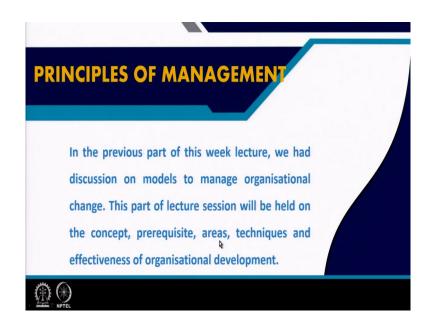
Principles of Management Prof. Susmita Mukhopadhyay Vinod Gupta School of Management Indian Institute of Technology, Kharagpur

Module – 10 Lecture – 52 Organisational development

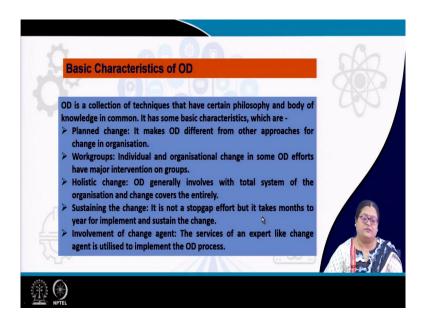
Welcome back to our discussions on the Change Management Processes. Today, we are going to discuss on a very important change management process which is the Organisational development.

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So, in the previous part of this week lecture, we had discussed on we had discussion and models to manage organisational change. So, today, we will be concentrating on the concept, prerequisite, areas, techniques and effectiveness of organisational development.

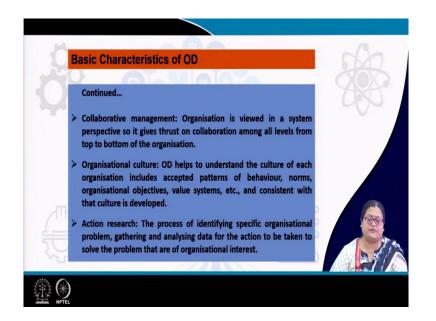
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The basic characteristics of OD; OD is a collection of techniques that have certain philosophy and body of knowledge in common. It has some basic characteristics which are like the planned change. It makes OD different from other approaches of change in organisation. Work groups, individual and organisational change in some OD efforts have major intervention on groups.

Holistic change, OD generally involves the total system of the organisation and change covers the entirety. Then, we have sustaining the change. It is not a stop cap effort, but it takes months and years to implement and sustain the change. Involvement of the change agent, the services of an expert like change agent is utilized to implement the OD process.

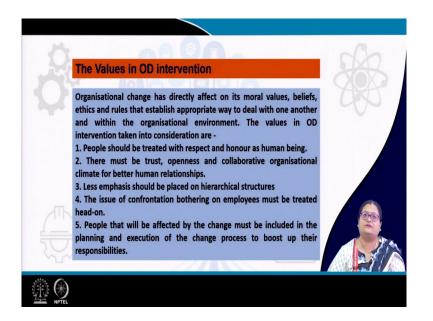
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It is a collaborative management, in organisation is viewed in a systematic perspective it gives trust on collaboration among all the levels from top to bottom of the organisation. Organisational culture is a very important part of the OD interventions. OD helps to understand the culture of each organisation and it includes accepted patterns of behavior, norms, organisational objectives, values, etcetera and consistent with that culture is developed.

Action research is an embedded part of organisational development which is the process of identifying specific organisational problem, gathering and analyzing data for the action to be taken to solve the problem that are of organisational interests.

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The values in OD intervention are that the it has an impact OD has a direct impact on the moral values, beliefs, ethics and rules of the organisation and that has established an appropriate way to deal with one another and within the organisational environments. So, values and ethics are very important in OD exercises. And the OD intervention takes care of the values like people should be treated with respect and honor as human being.

There must be trust, openness, and collaborative organisational climate for better human relationships. Less emphasis should be placed on hierarchical structures. The issue of confrontation bothering on employees must be treated head-on. People that will be affected by the change must be included in the planning and execution of the change process to boost up their responsibilities.

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There are certain prerequisites for organisational development. So, organisational approach fulfill certain conditions for which a favorable environment conducive for organisational change may be created. These are as follows. The perceptions, the perception of the key officials about the organisational problem and perception of the relevance of the behavioral science to solve the problems are important preconditions.

Involvement of experts or consultants, involvement of behavioral science consultant personal and industrial relation expert, human resource management experts and congruency with personal policy and practice. History and philosophical efforts, the early success with the expansion of the effort, previous effective management practices, open and educational philosophy about the theory and technology of OD are also very important.

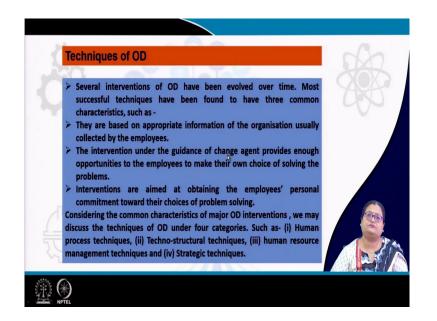
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One of the important prerequisites for organisational development is the work team or the leader. Involvement of the work team including the formal leader is also very important prerequisite for organisational development. Action research is an important or very important to operationalize the action research model in the organisational development process.

Internal resources, like the effective management of the OD process and stabilization of change are facilitated with internal resources and facilitative skills of the organisation. Monitoring and evaluation are important parts of the OD process. So, it is time to time monitored and the resultant outcome is assessed for stabilization of the changes.

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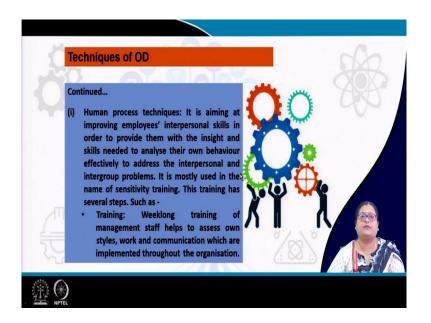
Now, when we have the prerequisites of OD met. We have already discussed like OD is a bunch of techniques which is taken as per the need of the situation. So, over like the over the passage of time or several OD interventions have evolved over time. So, most successful techniques have been found to have three common characteristics. They are based on appropriate information of the organisation usually collected by the employees.

The intervention under the guidance of change agent provides enough opportunities to the employees to make their own choice of solving the problems. And interventions are aimed at obtaining the employees personal commitment toward their choices of problem solving. So, getting the employees involved, collecting information from by the change agent from the employees and giving a free choice to the employee to choose their path of action are very important techniques of OD.

Here you can see the reflection of nudge theory also, where we can indirectly influence people or make them aware of like what are the upcoming changes or the ways to change. But the ultimately the choice of the path remains with the like it should be taken in discussion with the employees, so that they can like adjust themselves with the change process get involved in the change process and that leads to a smooth implementation of the change.

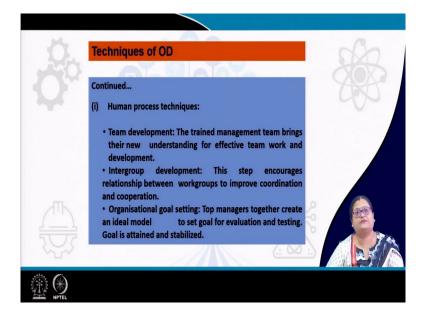
So, considering the common characteristics of major OD interventions, we may discuss the techniques of OD under 4 categories like human process techniques, techno structural techniques, human resource management techniques, and strategic techniques.

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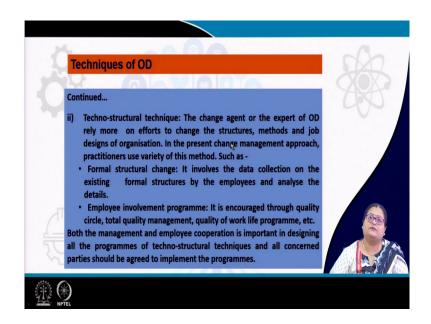
Human process techniques, it is aiming at improving employee's interpersonal skills in order to provide them with the insight and skills needed to analyze their own behavior effectively to address the interpersonal and intergroup problems. It is mostly used in the name of sensitivity training. This training has several steps such as training, weeklong training of the management staff helps to assess its own styles, work and communication which are implemented throughout the organisation.

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Team development, like the trade management team brings their new understanding for effective teamwork and development. Intergroup development, the step encourages relationship between work groups to improve coordination and cooperation. Organisational goal setting, top managers together create an ideal model to set goal for evaluation and testing, the goal is attended and stabilized.

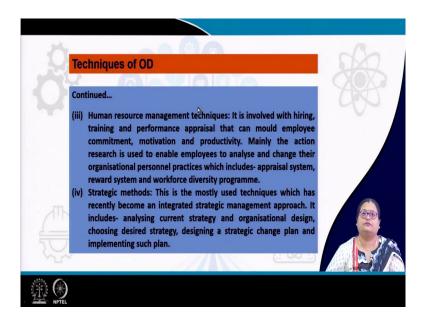
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The techno structural technique, here the change agent or the expert of the OD rely more on efforts to change the structures, methods, and job designs of the organisation. In the present change management approach, practitioners use variety of these methods such as formal structure change. It involves the data collection and the existing formal structures by the employees and analyzing the details.

Employee involvement program, which is encouraged through quality circle, total quality management, quality of work life program, etcetera. Both the management and the employee cooperation are important in designing all the programs of techno-structural techniques and all concerned parties should be agreed to implement the programs.

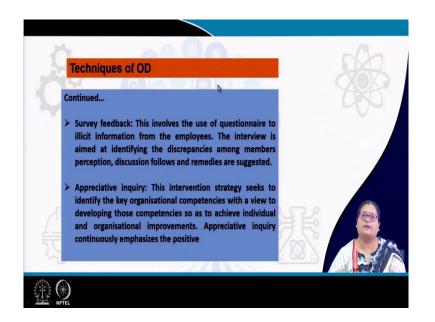
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Human resource management techniques, it is involved with the hiring training and performance appraisal that can mold the employee commitment, motivation and productivity. Mainly the action research is used to enable employees to analyze and change their organisational personal practices which includes the appraisal system, reward system, and workforce diversity program.

Next are the strategic methods. This is mostly used techniques which has recently become an integrated strategic management approach. It includes analyzing the current strategy and organisational design, choosing desired strategy, designing a strategic change plan and implementing search plan.

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Survey feedback, this involves the use of questionnaire to elicit information from the employees. The interview is aimed at identifying the discrepancies amongst the members perception discussion follows and remedies are suggested. So, if you have to look at the strategic planning and you have to bring about the holistic change in the organisation getting the employees views are very important and survey feedback helps us to do it.

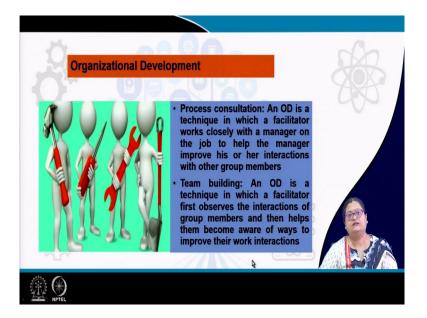
Another important technique is appreciative inquiry. This intervention strategy seeks to identify the key organisational competencies with a view to developing those competencies so as to achieve individual and organisational improvements.

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Appreciative inquiry continuously emphasizes the positive discovery, dreaming, designing and delivering. This positive discovery of the potential individual potentials, dreaming of reaching the goal, designing how that goal can be reached and delivering the desired outcomes and that is where like we get to involve the people and get to get the answers from the employees themselves. So, now we are going to elaborate on some of the techniques of like some of the very popular techniques of OD details.

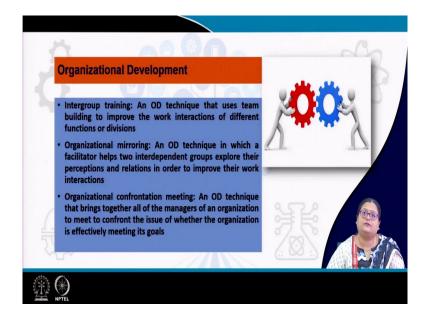
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Now, what is organisational development? So, these are techniques we can take it is a like bunch of techniques under which we have like certain objectives which is like process consultation which is an OD technique in which a facilitator works closely with the manager on the job to help the manager improve his or her interaction with other group members.

It also involves a technique which is like team building. So, an OD is also a technique in which a facilitator first observes the interaction of the group members and then helps them become aware of the ways to improve their work interactions. It also amounts to inter group training.

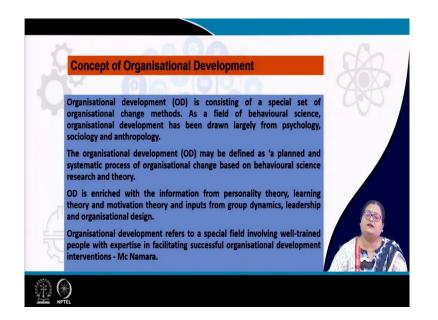
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So, intergroup training involves an OD process in which team building to improve the work interactions of the different functions or divisions. It includes organisational mirroring which is the OD technique in which the facilitator helps two interdependent groups explore their perceptions and relations in order to improve their work interactions.

Here also we have organisational confrontation meeting which is an OD technique that brings together all the managers of an organisation to meet or confront the issue of whether the organisation is effectively meeting its goals or not.

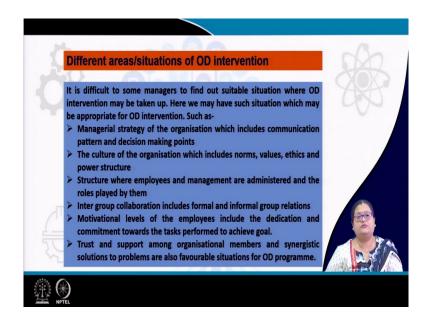
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So, what you can see like OD is a collection of techniques. So, we can tell like the if we now want, we can tell organisational development is consisting of a special set of organisational change methods. As a field of behavioral science organisational development has been drawn largely from psychology sociology and anthropology.

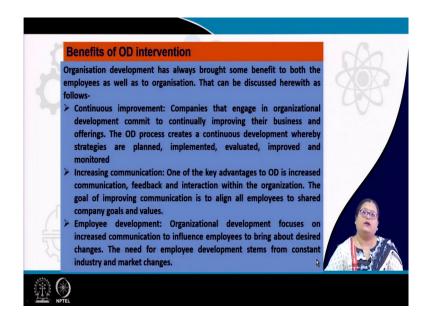
The organisational development may be defined as a planned and systematic process of organisational change based on behavioral science research and theory. OD is enriched with information from personality theory, learning theory and motivation theory and inputs from group dynamics leadership and organisational design. It refers to a special field of involving well-trained people with expertise in facilitating successful organisational development interventions.

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Now, the different situations and areas of OD interventions are, it is difficult to some managers to find out the suitable situation where OD intervention may be taken up. So, here we may have some situation which maybe we appropriate for OD interventions. Such as, the managerial strategy of the organisation which includes communication pattern and decision-making points. The culture of the organisation which includes norms, values, ethics and power structure.

Structure where employees and management are administered and the roles played by them. Inter group collaboration includes formal and informal group relations. Motivational levels of the employees include the dedication and commitment towards the task performed to achieve the goals. Trust and support amongst the organisational members and synergistic solutions to problems are also favorable situations for OD program. (Refer Slide Time: 16:53)



Benefits of OD interventions are organisational development has always brought some benefit to both the employees as well as to the organisations. This can be discussed here with as follows. Continuous improvement, companies that engage in organizational development commit to continually improving their business and offerings. The OD process creates a continuous development whereby the strategies are planned, implemented, evaluated, improved and monitored.

Increasing the communication, one of the key advantages to OD is increased communication, feedback and interaction within the organization. The goal of improving communication is to align all employees to the shared company goals and values. Employee development, organizational development focuses on increased communication to influence employees to bring about desired changes. The need for employee development stems from the constant industry and the market changes.

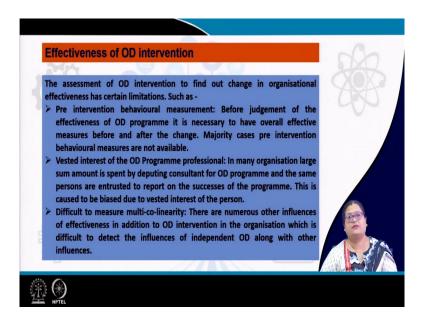
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The other benefits include the product and service enhancement. A major benefit of the OD is the innovation which leads to product and service enhancement. Innovation is achieved through employee development, which focuses on rewarding in successes and boosting motivation and morale.

Earning profit: organizational development affects the bottom line in a variety of ways. Through raised innovation and productivity, efficiency and profits are increased. Costs are also reduced by minimizing employee turnover and absenteeism.

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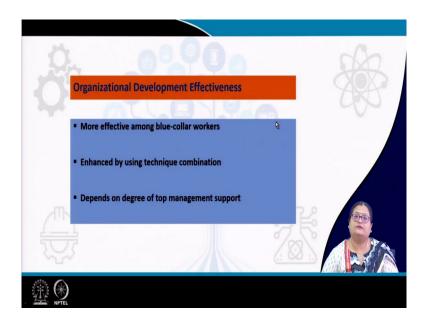
Now, the effectiveness of OD intervention. So, we have talked about the evaluation and monitoring of the processes. So, whether after we take an intervention whether it is actually improving the situations or not needs to be evaluated. So, but like the; in order to do that, it has certain limitations. So, the assessment of OD interventions to find out the change in the organisational effectiveness has certain limitations.

And one of the first limitations is pre intervention behavioral measurement. So, before judgment of the effectiveness of the OD program it is necessary to have the overall effectiveness measures before and after the change. In majority of the cases pre intervention behavioral measures are not available. So, when a person starts with the OD techniques, it is very important to understand the what is the existing situation and then take a measure of it, then do the intervention and then take a post measure study. So, pre and post both the value should be there.

Vested interest of the OD program professional. So, in many organisations large like sum of amount is spent to report is spent by deputing the consultant for OD program and the same persons are like entrusted to report on the success of the program. So, this may lead to the biasness due to the vested interest of the person. So, it should be done like the assessment of the technique of interventions like whether it has been implemented properly and the change that it has brought in should be done by an independent party.

Then, the difficulty to measure multi-co-linearity. So, there are numerous other influences of effectiveness in addition to the OD intervention in the organisation. And it is very difficult to detect the independent effect or influence of OD along with the other influences.

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Also, it has been seen like OD interventions effectiveness is more with amongst the bluecollar workers, and it also depends on the degree of support given by the top management, and it can be enhanced by using the combination of various techniques. So, if you are giving a basket of techniques and using it properly, so then it may have a like better intervention and better results. Because as we have told like if you initiate a change in one of the subsystems, it is going to definitely affect all other subsystems.

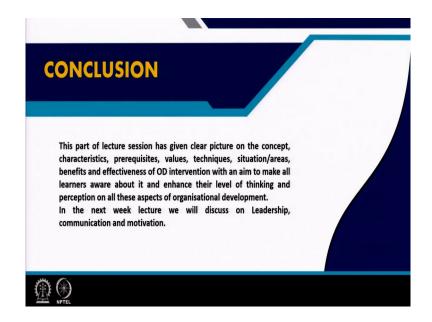
So, if you are going to bring in a culture change, then you have to see whether the people are ready for it, whether they have the mindset for it, whether the structure is going to observe the changes, if the existing if the structure tells you about a very like rigid type of communication happening. When there is less chance of the free flow of communication, and if you are trying to introduce a culture change with respect to communication maybe in that case you need to think of whether you have to have a re look at the structural designs also.

So, all the processes are interlinked with each other and maybe the effectiveness of the OD is increased by techniques, combination of different techniques. So, these are the some of the references that we have used over here.

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So, this part of the lecture session has given clear picture on the concept, characteristics, prerequisites, values, techniques, situations and areas, benefits and effectiveness of the OD intervention with an aim to make all learners aware about it and enhance their level of thinking and perception on all these aspects of organisational development.

In the next week lecture, we will discuss on leadership communication and motivation. So, stay tuned with us. We will learn more about leadership in the next week.

Till then good bye.