Principles of Management
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Lecture - 61
Change Management - VI

Today, we will be discussing about Change and Organizational Development. So, why do we discuss organizational development in context of change? When an organization changes the status quo of an organization moves from one state to a desired state of affairs.

Various external and internal forces may disturb the status quo of an organization and so, it would not be performing effectively as it was earlier performing. So, in order to make the organization more effective and efficient, so the organizational development initiatives are required.

Today, the objectives that I will focus on is management development, managerial training and organizational development. Manager development process and training, the various approaches to managerial development, how to manage changes and sources of conflict and show how to manage them.
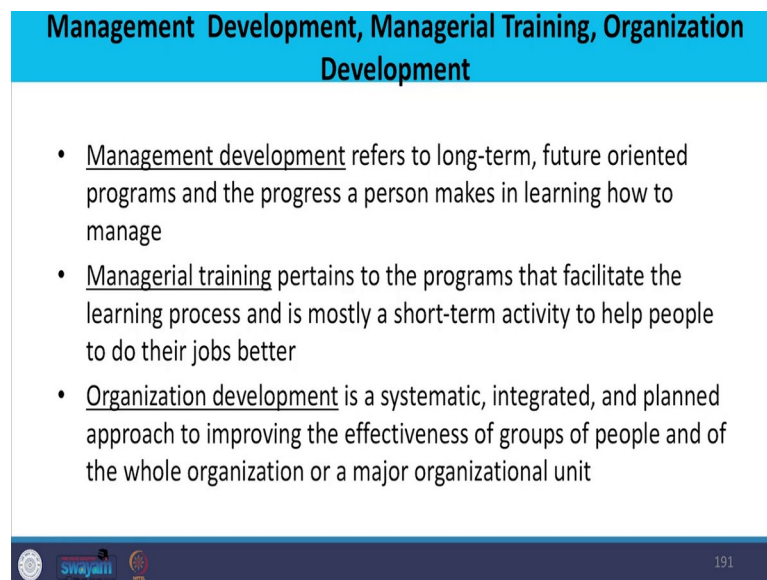
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The characteristics and process of organizational development and then we will discuss about how an organization can become more efficient and effective by developing as a learning organization.

So, first I would like to throw light on what is management development, what is managerial training and organizational development.

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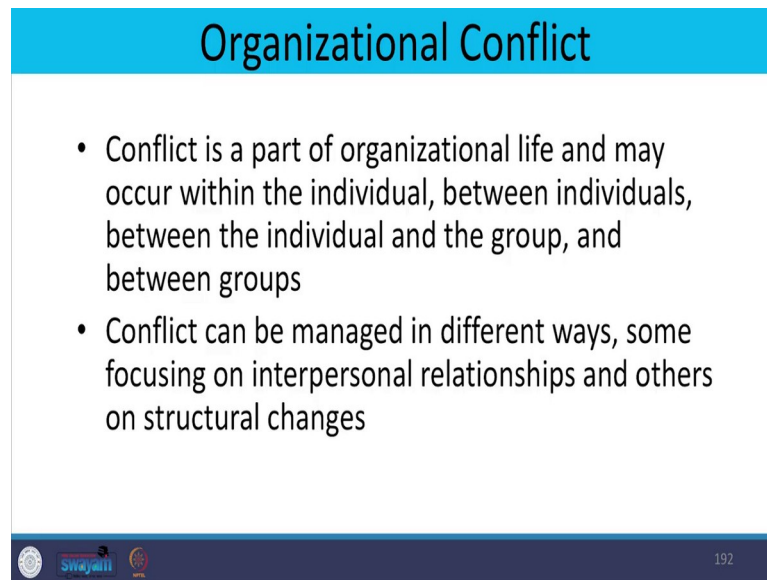

Management development refers to a long term, future oriented programs and the progress a person makes in learning how to manage things, how to plan events. Managerial training pertains to programs that facilitate the learning process how does a person learn and develop and is mostly a short term activity to help people efficiently perform their jobs, to do their jobs in a better manner.

Organizational development whereas is a systematic, integrated, and a planned approach to improving the effectiveness of groups of people and the whole organization as a major organizational unit. So, we will learn about why organizational development is important. So, organizational development is used in a place of situation of conflict, when there is conflict or disturbance in the state of affairs. Conflict occurs as a part of organizational life.

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And it may occur within individuals, between individuals, between individual and the group and between say departments.

So, conflict can be managed in a different ways, some focuses on interpersonal relationship and others on structural changes and the conflict may disturb the performance of an organization.

So, therefore, it is very important to find out ways of overcoming conflict or reducing the conflict in order to be more efficient and effective. So, we will discuss about organizational development in more details and when there is an organizational change, when there are large forces external and internal forces which disrupt the performance of organization.

So, then there may be occur chances of conflict and performance decline and thus organizational development initiatives help in improving effective performance of an organization.

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Organizational development is a systematic, integrated and a planned approach to improve or enterprise effectiveness or organizational effectiveness. So, what is that we will learn about organizational development process?

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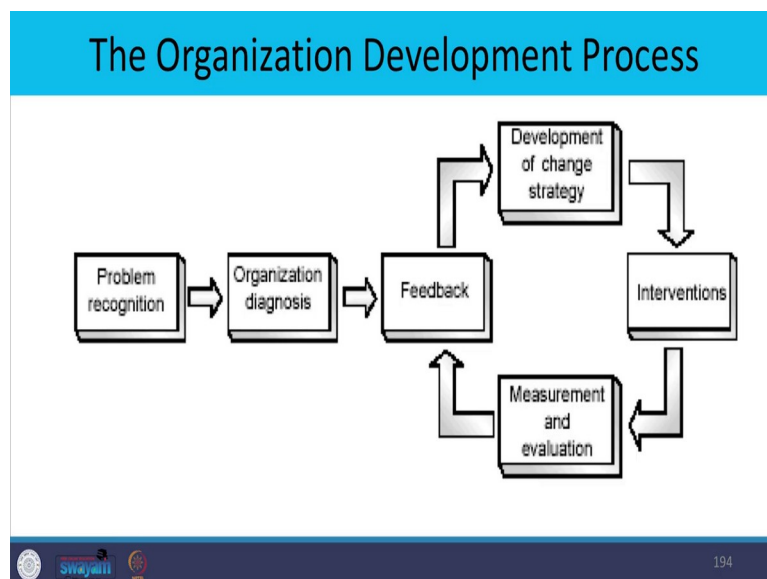
So, whenever there is a problem like disruption, disruption in the present state of affairs of an organization. For example, when an organization is in a crisis like situation, there would be some crisis may emerge because of some issues at the helm of affairs when there is a change in the top management, when there is a change in technology, when

there are structural changes in order to make your organization more efficient and effective.

So, overall, the performance of organization declines. So, there is some problem within the organization and we cannot say simply that which is the root cause of a decline in performance.

So, therefore, the organization has to undertake diagnosis, to know the exact cause of the poor performance or the problem. Then this feedback needs to be the root cause analysis and the real problem where it lies need to be identified and the feedback need to be given to the organization and the management.

Further, there is need for development of change management strategy and designing of interventions measurement and evaluation. The impact of the interventions or organizational development initiatives, if there is a structural change, so what type of organizational development interventions have been undertaken.

And after the implementation of the interventions, whether the performance is effective as earlier or it has improved or not this feedback the measurement and evaluation need to be effectively conveyed in the form of some feedback mechanism to the management in order to know the intervention has effectively been incorporated or not.

So, this entire process of organizational development consists of problem recognition, organizational diagnosis, feedback, development of change, management strategy, intervention, measurement and evaluation. So, manager, management development process and training.

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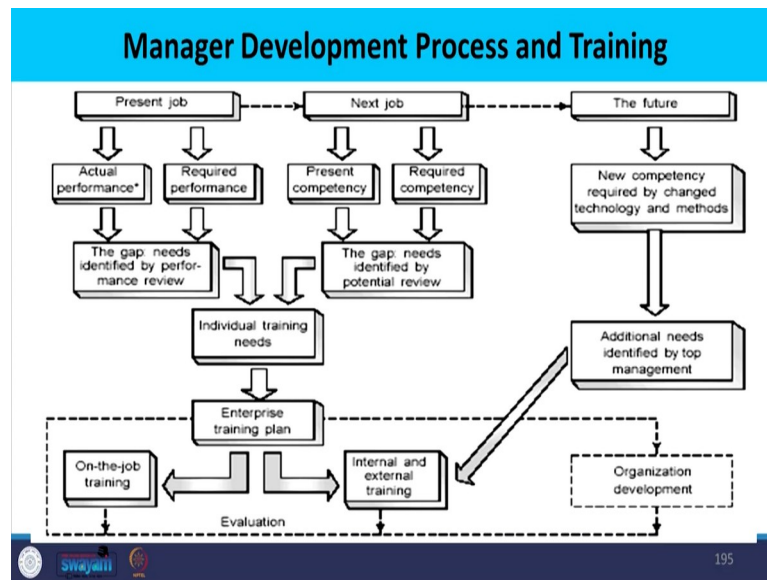
So, there is a complete process which consists of present job. What is the present job of a manager? His actual performance required and what is the desired performance. Then the gap needs to be identified in order to know the performance review and which will lead to individual will be recommended for training and individual training needs will be assessed.

If his performance on the next job that means, the new job being assigned, the present competency will be measure with respect to the required competency for the new job.

And if there exist the gap between the present and the required or desired competency, so the gap needs to be identified which will lead to the person being suggested for training measure and this would go with the enterprise training plan and then there would be some kind of recommendation on the job training measures and external and internal training will be given to the individual.

So, the entire process will be evaluated whether the person can effectively perform or not. This entire process of training will help the individual to grow, develop and be competent for the next job. So, in the future the new competency required by changing technology and methods, whenever there is a change and or to catch up with the changing organizational, changing demands of the environment. So, the organization need to incorporate some training interventions. So, that the managers can develop

themselves over a period of time, make themselves ready for the future course of action or the make themselves ready for the future generation.

So, additional needs identified by top management and the entire process of training individuals, training employees, so that they are future ready is called organizational development initiative.

Organizational development, if we learn in more details, it is a collection of planned intervention that means, very sequential step of actions are required, a planned interventions or planned say sequence of events built on humanistic development values. The development of human competencies, the employee competencies that seek to improve organizational effectiveness and employee wellbeing. So, the focus is to develop the skills and professional competencies of individuals.

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And organizational development values, they rest on some important points like respect for people, trust and support of the colleagues and trust and support, power equalization, confrontation and participation. So, the organizational development is a series of techniques and methods that managers can use in their action research program to increase adaptability to the organization.

So, when we discuss about various training measures, be it the professional training or be it the skill training or say some kind of competencies or learning continuous learning,

which will be imparted to the individual through various measures like on the job training or of the job training. So, these are the series of techniques will help managers to be adaptable to the new organizational requirements.

Organizational development technique to deal with resistance to change, these techniques will help individuals to be more adaptable to the newer organizations, the new requirements of the organizations and the techniques to deal. This will also help them to deal with the resistance which occurs during the change process.

So, what are the various techniques OD techniques, one is education and communication.

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Organizational development through education and communication, managers inform workers about the change process and how they will be affected. So, suppose in an organization because of changing preferences of customers, because of the shift of or because of new technology being adopted. So, there is a requirement the employees will not be adequate enough to carry on or to do efficiently, to perform efficiently their present task.

So, there is a need to change, to develop their skills and competencies. The Kodak has adapted new technology, in order to or adapted digital technology to be more effective or like the banking sector they have transformed themselves over a period of time. So, the bank employees as a result the impact on employees is they have to develop their skills

and competencies, they have to be more adaptable and open to the new technologies available through education, communication and training. Training of new software, a say training about the new management techniques, methods.

So, education and communication help in informing workers about the change and how they will be affected. So, this will help them realize that they need to change their attitude towards something better which will help them and the organization to be more effective.

Next point is participation and empowerment, in order to help employees or to involve them in the work, to be more engaged in their work. So, the management need to involve them in the process of decision making, involve workers in the process of change.

So, if employees see that their voice or their opinion is being taken. So, they will be more engaged, they will be satisfied and there would be less of resistance. The third point is facilitation help employees with change, as we know that it is general tendency of an individual to resist any change.

So, this is a behavior of an individual. So, the managers if they facilitate the change process, they provide some kind of psychosocial support to the employees who are encountering or who have been succumb to change. So, they would facilitate the process of change.

So, this will help them this will motivate employees or towards accepting the change process. Bargaining and negotiation, there is another strategy like through bargaining and through negotiation also you can make people accept the change process. Manipulation is another technique that is change the situation to secure acceptance. Manipulation means manipulating facts to accept or to make people accept your proposal.
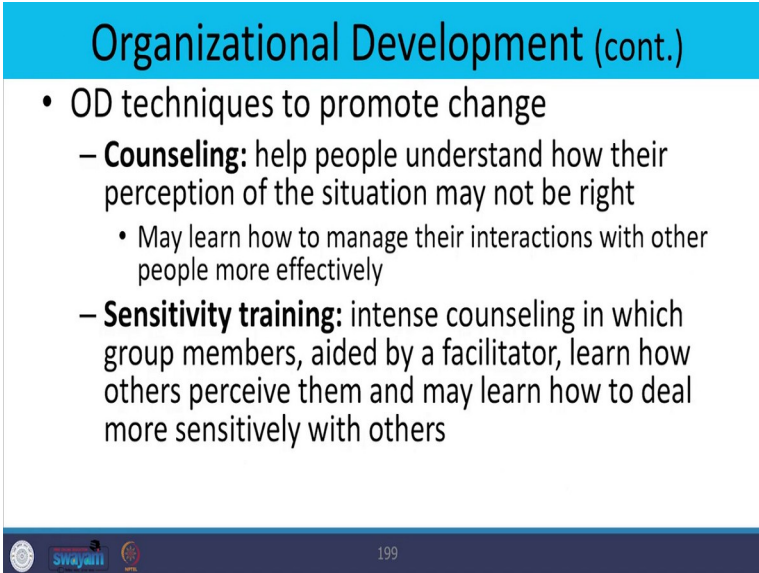
So, like for example, during when voluntary retirement scheme was first offered at that time was management could not place this new offer that is voluntary retirement scheme to employees. So, at that time there was a lot of massive resistance because people had a fear or employees had a fear that they would be losing their job. So, fear of unknown factors led to mass resistance but management had to manipulate facts to make this a lucrative scheme, so that people will accept or employees will accept their offer.

So, instead of naming it as a voluntary retirement scheme, management technique, management gimmick was to make it as a golden hand shake scheme. So, this offer became so lucrative to the employees, they thought that it is a win-win offer for them.

So, it is a kind of situation when the situations go beyond control. So, management has to also use manipulation of facts, in order to make their employees understand or to accept what they have proposed.

The last one being coercion or force, force workers to accept change.
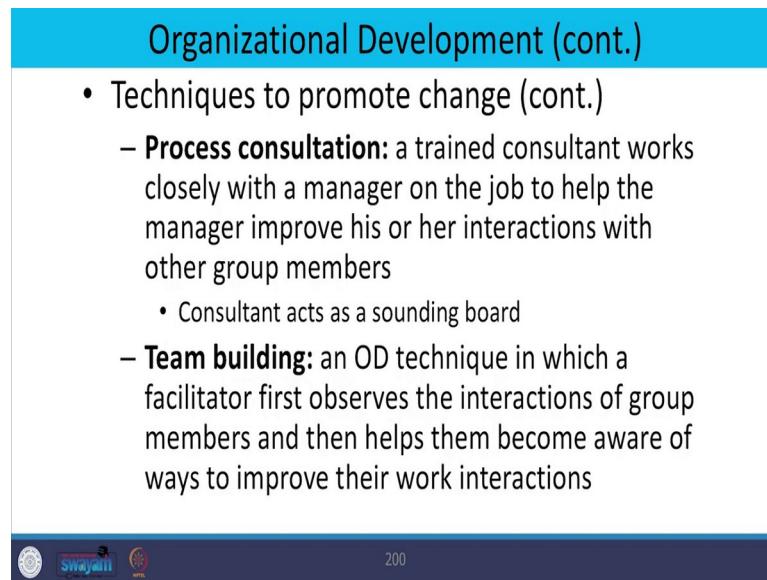
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So, organizational development techniques to promote change through counseling, through sensitivity training and first I would like to discuss about how counseling helps people to accept change, to promote change. Counseling help people understand how their perception of the situation may not be right, they may learn how to manage their interactions with other people more effectively.

So, people understand counseling is a very important technique for promoting change process or for influencing people, help them understand that change their perception about the situation. Sensitivity training is an intense counseling technique in which group members, aided by a facilitator, they learn how the other perceive them and may learn how to deal more sensitively with others.

So, sensitivity training will help people understand the relevance of the change process.
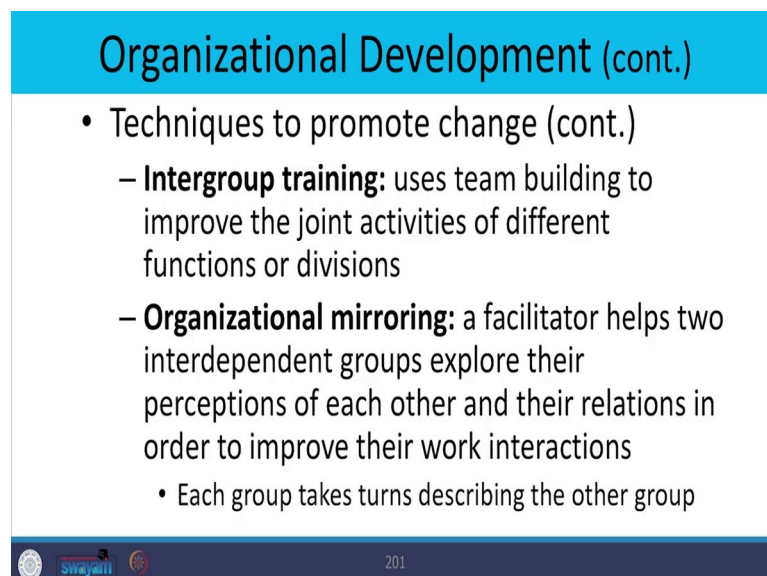
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A process consultation is another technique in which a trained consultant works closely with a manager on the job to help the manager improve his or her interaction with other group members.

Counseling acts as a sounding board or it provides psychosocial support to individuals. Team building measures, it is also another OD technique in which facilitator first observes the interaction of groups, group members and helps them become aware of ways to improve work interaction.

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Intergroup training, it uses team building measures to improve joint activities of different functions or divisions. So, the people help and they understand each other. In this team building measures, they understand each other, they develop trust with each other and develop communication.

So, as a result they understand the behavior of each individual working in the team. So, this helps in improving or this helps overall is a kind of help in improving the change process or promoting change.
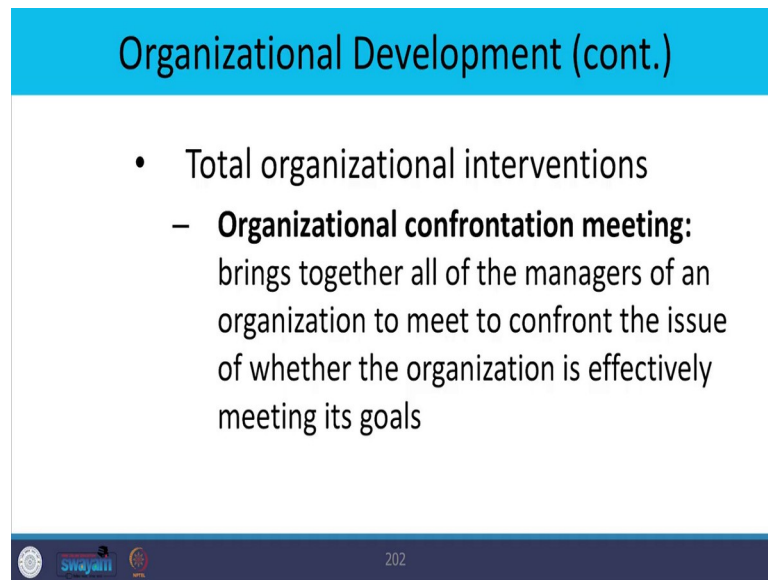
Organizational mirroring is a facilitator which helps two interdependent groups, which are not dependent on each other explore their perceptions of each other. It may so, happen that two groups are in conflict because of the perception differences, because of some kind of biases. So, when the biases may lead to conflict.

So, through organizational mirroring a facilitator helps two interdependent groups explore others, explore their perceptions, their biases of each other and the relationship in order to improve their work interactions.

So, each group take term describing the other group. In this situation, what happens is the groups which are in conflict with each other they are asked to explain the good and bad things about the other group and in a process or they are asked to write down some certain good things and bad things about certain positive and negative about the other group.

In a process when they write down, they come to realize that there are some perception biases there are some perception differences. So, this way when they sit together, they discuss and they resolve these issues. So, this helps in improving the group relationship this is one of the techniques of promoting change. To the total organizational interventions, organizational confrontation meeting.

What is confrontation and what is organizational confrontation meeting? It brings together all the managers of an organization to meet, to confront the issue or whether the organization is effectively meeting its goals.

In organizational confrontation meeting, people meet each other face to face and they discuss on the issue which they are in conflict with and effectively resolve the differences in the differences or on the issues or the problems they have come across while performing. So, effectively they help in meeting the goals.

Approaches to management development: on-the-job training.

Planned progression is a technique that gives managers a clear idea of their path to development. What is a clear progression of the path? Job rotation is to broaden the knowledge of managers or potential managers. Assistant-to positions are frequently created to broaden the view of trainees by allowing them to closely, work closely with each other with experienced managers.

So, on the job training measures like they also help individuals to have proficiency in a particular skill. It is a planned progression to make them clear about the path to development and they work on different jobs and they learn different techniques on the job and they develop their potentials.

Temporary promotion, individuals are frequently appointed as acting managers. Committees and junior boards are they are also known as multiple management, or sometimes used as some of the developmental techniques. Coaching must be done in a climate of confidence.

So, coaching is another technique which helps in developing the employee potentials and it helps in developing the confidence between the superior and the new joinee or the trainee. Internal and external training measures, these are another approach to manager development or management development. During conference programs, managers or potential managers are exposed to ideas of speakers who are experts in their field, learning from experts, learning and observing the experts and their vision.
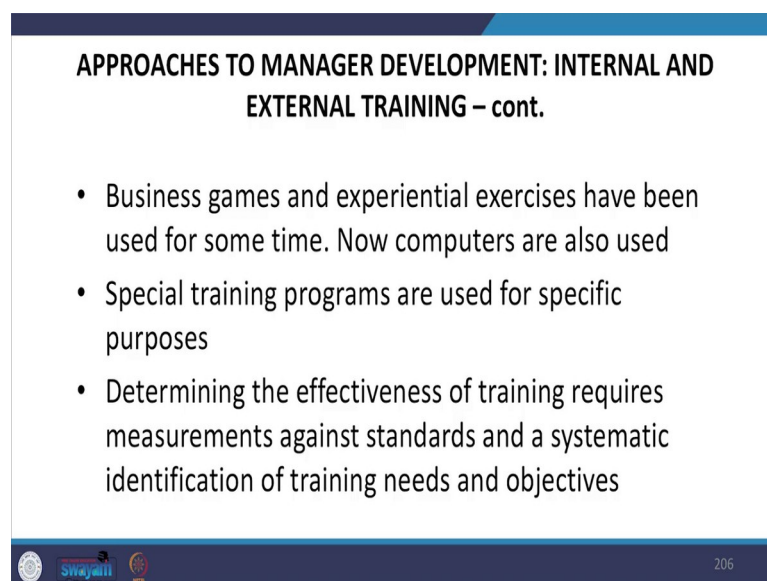
Besides offering undergraduate and graduate degrees in business administration, many universities also conduct workshops, conferences, institute lecture series and formal programs for the training managers for the trainee managers.

So, this gives them a wider perspective about different scenarios or expose them to different learnings and they widen their horizons. Rather than having a very limited or narrow views viewpoint or very limited perspective, if we are exposed to or if we are exposing our employees to a large perspective to a wider field of knowledge.

So, they will be aware of different the situations which have emerged or they will be more exposed to the new techniques, emerging methodologies and they are more acceptable they will slowly start accepting change. So, other approaches include the use of television, video instructions and online education. Nowadays, in the covid situation when people have limited themselves to them to the confine themselves to the four walls. So, they have less of social interaction.

Now, there is another approach of learning which has been growing which is a exposure to information from television, video instructions, online educations. Many educational institutes have also started giving various short-term programs. They are offering short term programs on different subjects which is an exposition to new learning methods.

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APPROACHES TO MANAGER DEVELOPMENT: INTERNAL AND EXTERNAL TRAINING – cont.

- Business games and experiential exercises have been used for some time. Now computers are also used
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- Determining the effectiveness of training requires measurements against standards and a systematic identification of training needs and objectives
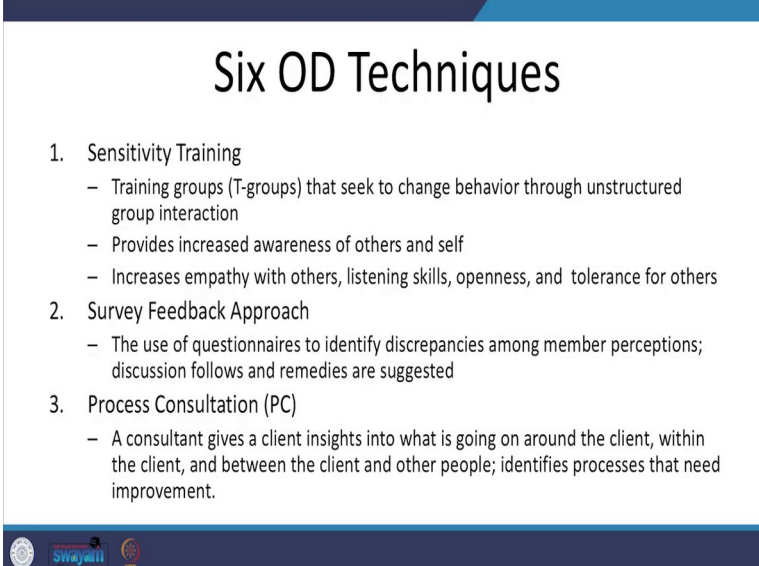
Then business games and experiential exercises have been used for some time. Now computers are also used. Special training programs are used for specific purpose.

Determining the effectiveness of training requires measurement against standard and systematic identification of training needs and objectives. So, what we have discussed so far, we have discussed about a some training methods to improve the effective approaches to management development, internal and external training measures and further we will be discussing about the six OD techniques or organizational development techniques.

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Sensitivity training, survey feedback and process consultation in more details. Sensitivity training, it is also called T group measures, that seeks to change the behavior of an individual, behavior of manager through unstructured group interaction. What is an unstructured group? When people do not follow a particular structure or they just interact with each other without a proper group formation and in order to the purpose is to increase awareness of each other to know out each other.

So, that there is a better understanding or team building or interpersonal it will help in development of interpersonal relationship. So, the focus is to increase empathy with others and listening, improving listening skills, openness open communication and tolerance for others. What we have understood so far, when there is a change like situation when people from different organizations when there is a large-scale merger

taking place people of different cultures, they come together they have to work in a new situation.

So, in that there are many biases stereotypes, some kind of perception differences which will need to conflict like situation.

So, in that if you have to overcome such kind of problems, the organization need to expose employees to T group or sensitivity training, which is a kind of behavioral transformation where they can understand each other and very fundamental basis here is when a person knows self; that means, knowing self, knowing about their own personal weaknesses and strengths and knowing others that is knowing about others weaknesses and strengths.

So, through empathy listening skills, observational skills, communication and tolerance for each other which will summarizingly help in developing a better interpersonal relationship. So, people having such kind of training will be better able to manage the change process.
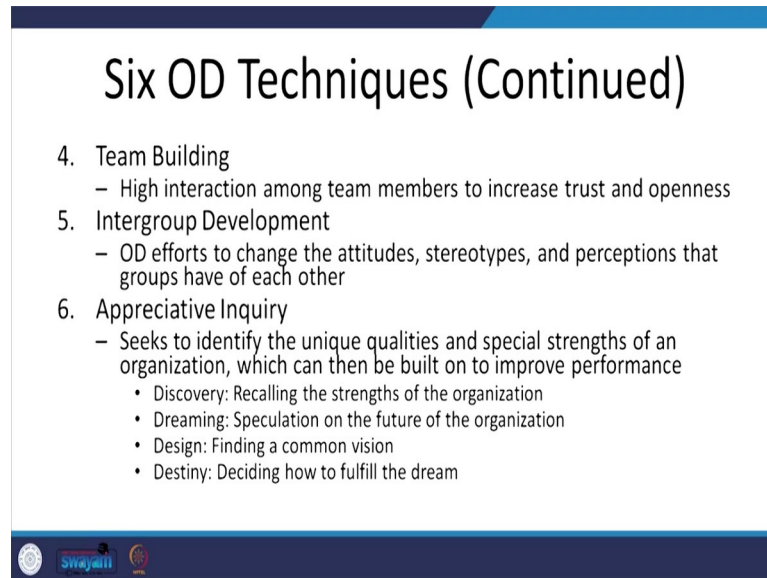
The second point that we discussed is survey feedback approach. What is survey feedback? The use of questionnaire, questionnaire during the change process to identify where the discrepancies lie among members, perception about the change process or about each other through discussions will help in identification of the problem areas.

And this is also a method for developing individuals developing organizations. The third point is process consultation, where a consultant gives the client an insight into what is going around in the about the client's organization, within the client and between the client and other people. So, identifies the processes that need improvement, like for example, when a particular organization is undergoing some kind of major process innovation or some kind of major change in the business processes.

If there is a person or who is facilitating change, he will try to better identify the problem areas during the change in the processes. So, he can rectify the process, he can identify the errors and that will also lead to improvement of the process. So, the role of process consultants or consultation is also important and valuable during the change process. Other techniques are the team building measures, intergroup development and appreciative enquiry.

Team building measures high interaction among team members helps in improving trust and openness and intergroup development OD efforts to change the attitude, stereotype and perception that groups have of each other.

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Then appreciative enquiry is a seeks to identify the unique qualities and special strengths of an organization, which can help them build and improve performance. There are some stages like discovery, dreaming, designing and destiny. Discovery stage, it helps in recalling the strength of the organization.

What is the strength of the organization and based on that you can speculate on the future of the organization, like Starbucks when Starbucks was known as the organization which was importers of coffee beans? So, being in the coffee business was the strength.

So, when they envisioned to become a coffee retail, to start a new venture. So, they were dreaming or they were building on the strength of the past, that is the coffee to being in the coffee business and they were building on the future that is in the retail market. Designing finding a common vision. What is the common vision? They intended to be in the coffee business by adopting a different business process.

Destiny, that means, deciding how to fulfill. Now, the last point which covers that how they can envision, how they can fulfill that dream they can fulfill the dream by having a kind of strategic alliance because Starbucks is an international brand and in India the

Starbucks has a tie up or strategic alliance with Tata groups. So, they wanted to expand the business in Indian market in Indian Territory, by having a strategic alliance. So, how did they design their destiny, they design their destiny by having a kind of a strategic collaboration with a business partner which was well known, having a well established market in India.

So, that is how they decided their destiny. So, with this I would like to conclude, how an organization can develop, what are the various techniques which have been used and what are the approaches of management development to develop the employee competencies.

And then overall, we have discussed about various training measures like process consultation, counseling measures, education and communication, participation and empowerment, manipulation of facts and then by force. So, that people accept change with minimal resistance. So, this is what we have been discussing in organizational development.

Thank you.