


**Organization Development and Change in 21st Century**  
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**Lecture - 08**  
**Design of Effective Interventions and their prerequisites**

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### Six Types of Change Levers

- **Enabling – These levers raise awareness for targets**
  - Credibility (e.g., invite external consultant to extoll change)
  - Communication (e.g. initiate town hall meeting)
  - Training (e.g. provide external training experience)
- **Substantive – These levers facilitate adoption by targets**
  - Technical (e.g., align the reward system to with change initiative)
  - Political (e.g., privately confront a resister)
  - Cultural (e.g., tell a success story)




In the course of change, leaders generally have some levers: enabling or substantive.

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### Designing Interventions

- To discuss criteria for effective interventions
- To discuss issues, considerations, constraints, ingredients, and processes associated with intervention design
- To give an overview of the various interventions used in the book



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The enabling levers are credibility, communication and training; and substantive levers are technical, political and cultural. We will get to know more about these in the designing of intervention.

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## Definition of Interventions

***An intervention is a set of sequenced and planned actions or events intended to help the organization increase its effectiveness.***

***Interventions purposely disrupt the status quo.***


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What is to be done, whatever is done in order to bring about change is an intervention.

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## Characteristics of Effective Interventions

- Is it relevant to the needs of the organization?
  - Valid information
  - Free and Informed Choice
  - Internal Commitment
- Is it based on causal knowledge of intended outcomes?
- Does it transfer competence to manage change to organization members?



A good intervention is one that is relevant, based on the causal knowledge of intended outcome and transfers the competence to manage change to organizational members. So, this is the core of the organization development process, interventions; but interventions

must be scientifically identified based on the valid information, free and informed choices and internal commitment. We need to know why we are doing, what we are doing.

Managers cannot just start any intervention because they are comfortable about it; and secondly, the objective of the intervention is to make organizations capable of solving their problems themselves. In order to bring about the changes and to follow these steps, whatever is done is called intervention. So, intervention is a set of sequenced and planned action; it is not haphazard, but it is a sequenced and planned action, or events intended to help the organizations increase its effectiveness. And, interventions purposely disrupt the status core.

What is going on is not appropriate, is not the best, and we need to do things differently or different things that is the objective of an intervention.

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- What are the Change Interventions you have experienced or know about?



Can you think about some change initiatives which you have experienced or you know about? And we must remember that, anything being done in order to enhance the organizational effectiveness consciously is an intervention.

You invite an expert that is an intervention, you hold the interview for the key people to adopt some changes is an intervention, you make a presentation to bring about new technology or to set up new processes is also intervention. So, there are some very specialized interventions which we will discuss in this course; but even the simple steps

are also interventions. So, can you think about some of the interventions? You must have experienced an intervention in the form of leadership development program, you might have been a part of that.

You might have experienced management development programs; some technical development programs are also a part of the interventions. You talked about merger and acquisition; merger and acquisition is also an intervention. Have you ever experienced performance appraisal system being changed?

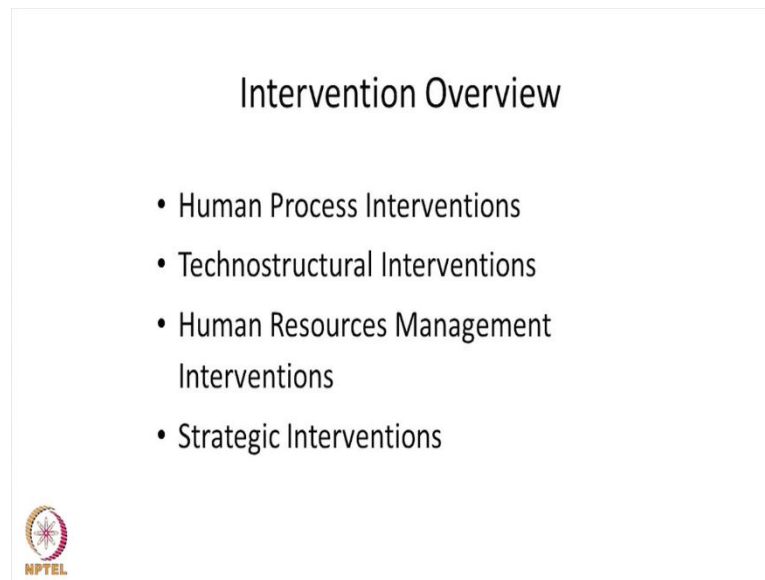
Students: Yes.

That is also an intervention, because it is talking about performance appraisal; the purpose of performance appraisal system is to direct people towards the desired behavior. Have you ever seen salary structure being changed? Change in bands and change in the incentive plans are also interventions.

Many of you might have worked in organizations which are responsible or which have the job implementing ERP, enterprise resource planning through SAP or Oracle. Is it not an intervention? It is also an intervention using technology; because you might have noticed that bringing about any change through ERP using softwares of Oracle or SAP or any other customized software is not only about bringing technological change, it is a lot about the human behavioral change as well.

So if you look at interventions, interventions can be of different category. First category of intervention is related to the human processes: conflict resolution, leadership development, attitude building, setting-up the mindset, these are the human process interventions.

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And why human process interventions are called process interventions? Because behavior is the outcome, we want employee to behave in a certain way and that behavior is result of a process. What is that process? That process is about holding certain kind of assumptions, certain morals and beliefs, values; and those moral beliefs and values, perceptions and assumptions result in the behavior.

So human process interventions are called process interventions; because they not only look at the behavior, but also look at the governing variables of the behavior.

Another category of that intervention is techno structural intervention for which ERP is the most commonly used and most common example. In techno structural interventions we have technology as the driver; but it has impact on the organization design, human process, interaction of the different departments, etcetera.

Human resource management, we talked about some of the HRM processes; reward and recognition system, performance management system, salary and wage administration. And then comes the strategic intervention; strategic interventions are when two organizations go for merger or some acquisition or there is a major shift in the long-term objectives and the ways of functioning of an organization.

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We will look at these human interventions in depth, and in the next classes we will have cases to look at what might be the most appropriate intervention in those cases. Looking at the human process interventions; the first is about process consultation and team building.

Many organizations send their people for outdoor programs or indoor team building activities. Generally, team building goes through the process of storming, norming, performing and joining; and these team building processes make people aware of their general disposition in the team climate.

We otherwise are not aware of how do we behave in a team when we are working in a team. So, when other than job contact, some team task is given that is a good opportunity for me to look at how do I behave in a team, how do I communicate in a team. And based on that experience and with the input of the facilitator and self-reflection, people can work on their behavior and disposition in the team.

Conflict resolution is generally done in the presence of a third party. Conflict also aggravates in certain steps and there are the steps through which conflict can be resolved. By making people aware of each other's perspectives, by making people aware of each other's perceptions and how to reconcile their evaluations about each other and their objectives can help in conflict resolution. There are organizational confrontation meetings.

You must have seen conflicts between two departments like quality and production, sometime there are conflicts between marketing and finance, advertising and sales.

So, in the organization confrontation meetings, in the presence of facilitator; different departments can look at how do they perceive each other and what are the misperceptions, based on those confrontations the problems can be resolved. Intergroup relationships, within the same department, within same function; different groups might be responsible for different things.

If you remember what we discussed in the organization design, we talked about few classical challenges of organization design; and one of the classical challenges is integration versus fragmentation.

What does it mean? When organizations grow, they keep making new departments; but there is a limit to the freedom to make as many department as they wish, because when we make a new department, it creates new silos and people start identifying with that department more than the organization as a whole and that silo mentality creates conflicts and misperceptions.

So intergroup relationship is generally a result of the bifurcation in the functions and roles; so instead of fragmentation, it should be integration and to ensure the integration, human process interventions are involved. And then there are large group interventions.

We will discuss these large group interventions in terms of the strategic planning for the systemic intervention. From open space method, world cafe there are some very fascinating methods to engage hundreds and even thousands of people for the change process; otherwise it is so difficult, even to get ten people talk coherently and to reach to some solution.

You put ten people, you bring some issue; different people will keep interrupting each other, they may not be able to reach the conclusion. But in OD there are processes where you can engage hundreds and thousands of people in a systematic way; they can converse on certain things, they can converge on certain conclusions and based on those conclusions action agenda can also be formed. So, these are some of the powerful methods on large skill, large group interventions that we will discuss in this course.

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### Technostructural Interventions

- Structural Design
- Downsizing
- Reengineering
- Parallel Structures
- High Involvement Organizations
- Total Quality Management
- Work Design



Then there are techno structural interventions. How many of you have seen where organization design is being changed? You might remember there are functional matrix and divisional structure, which are the very core and basic organizations. But what we see today with the presence of technology; you have network organization, you have organizations which are operating on the hub and spoke model, there are organizations which are team based and there are organization which are even virtual.

So, how to bring about the organization design change? Design change are some of the most crucial and some of the most sensitive changes; because design change brings about change in the line of communication, reward system and power.

So, it is the most sensitive form of change, and in your simulation please remember do not introduce design change without sufficient groundwork. Downsizing is the reality of today's business world. There was a time when in the Indian industry, downsizing was not allowed; but now there are a lot of examples to suggest that downsizing in one industry may result in increase in the job and job opportunities in the industry.

But that requires a kind of preparedness that requires training and retraining. So, downsizing can also be an important strategy and an OD intervention. Reengineering simply means, if we start this plan or production activity, thirty years from now how it will look like. So, you bring about all the futuristic technologies, what all are the possibilities and try to implement that in the present situation.



Parallel structures, these are very commonly used interventions in the R and D; when in the R and D you are working on some crucial projects, you also make parallel structures to work on the same project with different people and in that way organization get innovative products, processes or ideas.

High involvement organization is also called high performance work systems, which are a combination of the HR in structural intervention that is what we are going to discuss. Total quality management is about involving everybody on the shop floor, and from the shop floor to the top floor to enhance the processes and systems.

And total quality management is a very holistic intervention, where you have small teams operating on the shop floor; they look at some systems, some processes which can further improve, they give their recommendation to the bigger authority, to the bigger body and that is how the suggestions move to the top level and the implementation is sanctioned. So, total quality management is one thing which almost changed the face of management in late 70s and 80s.

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Then HR process, human resource management function also has certain levers about organization, about the organization development.

Performance management system, reward system; coaching and mentoring is becoming very popular these days. Performance management system involves performance appraisal, performance development and performance planning.

When organizations objective change, we need to change the performance appraisal as well. Only changing the performance appraisal will not bring about any permanent change in the behavior. Change in the performance appraisal needs to be substantiated with the change in the development process; which means, training and development should support the outcome of the performance appraisal. So, it is an end to end process.

Reward system, there is the famous Pareto law and the normal distribution curve. For many years organizations believed that performance show a normal distribution curve and that is why you cannot have a very drastic difference between rewards of the people on the same cadre.

But there is a growing recognition and there is research as well to support this based on the data of sixty thousand people; Adwina's and his team have found that performance is generally not distributed as a normal curve, it follows the Pareto law; which means generally the 20 percent of the top performance bring 80 percent of the result.

Say if that is so, that needs to be accounted in the reward system; and that is why you see in Google and Microsoft and even in Netflix on the same cadre some people are getting 300 percent, 200 percent of the average salary prevailing in that cadre that is a result of this kind of analysis.

This situation would have resulted in a lot of unrest; had it not been supported by proper OD intervention and proper research, so reward system can be a powerful intervention. Coaching and mentoring. In the dynamic environment mentoring is important, so that people know how do they see themselves in the years to come within the organization and within the industry. So, mentoring gives a perspective, and coaching is generally done for some specific skill.

There are a lot of skills which cannot be taught directly in the classrooms. They are taught by executive coaches or by other supervisors. But coaching and mentoring cannot happen naturally; it has to be implemented as an intervention, there has to be a system. If I want to enhance the coaching and mentoring in the organization, I need to include that capability

and that kind of behavior in the performance management as well; so that is how it can become an OD intervention.

Career planning and development, now we see it is a knowledge economy; people do not identify themselves with the organization, large and large and more and more number of people are identifying themselves with the profession or with the technology they are working.

In this environment, they are more concerned about how their career can progress in years to come and that can be very important, that has to be a very important OD intervention. Training, management development program, and leadership development program are more systematic interventions.

And what we see in the management development and leadership development program; these are offered as a combination of in-class and outdoor activities, these are a combination of the coaching in-class instruction and action learning projects. So, this is called embedded learning system.

So generally, development plans include the embedded learning plan. Managing workforce diversity, in multinational organizations it is more prevalent while it is being recognized in the Indian organizations as well. To have diversity means we need to have representation for both the genders as well as people from different community.

Because if only one type of people keep populating the environment, that becomes dysfunctional; it is not good for innovation, it is not good for inclusive growth, it is also not good to remain more sensitive to the market needs.

So, the workforce diversity has become a very important initiative in many organizations; it is also a kind of OD intervention. Fun at work, you might have seen, HR organizing birthday parties or some celebrations that is the sign that people not only come to work; to earn their livelihood they also want to have fun, because ultimately they are spending maximum number of the waking hours at the workplace.

And then comes the employee wellness programs; only talking about performance and not working on the energy of the organization, energy of the employees may be detrimental to the employees as well as to the organization. There is a recognition that in the long run

organizations need to make people sensitive about their associates, how they manage their energy; that means their mental, physical, spiritual and emotional energy.

There are a lot of interventions like art of living foundation is having interventions in the corporate world; the Isha foundation is also having the yoga program, they conduct interventions in the corporate world. And yoga, contemplative practices, mindfulness have become important interventions.

If you look at the mindfulness research in last 10 years, hundreds and thousands of research studies are demonstrating the different impact of the mindfulness. This is the result of the fact that, more and more organizations are implementing mindfulness in their workplaces.

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Then there are strategic interventions, the strategic interventions can be of transformational nature and transitional nature. Transformational nature of the strategic interventions is integrated strategic change; you see the example of ITC, changing its product portfolio from the tobacco based product to more positive products is an example of strategic change intervention.

Major change in organization design, change in the business model, major changes in the culture, these are all the examples of transformational change. Then comes the transitional change. Merger and acquisition is a step by step process; generally merger and acquisition involves the financial due diligence and then the cultural due diligence.

Only financial due diligence, not doing cultural due diligence may result in the failure of merger and acquisition. Most of the mergers and acquisitions are not being able to give the desired result or expected results, not because the financial due diligence is not there; primarily because the cultural integration is not done well.

Then comes alliances and networks; having alliances to operate in their different geography, to capture the different customer segments and having the network to access the new market or to access the new segment is again the example of strategic interventions.

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Self-designing organization meaning non-conventional design, which is supported by the community and society. Organization learning and knowledge management, more and more organizations are recognizing that knowledge is the thing which gives the complete advantage; creating knowledge is the cornerstone of competitive advantage.

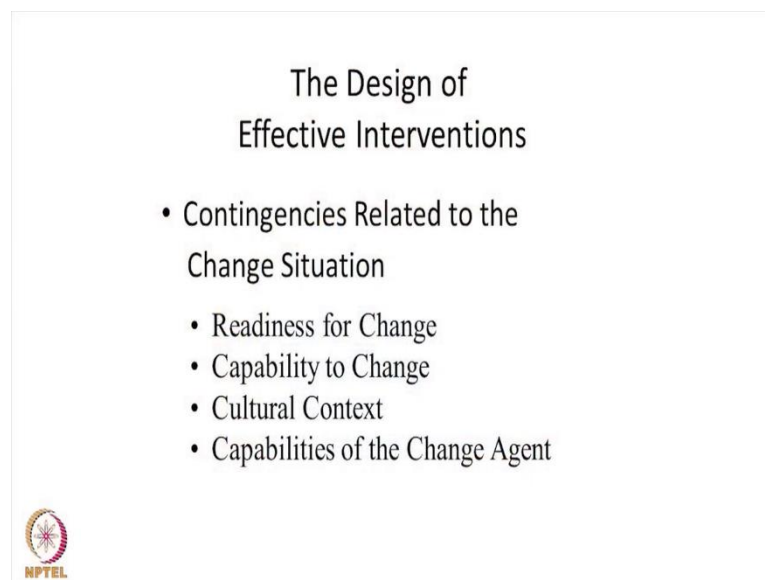
If you look at Google or 3M, it is difficult to decipher whether they are competing on the product or they are competing on learning and creating new knowledge. So, that is also a strategic intervention. When we look at knowledge and expertise as the source of competitive advantage.

Built to change organizations are the dynamic organizations. If you remember in the previous session, we talked about the company called Milliman; it started as a textile

company and moved to the chemical business and now is identified more as a leader in the specialized chemicals.

So as the change is going on and because of the global forces, because of the technology and at the economic forces, how organizations are able to change their portfolio is also a part of the strategic intervention.

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The design of effective intervention, we may know that a particular intervention is required, but it might not be successful in that organization until these preconditions are met; readiness for change, capability to change, cultural context and capabilities of the change agent, all four factors are equally important.

Organization know that they need to enhance the innovation, organization may know they need to be more market oriented; but if they do not have the readiness, if people do not have the competency, then change process will not take place. Cultural context, if my culture is very bureaucratic, if my culture is very paternalistic and if my organization need to be more market savvy; then it will require a cultural due diligence, it will require a cultural readiness.

We need to make the cultural context ready to implement certain change process. I implement ERP in a system where very poor communication is there, it will not work. And of course, the change agent, the capability of the change agent. Many times change agents

are engaged not based on their expertise in the capability, based on the organizations comfort level with them or familiarity with them. If a techno structural change is required and a change agent is very biased towards human process change or the person is not appreciative of the design related changes; then also the OD intervention will not be successful.