which lot of work has been done. The objective of ideal physical setting of machinery is to reduce physical fatigue to the worker and afford his maximum physical convenience in doing the job. This involves layout of the machinery, position of the operator, availability of tools and raw material. This also involves the supervision that is required to be carried out by the superiors. For example you would see the layout in the banks or in a bottling plant. There are standard layouts available and the organization can adopt them with suitable modification. The objective is to improve productivity. Taylor has done the pioneering work on the subject in early twentieth century when management concepts were in evolution stage.

2. Formalization

Formalization refers to the extent to which policies, procedures, rules, regulation exists in the organization. Policies are basic guideline and principles based on which the organizational objectives are to be fulfilled. Policies are laid down with great thought and deliberation and are indicative of the culture, the organization wants to follow. Policies are mandatory requirements of any system. Policies are general in nature and gives basic guidelines to the manager how to operate. For example recruitment policy or training and development policy for managers. While rules and regulations are strict in nature and individuals have to obey those. There is no scope for deviation. These are prescribed codes of conduct that needs to be strictly followed. Procedures are methods which are practical in nature to carryout any work and the steps involved in it. These are generally stated in the standing orders for an organization. These are necessary to relieve managers of any necessity of directing, so that he can concentrate on the job exclusively. There are certain situations that are not covered in the policy of the organization. Under such situation manager has to interpret the event/situation and give his decision. This phenomenon is called "management by exception". Thus formalization of rules regulations, policies and procedures help managers to focus on the primary managerial functions. Too much of formalization is not advisable as it reduces the personal contact between employees and

managers. It also gives the feeling of too much of bureaucracy and lack of operational freedom. For creativity and innovation less of formalization is recommended. For organizational development, it is therefore necessary to ensure mix of both formalization and work autonomy to the employees.

3. Organizational Mirroring

Organizational mirroring is an intervention technique to assess and improve organization's effectiveness by obtaining feedback from the organizations it is interacting. When an organization experiences difficulties working with other organizations, it can seek assistance from these organizations. The process of organization mirroring is as under:

- (i) Representative from outside organizations like suppliers, government organizations with whom host organization is facing problems are invited for mirroring or reflect back their perception.
- (ii) Consultant generally interviews the people attending the meeting in advance of the scheduled meeting.
- (iii) Consultant in the interview identifies the magnitude of the problem the host organization is facing.
- (iv) Meeting continues in which groups/sub-groups identifies problems faced by the host organization and suggest solutions.
- (v) Host organization should be genuine in wanting to resolve problems it is facing with the external organizations, and then only, the organizational mirroring can be of use.
- (vi) Host organization should implement the action plan developed during the meeting.

LEARNING ORGANIZATIONS

Major work towards learning organization was done by Frederick W. Taylor by introduction of scientific management. However, use of term learning organization is usually attributed to seminal work of Chris Argyris and his colleagues, who made the distinction first – order or “single – loop” and second – order or “double loop” learning⁹.

1. Single – loop Learning

It involves improving the organization's capacity to achieve known objectives. It is associated with routine and behavioural learning. Under single – loop, the organization is learning without significant change in basic assumptions.

2. Double – loop Learning

It re-evaluates the nature of the organizations objective and the values and belief surrounding them. This type of learning involves changing of the organization's culture. Single – loop and double – loop learning organization made a drastic change in the present times, in which adoptive learning, generally based on change in basic assumptions like cultural, value and structural change was introduced. The system faced several difficulties. The more important generative learning was needed. Generative learning involves creativity and innovations. Generative process leads to a total reframing of an organisation's experiences and learning from that process. Generative learning was propagated by Senge. Based on the above factors, characteristics of the learning organization is given in Figure 19.4.

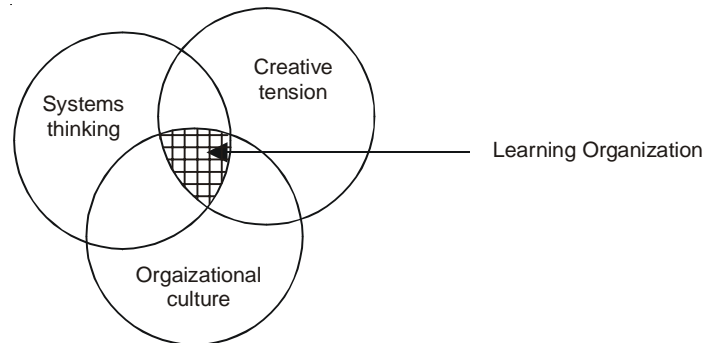


Fig. 19.4. Learning Organization (Source – Luthans)

Figure 19.4 shows the three major dimensions or characteristics of learning organizations. The presence of tension – Senge calls it “**Creative tension**” – serves as a catalyst or motivational need to learn. This tension stems from the gap between the organization’s vision and reality and suggests the learning organizations continually questioning and challenging the status quo. The second circle – “**systems thinking**” refers to the ability of learning organizations to recognize the shared vision of employees throughout the whole organization and the openness to new ideas and the external environment. The third major characteristics is the “**organizational culture**”. It must place a high value to learning and setting up of a mechanism for suggestions, teams, empowerment and empathy. The factor of empathy reflects the genuine concern and interest in employee suggestion and innovations that can be backed up by reward system. The congruence of the three circles thus formed can be called as truly a learning organization.

Innovation

Innovation is the process of creating new ideas and putting them into practice. It is the means by which creative ideas find their way into everyday practices, ideally practices that contribute to improved customer service or organizational productivity. Product innovation result in the introduction of new or improved goods or services to better meet customer needs. Process innovations result in the introduction of new and better work methods and operations.

Innovation Process

New product development can be carried out by innovative ideas. The process of innovation takes the following four steps:

1. **Idea Generation:** To create an idea through spontaneous creativity, ingenuity, and information processing.
2. **Initial Experimentation:** To establish the idea’s potential value and application.
3. **Feasibility Determination:** To identity anticipated costs and benefits.
4. **Final Application:** To produce and market a new product or services, or to implement a new approach to operations.

The innovation process is not complete until final application has been achieved. A new idea – even a great one – is not enough, In any organization, the idea must pass through

all stages of innovation and reach the point of final application before its value can be realized.

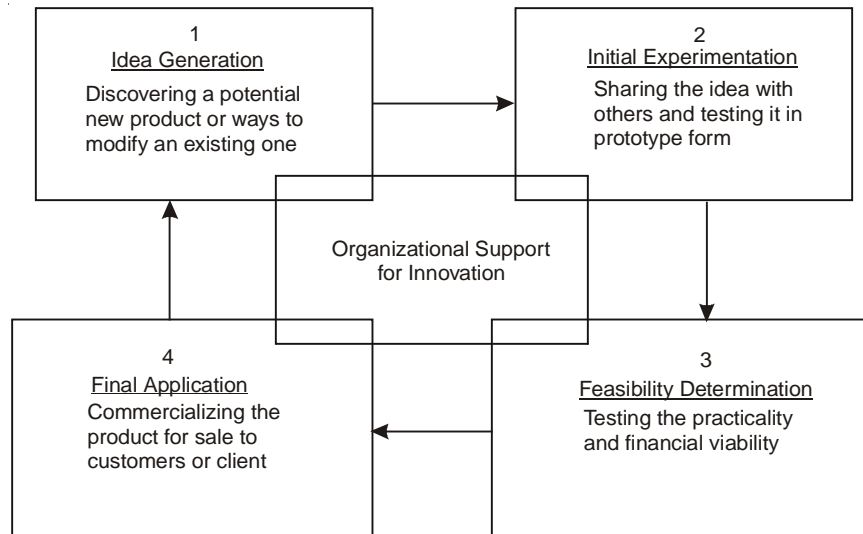


Fig. 19.5. Innovation Process: New Product Development.

Features of Innovative Organization:

- (a) Highly innovative organizations have strategies and cultures that are build around a commitment to innovation.
- (b) Tolerance to mistakes and respect for well – intentioned ideas.
- (c) Highly innovative organizations have structures that support innovation.
- (d) Emphasise creativity through team work and cross functional integration.
- (e) Innovative organizations practice decentralisation and empowerment.
- (f) Plan and staff organization with clear commitment to innovation.
- (g) Innovative organizations pay special attention to critical innovation roles of idea generators, information gatekeepers, product champions and project leaders.
- (h) Innovative organizations benefit from top – management support.

Creativity

Creativity generates unique and noval responses to problems. Individual decisions are made by one individual on behalf of a group. In a dynamic environment full of non routine problems, creativity in crafting decisions often determines how well people and organizations do in response to complex challenges¹⁰. We have examined in chapter on group dynamics that the group, as an important resource for improving creativity in decision making. Indeed,making good use of such traditional techniques as brain storming, nominal groups,and the Delphy techniques can greatly expand the creative potential of people and organizations. MIS, DSS and other computer based techniques futher enhance decision making ability of individuals.

Stages of Creative Thinking: Creative thinking is carried out in five stages as under:¹¹

- (a) **Preparation:** In this stage people engage in the active learning and day to day sensing required to deal successfully with complex environment.
- (b) **Concentration:** Actual problems are defined and framed so that alternatives can be considered for dealing with them.
- (c) **Incubation:** People look at the problems in diverse ways that permit the consideration of unusual alternatives, avoiding tendencies towards purely linear and systematic problem solving.
- (d) **Illumination:** In this stage people respond to flashes of insight and recognize the problem.
- (e) **Verification:** Refers to proceeds with logical analysis to confirm that good problem-solving decisions have been made.

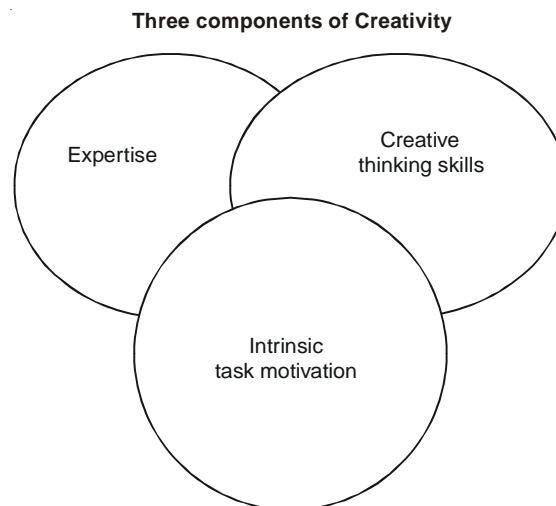
All these stages of creativity need support and encouragement in the organizational environment. However creative thinking in decision making can be limited by number of factors. These are 1. Judgemental heuristics can limit the search for number of alternatives. 2. When attractive options are left unconsidered. 3. Cultural and environment blocks.

Creativity Model

The rational decision maker needs creativity: this is the ability to produce novel and useful ideas. Most people have creative potential that they can use when confronted with decision making problem. But to unleash that potential, they have to get out of the psychological ruts most of us get into and learn how to think about a problem in divergent ways.

Three Component Model of Creativity

This model is based on the extensive work done by T.M.Ambabile on the subject. This model proposes that individual creativity essentially requires expertise, creative-thinking skills, and intrinsic task motivation. The shown is shown in Figure 19.6 below:



(Source: T.M. Ambabile "Motivating of Creativity in organizations". California Management Review 1997)

Fig. 19.6. Creativity Model

1. Expertise

Expertise is the foundation of all creative work. Aryabhata had an expertise hence he was creative in Mathematics. Dr. Bhaba's knowledge of Physics made him creative in nuclear sciences. The potential for creativity is enhanced when individuals have ability, knowledge and proficiencies.

2. Creative Thinking Skills

This encompasses personality characteristics associated with creativity, the ability to use analogies, as well as the talent to see the familiar in a different light. For instance, the following individual traits have been found to be associated with the development of creative ideas: intelligence, independence, self-confidence, risk taking, an internal locus of control, tolerance for ambiguity and perseverance in the face of frustration¹². Introduction of telephone has been possible to use analogy of ear drum.

3. Intrinsic Task Motivation

This is desire to work on something because it is interesting, involving, exciting, satisfying or personally challenging. This motivational component is what turns creativity potential into actual creative ideas. It determines the extent to which individual fully engage their expertise and creative skills. Creative people often love their work. An individual's work environment can have a significant effect on intrinsic motivation. Specially, five organizational factors have been found that can impede your creativity: 1. expected evaluation-focussing on how your work is going to be evaluated; 2. Surveillance – being watched while you are working; 3 external motivators-emphazing external, tangible rewards; 4. competition-facing win-loose situation with peers; 5. constrained choice-being given limits on how you can do your work¹³. It is therefore necessary to objectively study and lay down evaluation systems. Installation of cameras for boss to observe what workers are doing is a bygone method of supervision as it kills creativity. For enhancement of creativity healthy competition and autonomy in work environment is necessary.

SUMMARY

Growth oriented organizations have to study the internal and external environment and make suitable changes. Introduction of information technology, knowledge revolution, technology advancement, competition due to global market scenario, high expectations of customers due to social revolution, and last but not the least the work pressure an employee is facing has made it necessary to carry out organizational development in a planned way. It is imperative to improve organizational culture, redesign and redefine jobs and accord full freedom of action and autonomy to workers so that the organization is always a learning organization. Organization development therefore is a planned process of change in an organization's culture through utilization of behavioral science technologies. Organizational development has following features 1. It is long term 2. organizational development must be initiated, led and supported by top management. 3. It is visionary in nature. 4. It is an empowerment process. 5. A learning process. 6. A problem solving process. 7. An ideal culture is necessary for organizational development. 8. It is team based and applied science.

Basic organizational development objectives are indivisual, group deveopment that involves cultural transformation, social change, improvement of processes, and achieving growth and competitive edge by human inputs.

Organizational development assumptions need to be studied before worthwhile change programme is initiated. Study of individual behaviour is necessary. Achievement of quality of work life is important as it propells the individual towards self investment. Organizational development is classified into four categories 1. Strategies which are related to individuals. 2. Job related interventions. 3. Socio-technical interventions and 4. Structural interventions.

Creativity and innovation is concurrent in nature and management should promote their employees in this aspect. No investment is large for this purpose as it pays rich devidants in the long run. Organization should always train their employees, adopt latest technology and processes, be alert and scan the environment carefully and be pro-active to implement the changes so that you are ahead of the rest and be competitive. Organization development is a continuous process and management support is prerequisite.

TEXT QUESTIONS

- Q. 1 Explain the concept of organizational development. What are various inputs that are required for organizational development to be of any value.
- Q. 2 What are various objectives of organizational development programme. Why it is said that the programme is to be carried out by human inputs, explain.
- Q. 3 List out various organizational development assumptions.
- Q. 4 Explain the concept of quality of work life. Does this concept exist in your organization.
- Q. 5 What are various strategies relating to personal concern that are carried out by organizations for its development.
- Q. 6 Explain job evaluation and how can the job be re-designed. Explain the concept after visiting an organization in close vicinity of your work place.
- Q. 7 Evaluate the present environment of the organization and apply socio- technical intervention.
- Q. 8 Change in physical setting improves the organization. Explain.
- Q. 9 Write detailed notes on the following topics
 - (a) Organization mirroring
 - (b) Organizational culture
 - (c) Work groups
 - (d) Systems analysis
- Q. 10 Visit an organization and carryout a study of various methods adopted by them for organizational development.

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Case

PROBLEM OF RABINDER INDUSTRIES

As an entrepreneur, Mr. Rabinder Bandhopadhyay was fairly successful. He had established his enterprise nearly eight years ago as a small commission agent for a toy manufacturer. Today, he was considered as a major factor in Calcutta for toys, kitchen-aids and presentation articles. He ascribed his success to three principal reasons:

- (a) Representing only firms that produced well-fashioned quality products;
- (b) Rendering a courteous and efficient service; and
- (c) Operating at the most competitive prices.

Not only had he managed to secure the customer of some of Calcutta's discerning and leading retailers, but had also won the business of the medium-sized and the smaller corner-shop operators in and around Calcutta.

As his business grew, he started supplying goods to stockiest all over West Bengal and also to several parts of Assam, Orissa and Bihar. He managed this through a central warehouse and three sub-depots located in Calcutta and another three warehouses, each located in cities in the neighboring states. His present turnover exceeded Rs. 25 million per annum and his enterprise realized a net profit of around 19.5 per cent.

In order to remain competitive, he had designed and operated a differential pricing policy. This was done by issuing his clientele with different colour identify cards, each colour representing a specific trade discount. This enabled him to differentiate between large and small, and the regular and not so regular customer. Also, in order to serve his warehouses and customers efficiently, he maintained and operated his own fleet of lorries, mini-vans and three wheelers.

The nerve center of his business was his headquarter office, located in a four-storied building in the heart of the business center of Calcutta. He was assisted in running the organization by functional and staff managers, who were, for the most part, his relatives and close associates. They were: Finance Manager, Purchase Manager, Sales Manager, Quality Controller, Personnel Manager, Administrative Manager, Logistics Manager, Credit Controller, Stock Controller and Warehouse Managers.

The entire organization comprised of 248 employees, who worked on an average 42 hours per week as follows: Monday to Friday: 0900 to 1730 hours with a 45 minute break for lunch between 1300 and 1345 hours. Saturday: 0900 to 1215 hours.

He considered himself to be an enlightened and progressive employer who operated a 42 hours working week as opposed to the 48-hour week, which was the prevailing custom in most other offices. He also provided his employees with bright, clean, well-ventilated and spacious offices. Further, the employees enjoyed a 70% subsidy on all items provided through the canteen.

Recently, Mr. Bandhopadhyay started feeling uneasy and perturbed. He felt his long-term strategies for further expansion and diversification, especially in the areas of manufacturing, would have to wait until his immediate problems were overcome. A major problem concerned the crisis that was brewing in his liquidity position. Lately, he had been having quite a few arguments with his Bank Manager, concerning his overdraft.

Bank overdraft was quite high. His efficiency was slipping. He was living from crisis to crisis. He was now worried about the reality of the situation that both the warehouse side and the sales side presented. Warehouse complained of delayed deliveries, suppliers not willing to send goods due to outstanding not having been settled and generally poor stock control. Similarly, the Credit Controller complained of delayed collections. When he had contacted the clients to remind them for payments due, he was surprised to learn that some of them had not even received the invoice whilst others said, "give us a chance. Your invoice arrived here only two days ago". Investigating the supplies side of the business, he found there had been delays in sending out orders for fresh supplies. These were, in turn, blamed on the Stock Controllers, who had not raised the requisition on time. Lately, even Quality Control was proving to be a bottleneck area. And finally, to make matters worse, he found his customers complaining of incorrect billing.

When each of the departmental heads investigated his section, they had to admit that efficiency indeed was slipping. All probes indicated that the malady was due to the slackness in the generation, movement and execution of paperwork, which triggered all actions.

This made Mr. Bandhopadhyay wonder: "Is my staff incompetent? Am I understaffed?" His Administrative Manager suggested that it was, in great part, due to the uncontrolled late arrival and early departure of staff. On the latter's advice. Mr. Bandhopadhyay addressed a personal memo to all Managers to ensure that their staff should give full 42-hour work output per week. Each Manager devised his own means of communicating this message downwards and took steps he deemed correct.

Each one emphasised that late arrival and early departures would no longer be permitted. Others insisted that the staff would have to put in as much unpaid overtime as the job demanded so as to ensure that no work was kept pending. The result of this was not a happy one. Staff resented the manner in which the Managers tried to pull up their men.

One day, Mr. Mukherjee, who had known Mr. Bandhopadhyay fairly well and had been with the organization from the start, excitedly walked into Mr. Bandhopadhyay's office: "What are you trying to do through your Managers? Incite our staff to take industrial action? Both you and I know the primary reason for this decrease in volume of work output. We cannot escape the fact that on an average each one of us gives only approximately 30 hours of work per week. Over the years, Calcutta's transport has deteriorated and even the most willing amongst us, cannot report on time. Many of us may be one hour late, even after having left our homes fairly early. Naturally, efficiency will suffer. And why do you bring us here on a Saturday? It is a non-starter. You can write it off completely".

For the first time Mr. Bandhopadhyay felt helpless. He realized that what Mr. Mukherjee said was perfectly true. Managing the individual's time to the organization's advantage in the present environment, was going to be a formidable task. He decided it was time to think this over very carefully, he invited two of his Senior Managers, Mr. Mukherjee and two other staff members to spend a week-end with him in the country-side just to discuss the situation in detail.

Place yourself in Mr. Bandhopadhyay's shoes and outline the possible strategies that he may consider adopting, after having carefully considered the opinions of his senior managers, Mr. Mukherjee and the two other staff members.

(The case has been adopted from the book titled "The Process of Management" By Dr. M.L. Bhasin. Published by Global Business Press, G.T. Road Delhi. 110095).
