CONCEPT

Organisational (or organization) Development or simply O.D. is a technique of planned change. It seeks to change beliefs, attitudes, values and structures-in fact the entire culture of the organization—so that the organization may better adapt to technology and live with the pace of change. O.D. is a comprehensive strategy for organization improvement. O.D. is a long range effort to improve an organization's problem solving and renewal processes, particularly through a more effective and collaborative management culture.

"Organization Development is an effort planned, organization-wide, and managed from the top, to increase organization effectiveness and health through planned interventions in the organization's 'processes,' using behavioral-science knowledge." – Beckhard, "Organization development: Strategies and Models", Reading, MA: Addison-Wesley, 1969, p. 9.

"Organization Development ... attempt to influence the members of an organization to expand their candidness ... and to take greater responsibility for their own actions ... The assumption behind OD is that when people pursue both of these objectives simultaneously, they are likely to discover new ways of working together that they experience as more effective for achieving their own and their shared (organizational) goals ..." n -- Neilsen, "Becoming an OD Practitioner", Englewood Cliffs, CA: Prentice-Hall, 1984, pp. 2-3.

R. Beckhard defines O.D. as a change strategy which is:

(i)   Planned.

 ➤ Planned Change – Reasons for Rapid Change

  ❖ Telecommunications
  ❖ Globalization (expanded markets, etc.)
  ❖ Increased competition
  ❖ Increased diversity
  ❖ Increased public consciousness

 ➤ Planned Change – Typical Phases

Following steps not really linear – is cyclical
Following steps model well-done consulting process
  ❖ Startup/entry/contracting
  ❖ Assessments/diagnosis
  ❖ Feedback to clients
  ❖ Action planning
  ❖ Interventions/implementation/evaluations
  ❖ Separation

 ➤ Planned Change – Types of Interventions

- ❖ Human process
  - T-groups
  - Process consultation
  - Team building
  - Search conference (a large-scale intervention)
- ❖ Techno structural, eg:
  - Work/job design
  - Quality circles
  - TQM
  - Restructuring
- ❖ Human resource management,
  - Performance management (employee)
  - Employee wellness
  - Reward systems
  - Diversity management
- ❖ Strategic, eg:
  - Organizational transformation
  - Cultural change
  - Self-designing organizations
  - Strategic management
- ➢ Planned Change – Basic Principles

  - ❖ (A definition – "organizational change": organization-/group-wide change)
  - ❖ (A definition – "organizational transformation": radical, fundamental organizational change)
  - ❖ Work from a plan with vision, milestones, measures and celebration
  - ❖ Must involve top management
  - ❖ Usually has a champion
  - ❖ Best if planned and implemented via teams
  - ❖ Best if involves changes to organizational structures and processes
  - ❖ Frequent and sustained communications about
    - Need for change
    - New vision
    - Progress toward vision
    - Milestones
  - ❖ Usually not an "aha!" experience

(ii) Organization-wide.

(iii) Managed from the top to increase organization effectiveness and health through planned interventions in the organization's processes, using behavioural science knowledge.

Difference between Organizational Development and Management Development*

Organizational Development	Management Development
1. It is a strategy which is planned and implemented from the top with a view to bring about planned *change* in the organization for the purpose of increasing organizational effectiveness.	1. Management development is the *device* to increase the skill and ability of managers of an organization.
2. The ultimate goal of O.D. may be the creation of a new team, changing the attitudes of organization members and developing new values.	2. The goal of management development programme is to help managers to discharge their responsibilities effectively.
3. O.D. has problem solving approach.	3. Management development's approach is education and training.
4. O.D. is a long range strategy for organizational innovation and renewal.	4. It has short range programmes.
5. Trained specialists are required.	5. There is no special requirement of specialist service.

OBJECTIVES

 (a) Improvement in the performance of the organisation.

(b) Improvement in the ability of the organisation to adapt to its environment, and

(c) Improvement in inter-personal and inter-group behaviour to secure team work.

FEATURES/CHARACTERSTCS OF OD

1. Organisational development is an educational strategy for bringing a planned change.

2. It is related to real problems of the organisation.

3. Laboratory training methods based on experienced behaviour are primarily used to bring change.

4. O.D. uses change agent (or consultant) to guide and affect the change. The role of change agent is to guide groups towards more effective group processes rather than telling them what to do. Change agents simply assist the group in problem solving processes and the groups solve the problems themselves.

5. There is a close working relationship between change agents and the people who are being changed.

6. O.D. seeks to build problem-solving capacity by improving group dynamics and problem confrontation.

7. O.D. reaches into all aspects of the organization culture in order to make it more humanly responsive.

8. O.D. is a long term approach (of 3 to 5 years period) and is meant to elevate the organization to a higher level of functioning by improving the performance and satisfaction of organization members.

9. O.D. is broad-based and describes a variety of change programmes. It is concerned not only with changes in organizational design but also with changes in organizational philosophies, skills of individuals and groups.

10. O.D. is a dynamic process. It recognises that the goals of the organization change and hence the methods of attaining them should also change.

11. O.D. utilizes systems thinking. It is based on open, adaptive systems concept. The organization is treated as an interrelated whole and no part of the organization can be changed without affecting other parts.

12. O.D. is research based. Change agents conduct surveys, collect data, evaluate and then decisions are taken.

13. O.D. uses group processes rather than individual process. It makes efforts to improve group performance.14. O.D. is situational and contingency oriented.

14. Organization Development and Management Development are complementary rather then conflicting.

STEPS IN OD

Lawrence and Lorsch have provided the following steps in organisational development:-

1. Problem identification—Diagnosis:
O.D. program starts with the identification of the problem in the organisation. Correct diagnosis of the problem will provide its causes and determine the future action needed.

2. Planning Strategy for Change:
O.D. consultant attempts to transform diagnosis of the problem into a proper action plan involving the overall goals for change, determination of basic approach for attaining these goals and the sequence of detailed scheme for implementing the approach.

3. Implementing the Change:
O.D. consultants play an important role in implementing change.

4. Evaluation:
0. D. is a long-term process. So there is a great need for careful monitoring to get process feedback whether the O.D. programme is going on well after its implementation or not. This

will help in making suitable modifications, if necessary. For evaluation of O.D. programme, the use of critic sessions, appraisal of change efforts and comparison of pre- and post-training behavioural patterns are quite effective.
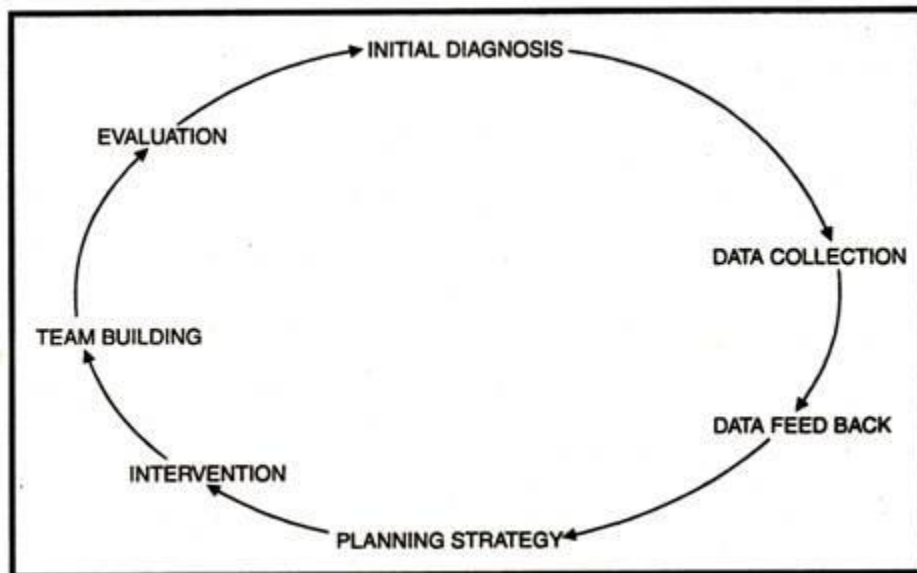
VALUES OF OD

Organisation development constitutes various people, professionals, technocrats, researchers, managers and a host of other employees working in the organisation contributing to the accomplishment of organisational objectives. They behave differently. Authority and power, conflicts, control takes backseat during OD process. The following are the values in OD efforts:

1. Respect People: People are the reason of being organisation and they are responsible for creating opportunities for growth. They must, therefore, be treated with respect and dignified manners. This may be the most fundamental value we hold as OD practitioners. We know that "people support what they help create." Therefore, we encourage our clients to see the benefit of involving all organizational members in decision-making and change processes as appropriate.

2. Confidence and Support: Organisations are made up of people and they are to be believed and supported in order to have effective organisation. The healthy environment prevails when people are trusted and taken into confidence and a necessary support is extended to them as and when needed. Organizations are made up of a variety of formal and informal groups and teams. Therefore, we encourage clients to recognize the norms and beliefs that come along with these structures in order to help those groups and teams contribute most effectively to the organization.

3. Confrontation: Any conflict on any issue should not be suppressed. It should be dealt with openness. Suppression leads to dampening of morale. Identifying the problem and its causes, discussing it openly and finding out feasible solution leads to boosting up morale of the employees and creating good environment. Conflict is inevitable in teams and organizations. Therefore, we believe in using dialogue to address conflict in a healthy, open manner in order to move past the dysfunction that suppressed conflict can create.

4. Employee Participation: The participation of employees who will be affected by the OD should be sought in decision-making. In order to help individuals maximize their potential in an organiztion, we respect that people are complex. Therefore, we work hard to understand individuals have diverse needs, skills, and feelings and respect those differences in our work with them.

5. Expression: Human beings differ in experience, maturity, ideas, opinions, and outlook. The organisation is at the receiving end. It gains from the differences in quality, ideas, opinions and experiences of its people. Human beings are social animals; they have feelings, emotions, anger and sentiments etc. They should be allowed to express their feelings and sentiments. This will result in building up high morale and the people will be motivated towards hard

work ultimately resulting in increased efficiency. In order to create trusting environments, organizational leaders and members must consistently demonstrate honesty and transparency in their words and actions. As OD practitioners, we must model this at all times.

6. Seeking Cooperation: Managers should learn to seek cooperation from each of the employees working under him in his department. This will develop in creating the atmosphere of cooperation leading to organisational effectiveness and willingness to accept change in the event of organisation development process. As OD practitioners, we have an optimistic view of people and teams. Therefore, we believe that our work with organizations should help people to learn the skills needed to help them navigate change in the future.

PROCESS OF OD

1. Initial Diagnosis of the Problem: In the first step, the management should try to find out an overall view of the situation to find the real problem. Top management should meet the consultants and the experts to determine the type of programme that is needed. In the first stage only, the consultants will meet various persons in the organisation and interview them to collect some information.

2. Data Collection: In this stage, the consultant will make the surveys to determine the climate of the organisation and the behavioural problems of the employees.

The consultant will meet groups of people away from their work environment to get some answers to the questions such as:

(i) What specific job conditions contribute most to their job effectiveness?

(ii) What kind of conditions interferes with their job effectiveness?

(iii) What changes would they like to make in the working of the organisation?

3. Data Feedback and Confrontation: The data which has been collected in the second step will be given to the work groups, who will be assigned the job of reviewing the data. Any areas of disagreement will be mediated among themselves only and priorities will be established for change.

4. Planning Strategy for Change: In this stage, the consultant will suggest the strategy for change. He will attempt to transform diagnosis of the problem into a proper action plan involving the overall goals for change, determination of basic approach for attaining these goals and the sequence of detailed scheme for implementing the approach.

5. Intervening in the System: Intervening in the system refers to the planned programmed activities during the course of an OD programme. These planned activities bring certain changes in the system, which is the basic objective of OD. There may be various methods through which external consultant intervene in the system such as education and laboratory training, process consultation, team development etc.

6. Team Building: During the entire process, the consultant encourages the groups to examine how they work together. The consultant will educate them about the value of free communication and trust as essentials for group functioning. The consultant can have team managers and their subordinates to work together as a team in OD sessions to further encourage team building. Following the development of small groups, there may be development among larger groups comprising several teams.

7. Evaluation: OD is a very long process. So there is a great need for careful monitoring to get precise feedback regarding what is going on after the OD programme starts. This will help in making suitable modifications whenever necessary. For evaluation of OD programme, the use of critique sessions, appraisal of change efforts and comparison of pre and post training behavioural patterns are quite effective.

The steps in OD are part of a whole process, so all of them need to be applied if a firm expects to get the full benefits of OD. An organisation which applies only a few steps and leaves the others will be disappointed with the results.