

BALAJI INSTITUTE OF I.T AND MANAGEMENT KADAPA

4TH SEM

ORGANIZATION DEVELOPMENT
(1-2.5 Units)

ICET CODE: BIMK

www.bimkadapa.in



MASTER OF BUSINESS ADMINISTRATION

Name of The Faculty: B V LAKSHMI.

Contact Number - 8309261633

E-Mail – placement.bimk@gmail.com

(17E00405) ORGANIZATION DEVELOPMENT

Objective :The objective of the course is to provide the students with the conceptual framework and the theories underlying Organizational Development.

1. **Organization Development** –Definition – Characteristics - Contributory Stems, Values, Assumptions, Beliefs in OD - Ethical issues in OD.
2. **Foundations of OD-** Systems Outlook- Third Wave Management and Organization Transformation.
3. **Diagnostic Process and Areas of Diagnosis** –Action Research- As a Process and Approach- OD
4. **Interventions classification** – Team Interventions – Intergroup Interventions-
Third party peace making intervention, Structural Interventions- Comprehensive Interventions and Training Experience, Other Interventions- T- Groups, Behaviour Modelling, Life and Career Planning.
5. **Consultant Issues** – System Ramifications – Power politics in OD – Future of OD.

Text Books:

- Organisation Development and Transformation, French, Bell &Zawacki, TMH.
- Organization Development,French&Bell,Pearson

References:

- Organisation Change and Development,Kavita Singh: Excel.
- Organization Development,Daniel Robey & Steven Actman,Macmillan.
- OrganisationDevelopmentChange,Cummins&Worley,Thomson/Cengage.
- Organisation Development Interventions&Strategics, S. Ramnarayan, T.v Rao &kuldeepsingh,Response.

UNIT –I

ORGANIZATION DEVELOPMENT

1.DEFINITION:-

According to Richard Beck hard “organization development is an abort, planned, organization wide & managed from the top to increase organizational effectiveness & health through, planned interventions in the organization’s process using behavioral science knowledge.

1.1 OVERVIEW OF ORGANIZATION DEVELOPMENT/ EVOLUTION OF OD:

- Kurt Lewin (1898–1947) is widely recognized as the founding father of OD,
- Although he died before the concept became current in the mid-1950s.
- OD is an organizational improvement strategy. In the late 1950 & early 1960s. it emerged out of insights from dynamites & from the theory & practice of planned change.
- Organization Development is about how people & organizations function & how to get them to function better.
- OD programs are long-term planned, sustained efforts such efforts being when a leader identifies an un-desirable situation & seek to change it.
- OD is a response to change, a complete educational strategy intended to change the beliefs, attitudes, values & structures of organizations so that they can better adapt to new technology, markets, and challenges.
- OD is strengthen of these human process in organizations, which improve the functioning of the organic systems so as to achieve its objectives
- OD is a prescription for process of planned change in an organization in which the key perspective elements relates to.
 - The nature of the effort or programmer
 - The nature of the change activities
 - The target of the change activities
- It is particular kind of change process designed to bring about a particular kind of end result.
- OD is aimed not only at improving the organization effectiveness but also at enhancing the development of organizational members.

- Organization development is an ongoing, systematic process of implementing effective organizational change.
- OD refers to a long-range effort to improve an organization's problem-solving capabilities and its ability to cope with changes in its external environment with the help of external or internal behavioral-scientist consultants
- The term organizational development was coined by Richard Beckhard in the mid-1950s. Organizational development is an acronym of two words i.e., organization and development.

TWO MAJOR GOALS OF OD PROGRAM ARE:-

- To improve the functioning of individuals, team and the total organization and
- To teach each organizational member how to continuously improve their functioning.

1.2 Importance

- OD is very important in order to expand the productivity of the firm.
- It facilitates a change (for the better) in the organization by helping to analyze various problematic situations and finding efficient solutions.
- It is targeted at product innovation and improved overall efficiency, and though this requires a generous investment of time and capital, it is worth it.
- It helps foster a sense of equality, trust, and cooperation amongst the members, reducing internal strife and conflicts, thus aiming at creating a remarkably confident and united staff division.
- It is an important tool that drives corporate growth. This is achieved through the different phases of OD that help increase consumer demand, product quality, operation expansion, efficient use of company resources, etc.

- OD incorporates several new techniques for improvement, some of them which include development of technology, establishment of quality control, implementation of detailed plans, competitive analysis, extensive research of the target market, etc
- The implementation of organizational development periodically, is very vital for the organization.
- It helps establish trust and cooperation among the members, increases problem-solving abilities, develops sportsmanship, and helps establish a friendly and efficient corporate culture, which is one of the basic premises of OD.
- And, do not confuse OD with change management; the two terms differ in their own way.
- It can be stated that OD plays a pivotal role in bringing about the necessary change in the organization.

2. CHARACTERISTICS OF OD:-

- OD is planned strategy
- OD programmers are planned, not accidental. they represents a celibate's entry of an OD consultant (or) activities into the client system

A.COLLABORATIVE APPROACH TO CHANGE:-

- In OD the consultant seeks & maintains a collaborative relationship of relatives equality with the organization members collaboration means “ to labor together “
- Organization development encourages heartfelt collaboration between managers & employees & members managing culture & processes.
- As the word implies, this involves collaboration among the staff.
- It includes methods to help the members collaborate with each other without conflicts.
- This is an essential feature that eliminates differences of opinion and helps everyone see the brighter future.

B.AN EMPHASIS ON WAYS TO IMPROVE & ENHANCE PERFORMANCE:-

- The basis aims of OD are.
- Enhancing congruence between organizational structure, processes, strategy, people & culture.
- Developing new & creative organization's solutions
- Developing the organization's self –renewing capacities.

C.SET OF HUMANISTIC VALUES – PEOPLE & ORGANIZATION:-

- Development for the OD fractioned means the movement of individuals & organizations in certain directions consistent with democratic & humanistic values & ideals like autonomies, self-actualization & democracy.
- This involves treating everyone with fairness, eliminating favoritism and biased behavior, focusing on everyone's needs, believing in a positive outcome and encouraging the others towards the same as well, etc

D.A SYSTEM APPROACH:-

- An organization consists of different subsystem like task, structural, technological & human, inter-linked by various processes.
- The organization as a whole also interacts with the external environment including large soviets & its smaller contentious. Any change is one part or process has implication for other parts on processes relevant to the system

E.Developmental view:

- Organization development takes a developmental view for the betterment of both process and organization.
- Another practice in organization development programs is to create win-win solutions

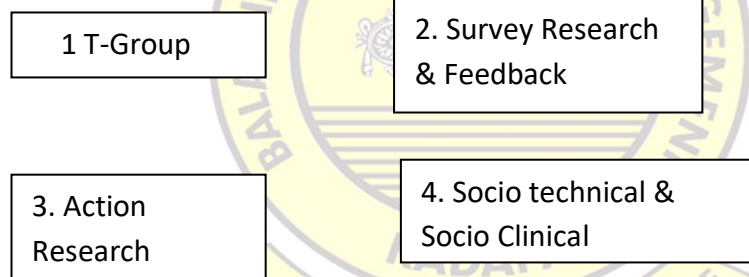
F.Change Management

- A total system change is a requisite of OD.
- Without change, the process will not function.
- The change must be positive and this is an inevitable step towards the firm's success.

G. Problem-Solving

- It helps find effective solutions to the problems that hamper the steadfast growth of the organization.
- Prolonging this process results in stagnation.
- This characteristic of OD is very important as it is essential to brainstorm techniques to resolve technical as well as other hurdles.

3. CONTRIBUTORY STEMS:-



1. T- GROUP TRAINING (OR) LABORATORY TRAINING:-

- Laboratory training, essentially un-structured small group situations in which participants learn from their own actions.
- Through a series of events at the New Britain workshop of 1946, what was later to be called the “t-groups” (t-for training) began to emerge.
- T-group is a format of group training where participants learn about themselves through their interaction with each other.
- They use feedback, problem solving & role play to gain insights into themselves, other & groups.
- The goal of T-group is to initiate social interaction, individuality & confidence in expression.

2. SURVEY RESEARCH & FEEDBACK:-

- Survey research & feedback a specialized form at action research constitutes the second major stern in the history of organization Development
- it revolves around the techniques & approach developed over a period of years by staff members at the experimental study lend.
- They followed techniques for the measurement of attitudes. Resins liker he concluded research on leadership, motivation, morale & productivity

3. ACTION RESEARCH:-

- Action – research is a collaborative, client-consultant inquiry.
- Action research is described as a process, i.e., as an ongoing series of events and actions.
- Action research is aimed both at helping a specific organization increase its effectiveness & at developing new knowledge.

3. SOCIO –TECHNICAL & SOCIO-CLINICAL STERN :-

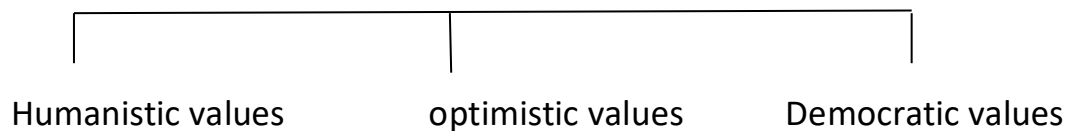
- A fourth stern is the evolution socio clinical & socio technical approaches of helping groups & organization.
- Purpose of the organization social system consisting of the network of interpersonal relationships & a technological system consisting of the tasks activates & tools used to accomplish the basic

4. VALUES :-

- Values have always been an integral part of OD.
- Values are set of manners that individuals learn while growing up. It is different from ethics because ethics are public agreed on & publicly stated guideline for a practice in a profession.
- Values are testable in the physical environments testable only by social consensus.
- Our values are the basis of our judgments about what is desirable, beautiful, proper, correct, important, worthwhile and good as well as what is undesirable, improper & bad.

- The importance of values (through he used the term ‘morals’) in controlling disruptive individual passions.
- Values affect their formation & development as individuals, and make it easier to reach goals that would be impossible to achieve individuals.
- The vision & mission should be in line with an organization’s Values.

1. TYPES OF VALUES:-



A. Humanistic values

- Providing opportunities for people to function as human beings rather than as resource in the productive process
- Humanistic values proclaim the importance of the individual, respect 7 dignities, assume that everyone has intrinsic worth, and view all people as having the potential for growth & development.

B. OPTIMISTIC VALUES:-

- These values posit that people are basically good, that progress is possible & desirable in human affairs & that rationality, reason & good will are the tools for making progress.

C. DEMOCRATIC VALUES:-

- Democratic values assert the sanctity of the individual, the right of people to be free from arbitrary misuse of power,
- the importance of fair & equitable treatment for all & the need for justice through the rule of law & due process

5. ASSUMPTION OF OD:-

- There are set of assumptions basis to mast organization development activities which relate to people as individuals, to people as group members and as (leader & two people as members of the total organizational systems.

There are

- Organizations, sub units of organization, individual continuously manage their affairs Against goals.
- One goal of a healthy organization is to develop generally open communication, Mutual trust, and confidence between & accords levels.
- The basic building blocks of an organization are groups (terms). Therefore, the basis Units of change are groups, not individual.
- For a group to optimize its effectiveness the formal leader cannot perform all the Leadership and maintained functions in all circumstances at all times and therefore Assistance in leadership is required.
- Co-operation is more effective than competition in healthy organizations, “Efforts are made at all levels to treat conflict as a problem subject to problem Solving methods.”

OTHER ASSUMPTIONS OF OD:-

I – IMPLICATION FOR DEALING WITH INDIVIDUALS:-

- Two basic assumptions about individuals in organizations pervade organization department.
- The first assumption is that most individuals have drives towards personal growth and development if provided an environment that is both supportive and challenging most people wants to develop their potential.
- The second assumption is that most people desire to make, and are capable are making, a greater contribution to attaining organization goals than most organization environment permit.
- The implication these two assumptions are straight forward –Ask, listen, support, challenge, encourage risk taking reward success etc.

II – IMPLICATION FOR DEALING WITH GROUPS:-

- First, one at most psychologically relevant reference group for most people is the work group, including peers & boss.
- Second, most people wish to be accepted & to interact co-operatively with at least one small reference group & usually with more than one group-such as work group. The family, club group etc.
- Third, most people are capable of making greater contributions to a group's effectiveness and development implications of these assumptions are several.
 - Team flourish
 - Leaders should invest in groups.
 - Adopt a team leadership style.
 - Leaders need to give important to teams, not in individuals.
 - Invest the time required for group development, invest training time, money to increase group member's skills, invest energy & intelligence in creating a positive climate.
 - Finally the assumptions are that many attitudinal interactive & transactional solutions.

III – IMPLICATION FOR DESIGNING & RUNNING ORGANIZATIONS:-

- A key assumption in organization development is that the needs & aspirations of human beings are the reasons for organized effort in society.
- By implication, an optimistic, development set of assumptions about people is likely to reap rewards beneficial to both the organization & its members.
- Finally it is possible to create organizations that on the hand human, development & empowering & on the other hand are high performing inters of productivities, quality of output and profitability.
- The implication is that people are on organization most important resources they are the source of productivity & profits and should be treated with care.

6. BELIEFS OF OD:-

- A beliefs is a proposition about how the worlds works that the individuals accepts as true, it is cognitive fact for the person.
- Beliefs are necessarily the foundation for action whatever actions you take in the world around you, they are based on your mental reprehensive of the world.
- Beliefs are the assumptions we make about ourselves, about others ion the word & about how we expecting thing to be.
- Beliefs are about how we think things really are, what we think is really true & what therefore expect as likely consequences that will follow from our behavior

IMPORTANCE OF BELIEFS:-

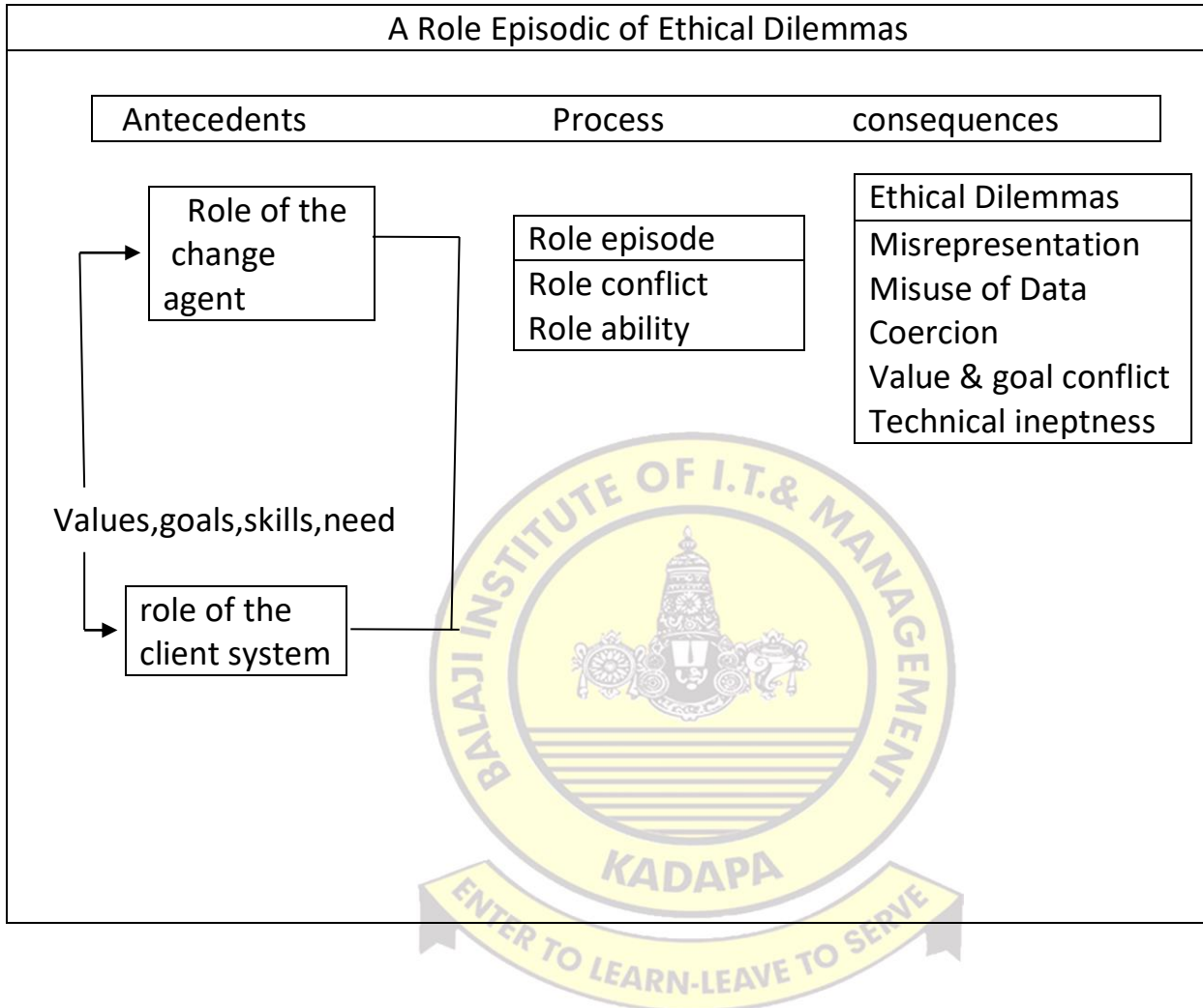
- Beliefs are important because behavior is important & behavior depends on our beliefs.
- It is also important for you to know the sources of your beliefs, & why hold your beliefs.
- Some beliefs are true & some beliefs are false it is important to examine beliefs to assess the validity (or) invalidity of the ideas represented in our beliefs.

7. ETHICAL ISSUES IN O.D:

7.1INTRODUCTION TO ETHICS:-

- Ethics are the principles & values used by an individual to govern his (or) her actions & decision.
- Ethics is concerned with what is good for individuals & society is also described as moral philosophy.
- Ethics of OD are responsibility to us, responsibility for professional Development & competence & social responsibility.
- Organization ethics includes various guidelines & principles which decide the way individuals should behave at the work place.

7.2 ETHICAL DILEMMAS IN OD:-



The role conflict & ambiguity may produce difference types of ethical dilemmas in OD like.

- Misrepresentation
- Misuse of data
- Coercion
- Value & goal conflict
- Technical ineptness.

A.MISREPRESENTATION :-

- Misrepresentation occurs when OD practitioners claim that an intervention will produce results that are unreasonable for the change program (or) the situation.
- Misrepresentation is likely to occur in the entering & contracting phases of planned change when the consulting relationship is being established.
- To prevent misrepresentation, OD practitioners need to gain clarity about the goals of the change effort & to explore openly with the clients its expected effects.

B.MISUSE OF DATA :-

- Misuse of Data occurs when information gathered during the OD process is used punitively.
- Misuse of data leads to unethical behavior in the functioning of the organization misuse of data leads to unethical behavior in the functioning of the organization.
- Misuse of Data means misuse of confidential information from one Department to another which may either be a part of client (or) consultant etc.
- Data is usually misuse without the consent of another person which would prove harmful to the organization's success.
- Openness is one thing, but leaking inappropriate information can be harmful to individuals and to the organization.
- minimize misuse of data, practitioners should reach agreement up front with organization members about how data collected during the change process will be used

C. COERCION :-

- Coercion occurs when organization members are forced to participate in an OD intervention.
- People should have the freedom to choose whether to participate in a charge program if they are to gain self-reliance to solve their own problem.
- To resolve dependency issues, consultants can openly and explicitly discuss with the client how to handle the dependency problem, especially what the client and consultant expect of one another The consultant can redirect the energy to improved joint diagnosis so that both are working on problem identification and problem solving.

D.VALUE CONFLICT :-

- This ethical conflict occurs when the purpose of the change effort is not clear (or) when the client & fractioned disagree over how to achieve the goals.
- The important practical issue for OD consultants is whether it is justifiable to withhold services unilaterally from an organization that does not agree with their values or methods.

E.TECHNICAL INEPTNESS:-

- Technical Ineptness refers to lack of technical skills which handlers the growth of OD program.
- Careful diagnosis can reveal the extent to which the organization is ready to make a change & possesses the skills & knowledge to implement an ethical dilemma that arises frequently in OD.
- Technical ineptness dilemmas also can occur when interventions do not align with the ability of the organization to implement them.

External Questions: (Old Question papers)

UNIT-I

1. Explain the benefits of organization development (OD) to organizations?
2. Trace out the evolution of organization development as a discipline and profession?
3. Discuss the implications of OD values and assumptions?

PREPARED BY:

B.V.LAKSHMI, M.B.A, Assoc. Professor,
BALAJI INSTITUTE OF IT & MANAGEMENT, KADAPA.

(17E00405) ORGANIZATION DEVELOPMENT

Objective: The objective of the course is to provide the students with the conceptual framework and the theories underlying Organizational Development.

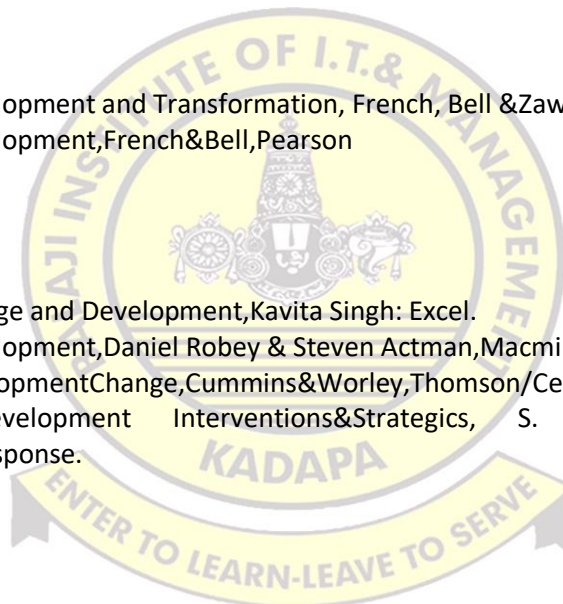
- 1. Organization Development** –Definition – Characteristics - Contributory Stems, Values, Assumptions, and Beliefs in OD - Ethical issues in OD.
- 2. Foundations of OD-** Systems Outlook- Third Wave Management and Organization Transformation.
- 3. Diagnostic Process and Areas of Diagnosis** –Action Research- As a Process and Approach- OD
- 4. Interventions classification** – Team Interventions – Intergroup Interventions- Third party peace making intervention, Structural Interventions- Comprehensive Interventions and Training Experience, Other Interventions- T- Groups, Behaviour Modelling, Life and Career Planning.
- 5. Consultant Issues** – System Ramifications – Power politics in OD – Future of OD.

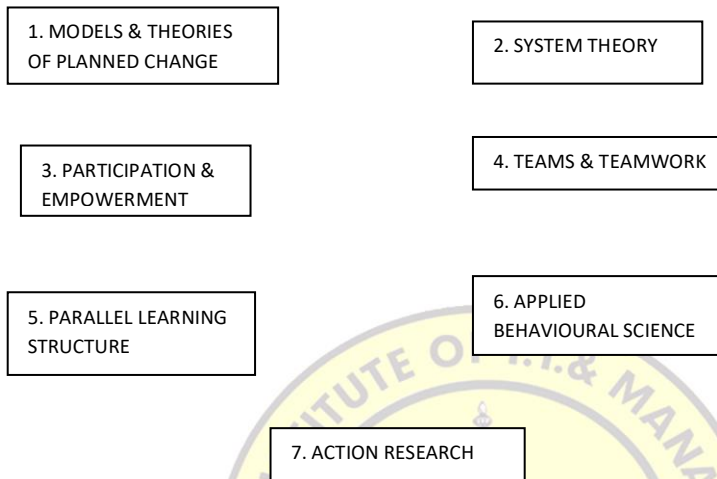
Text Books:

- Organisation Development and Transformation, French, Bell &Zawacki, TMH.
- Organization Development,French&Bell,Pearson

References:

- Organisation Change and Development,Kavita Singh: Excel.
- Organization Development,Daniel Robey & Steven Actman,Macmillan.
- OrganisationDevelopmentChange,Cummins&Worley,Thomson/Cengage.
- Organisation Development Interventions&Strategics, S. Ramnarayan, T.v Rao &kuldeepsingh,Response.



UNIT-II**FOUNDATIONS OF OD****1. Foundations of OD****1 Models & theories of planned change:-**

OD is planned change in an organizational content. The development of models of planned change in an organizational content.

Lewis's three-state model is a powerful cognitive tool for understanding change situations.

STAGE - I – UNFREEZING:

In this, disconfirmation creates pain & discomfort, which cause gull of an anxiety and motives the person to change.

But unless the person feels comfortable with dropping the old behaviors & acquiring new ones, change will not occur.

STAGE – II – MOVING:

The person undergoes cognitive restricting, he needs information & evidence to show that the changes is desirable & possible

STAGE – III – REFREEZING:

The refreezing stage is to integrate the new behaviors into the persons personality and attitudes.

2 SYSTEMS THEORY:

- This theory views organizations as open systems in active exchange with their surrounding environments.
- “A system is an arrangement of interrelated parts,” organizations are open system. Systems take inputs from environment in the form of energy, information, money, people, raw materials etc.
- They do something to the inputs via throughout conversion (or) transformation processes that change the inputs and they export products to the environment in the form of outputs.

3. PARTICIPATION & EMPOWERMENT:

- Participation in OD is not restricted to high level (or) top people. It is extended broadly throughout the organization.
- Participation is a powerful of OD. It is good for people & it improves individual and organization performance.
- Increase participation and empowerment have always been central goals & fundamental values of the field.

These pillars of OD practice are validated by both research & practice.

3.1EMPOWERMENT:

- Empowerment is an important ingratiante in high-performance organizations.
- To empower is to give someone power, which is done by giving individuals the authority to make decisions, to contribute their ideas, to exert influence and to be responsible.

4. TEAMS & TEAM WORK:-

Teams and Teamwork are part of the foundation of organization development.

Teams are important for a number of reasons

First – much individual behavior is rooted in the socio – cultural norms & value of the work team.

If the team, as a team, changes those norms & values, the effects on individuals behavior are immediate & lasting.

Second: - Many tasks are so complex they cannot be performed by individuals people must work together to accomplish them.

Third: - Teams create synergy that is the sum of the efforts of team members is far greater than the sum of The individual efforts of people wowing alone.

5. PARALLEL LEARNING STRUCTURES:-

- Parallel learning structures, specially created organizational structures for planning & guiding change program, constitute another important foundation of organizational development.
- Parallel Structure help people break free of the normal constraints imposed by the organization, engage in genuine inquiry & experimentation, and initiate need changes. We believe these are a foundation of OD because they are prevalent

6. APPILED BEHAVIOURAL SCIENCE:

- OD is the application of behavioral science knowledge base of the field, behavioral science knowledge.
- Human behavior in organizations is far from an exact science, lawful patterns of events produce effectiveness.
- Organization Development is both a result of applied behavioral science & form of applied behavioral science.

7. ACTION RESEARCH:-

- Action research is a reflective process of progressive problem solving led by individuals working with others in terms (or) as a part of a “community of Practice” to improve the way they address issues & solve problems.
- Action research can also be undertaken by larger organizations (or) institutions, guided by professional researchers.

2. SYSTEM OUT LOOK / SYSTEM THEORY:

- Systems theory was first introduced by **VAN BERRALANFY** (1950) & was introduced into the organizational setting by **KATAZ & KHAN** (1966)
- System theory is one of the most powerful conceptual tools available for understanding the dynamics of organizations & organizational change.
- System theory is an approach to organizations which like the enterprise to an organism with interdependent parts, each with its own specific function & interrelated responsibilities.
- Organizations are open systems. All open systems are inputs – throughout – output mechanisms systems take inputs form the environment in the form of energy, information, money, people, raw materials and so

2.1 DEFINITIONS:-

Fagan defines system as “ a set of objects together with relationships b/w the objects & between their attributes.

Hanna says “ A system is an arrangement of interrelated parts”

2.2 NATURE OF SYSTEMS:-

- The nature, dynamics & characteristics of open system are well known organizations are open systems.
- All open system are input – through - output mechanism system take inputs from the environment in the form of energy, information, money, people, raw, materials etc.
- They do something to the inputs via conversion (or) transformation processes that change the inputs & they export products to the environment in the form of output.
- Information is important to systems in several ways.
- Feedback is information from the environment about system performance.
- Open systems planning are one of the principle applications of systems theory in organizational development.
- Open system planning involves the following activities.
- Examine the environment for finding out the expectations of external organization & stakeholders.
- Develops both realistic & ideal Scenarios of possible futures.
- Formulates action plans to make sure that an attractive & pleasant future occurs.

Key Points

- The organization is an open system, which interacts with the environment and is continually adapting and improving.
- The organization influences and is influenced by the environment in which it operates
- If an organization is to be effective it must pay attention to the external environment, and take steps to adjust itself to accommodate the changes in order to remain relevant
- All part of the organization are interconnected and interdependent; If one part of the system is affected, all parts are.

Applying Systems Theory in an OD Intervention

- Use mixed groups to achieve a rich understanding how the change is seen from different perspectives.
- Expose people to the outside world in which the organization operates ensure the organization stays externally sensitive and not insulated in their perspective.
- Help the leadership team understand that they don't have all the data required to manage change the organization desires.

3. THIRD WAVE MANAGEMENT:-

- The concept of third wave organization was introduced by business tourist ALEVIN TOFFLER.
- The first wave organizations was established in the agriculture age second wave organizations was developed in the industrial age & focused mainly on mass production & growth.
- Third wave organizations are mainly initiated for becoming successful in the information age.
- Flexibility, creativity & innovations are the most important Characteristics of third wave originations

3.1 Meaning of Third Wave Management

- The Third Wave helps explain why so many industrial-era institutions, from giant corporations to governments, are dinosaurs gasping for their last breath.

3.2 Definition to third wave management

- **According to Alvin Toffler:**” the first wave companies were built in the agricultural age. Second wave companies evolved in the industrial age & emphasized mass production & growth. Third wave companies are evolving in the information age to meet changing times to be able to transform their products & organization.

3.3 Introduction to third wave management

I. The First Wave:



The Agricultural Revolution

- The first wave started as people realized that they could raise crops in the ground. People stayed in one place. The old, the sick, and the weak stayed with the family, and we developed treatments for them.
- Families were extended; generations lived on the same land. Their sense of time was cyclical, seen as repeated cycles of moons, crops, and seasons.
- Consider how a farm uses every bit of a butchered hog for food, clothing, candles, etc. Transitions are generally painful things. Change does not go smoothly.
- The farmers had conflicts with the remaining hunter-gatherers. Sometimes raiding parties would attack the food stores, and the farmers needed armies to protect themselves.

II. The Second Wave:



The Industrial Revolution

- Our tools progressed, and we harnessed powerful forces of nature to amplify the power of our earlier tools.
- We applied wind, water, coal, steam, and oil to the basic tools and produced railroads, clipper ships and steam ships, and automobiles.
- These new focuses brought us new groups. Only the Capitalists could afford the investments.
- The factories consumed and processed raw materials, often exploiting natural resources in a non-sustainable manner.
- They found that bigger factories worked cheaper, and they competed on economies of scale.

- We later found out that economies of scale were restrained by the law of diminishing returns; the efficiency of the factory had limits.
- Organizations progressed as the factories and corporations developed. The vertical org-charts represented the chain of command.
- The structure of General Motors wasn't that different from the US Army.
- Efficient use of the factories introduced time analysis.

III.The Third Wave:



The Information Revolution

- Just as manufacturing came out of the peak of the agricultural era, the information age came out of the peak of the manufacturing era.
- The huge companies and military organizations needed to track what they had, what they were doing, and what they were spending.
- The new tools amplified our senses and memories, rather than our strengths. Radar systems warn us of incoming missiles, robot calipers detect tiny variations in ball bearings, and CD-Roms store our accumulated knowledge.
- One early, widely developed info system was the telephone network. Several of our other technologies (fax systems, the internet) ride over the phone network.
- It's not evident, but the phone network is the technological marvel of our age.

Details of the Third Wave

- Work is done everywhere: at home, on the road, even in the office! (A return to the cottage)
- Continual education is the pre-requisite for success.
- Size doesn't matter: Small companies can compete with giant, bureaucratic, companies.
- Location, Space, and Mass don't matter. (No pun intended)
- Time matters dearly, and we call the new timeframe Internet time.
- Some people argue that Women may be more disposed to success in the third wave, dealing better with ambiguity, collaboration, and context than Men do.

3.4 Business Implications of The Third Wave

- Time moves faster
- Compete on information
- Seek digital processes
- Place and Distance don't matter
- Build information and relationships
- Use the web for two-way communications
- The information gained in a transaction may be more profitable than the transaction

3.5 Characteristics of Third Wave Management

- The rolling back of the Industrial-Era creed of "standardization", as exemplified in the one-size-fits-all approach typical of institutions of this era, such as the education system, factories, governments, mass media, high volume mass production and distribution, etc.
- The emergence of various high technologies, such as cloning, global communications networks, nanotechnology, etc. However, these aspects were discussed in greater depth in Future Shock and somewhat deemphasized in the Third Wave.
- A transformation of the very character of democracy, itself, from rule-by-periodic polling at the election booth, toward a more direct interaction between the government and its populace.
- To a large extent, this has already emerged with the rise of the Internet, though it has not yet congealed in the form of a fundamental revision of the constitution of any state.
- We haven't figured out what to tax yet, but they're thinking hard about it. Some people argue that Women may be more disposed to success in the third wave, dealing better with ambiguity, subtlety, collaboration, and context than Men do.

FLEXIBILITY:-

- The organizational cultures of these organizations give huge flexibility for recognizing.
- The organizational structures of these organizations are not permanent.

CREATIVITY:-

- The employees of third wave organizations are motivated & are declared towards they vision.
- They are personally involved in the projects which can change the worlds & seeks opportunity for personal growth.

INNOVATION:-

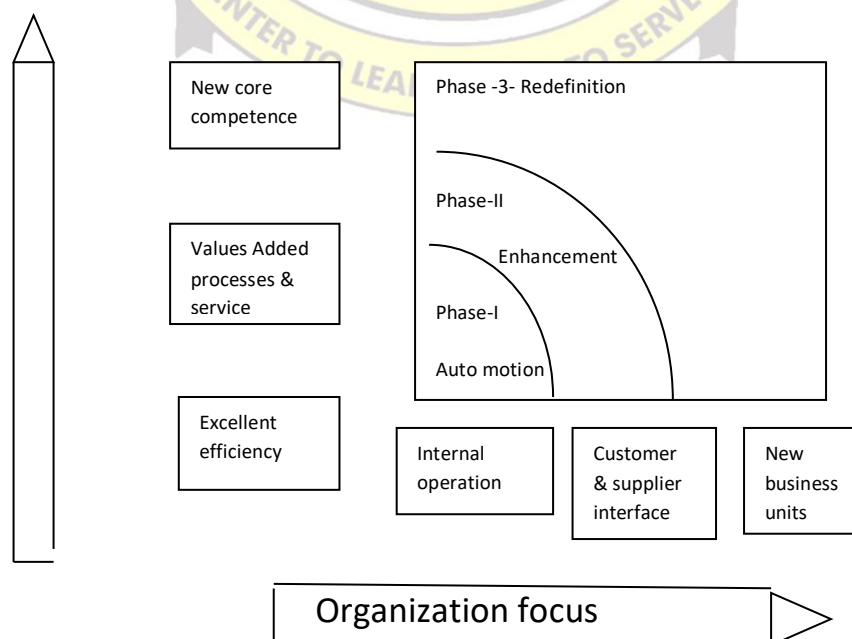
- The third wage organization promotes risk taking & innovation.
- Third wage organization has a participative work culture which helps them to overcome competition.
- A part from this, the managers & superior of third wave organizations acts as true leaders helps the employees to make use of this untapped potential.

4. ORGANIZATION TRANSFORMATION:-

- Today organizations are faced increasingly with fierce competition, demanding customer economic pressure & financial crises.
- The transformation involves complex and simultaneous interactions in this process a variety of possible forms can emerge.
- Organizational transformation is a term referring collectively to such activities as re-engineering, re-designing & re-defining business systems.

Organization continually need to

- Flexible, effective & efficient organization.
- A customer – centric approach to organizational activities.
- Promotion of an integrated approach to IT- business.
- Recognition of current strengths to create a more productive environment.

4.1 PHASES OF TRANSFORMATION :-

PHASE –I:-It begins with the automatic of existing activities to reduce cost & raise capacities & expands to encompass a broader range of applications to optimize operations.

PHASE – II:-It focuses on adding features, functions, and value –added processes new service to the Core Values.

PHASE –III:-It may become principle vehicles for growth, the existing business can be redefine

4.2 TRANSFORMATION STRATEGIES

There are various strategies to transform organization like.

A.TRANSFORMATION THROUGH VALUES

In the changing business environment, values are guiding force for the companies values are nothing but something we hold dear something that reflects an ideal (or) an ethic.

B.TRANSFORMATION THROUGH ORGANIZATION DEVELOPMENT:-

- Most people & organizations are not prepared for the vastly accelerated pace of change.

Organization development rests on 3 basis propositions like

- Organizations change forms through the age. The changes taking place in that age make it necessary to revitalize & rebuild organizations.
- The only way to change organizations lies in changing the climate of the organization.
- A new social awareness is required by people in organizations.

C. TRANSFORMATION THROUGH SIX SIGMA:-

- It is the statistical parameter used to describe variation.
- It focuses on achieving tangible results as well as speaks the language of business.

D. TRANSFORMATION THROUGH BENCH MAKING:-

- Bench making is the continuous process of measuring products, services & practices against the toughest competitions.

2.4.1 Process of Organization Transformation

A. Leadership:

- Assess the sponsor's leadership. Mobilizing leaders is critical to spearheading a successful effort. Leaders play a vital role throughout the life cycle in promoting the initiative; ensuring resources are available and able to support the effort, and resolving critical implementation issues as they arise.
- Leaders must be aware of outcomes across the organization and be able to make decisions accordingly.

B. Communications and Stakeholder Engagement:

- Identify key stakeholders (those who will be impacted), determine how best to communicate with them, and keep them involved.
- Effective communications allow for two-way dialogue, so issues can be understood, and changes can be made appropriately.
- Assess access to stakeholder information.
- Access to stakeholder information is critical to the training team, which must determine which groups need to be trained and how.

C. Knowledge Management:

- Assess directly and indirectly affected users to determine if they are prepared to adopt the transformation.
- While training is delivered just prior to "going live," education needs to occur much sooner.
- End users must understand what is changing and why, before they are trained on "how."
- This assessment is tightly linked with leadership and communication assessments.

D. Enterprise Organizational Alignment:

- Assess the sponsor's organization to determine how the transformation will specifically affect the organization and any external stakeholders.
- The transformation may be creating new organizational units or user roles to be filled by current employees.
- The Burke-Litwin analysis will identify as current organizational gaps. Understanding the gap between present and future roles and responsibilities is critical to prepare the organization to successfully adopt the change.

E.Site Level Workforce Transition:

- The relationship between headquarters and field offices adds complexity to the organizational assessment. Systems engineers must be cognizant of the need to assess field offices as part of the over-all organizational assessment.
- The success of organizational changes to each site will depend on the degree of involvement by its local team.
- Each site likely has its own processes, issues, constraints and numbers of people affected.

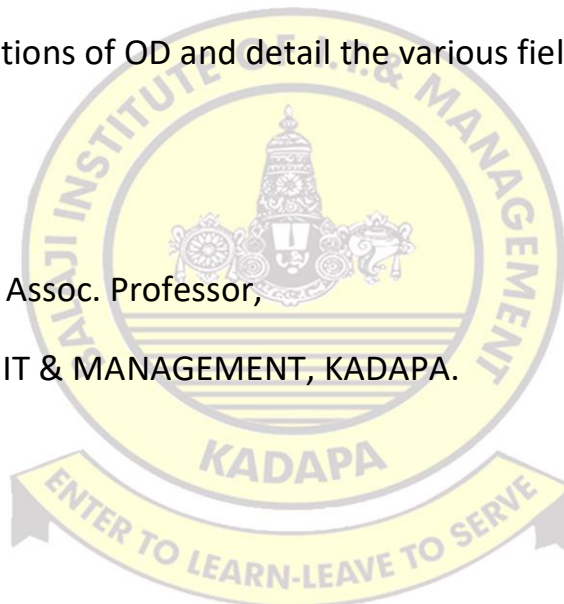
External Questions: (Old Question papers)

1. Examine the benefits of third wave management as part of organizational transformation?
2. Discuss the foundations of OD and detail the various fields having contribution in OD?

PREPARED BY:

B.V.LAKSHMI, M.B.A, Assoc. Professor,

BALAJI INSTITUTE OF IT & MANAGEMENT, KADAPA.



(17E00405) ORGANIZATION DEVELOPMENT

Objective :The objective of the course is to provide the students with the conceptual framework and the theories underlying Organizational Development.

1. **Organization Development** –Definition – Characteristics - Contributory Stems, Values, Assumptions, Beliefs in OD - Ethical issues in OD.
2. **Foundations of OD-** Systems Outlook- Third Wave Management and Organization Transformation.
3. **Diagnostic Process and Areas of Diagnosis** –Action Research- As a Process and Approach- OD
4. **Interventions classification** – Team Interventions – Intergroup Interventions- Third party peace making intervention, Structural Interventions- Comprehensive Interventions and Training Experience, Other Interventions- T- Groups, Behaviour Modelling, Life and Career Planning.
5. **Consultant Issues** – System Ramifications – Power politics in OD – Future of OD.

Text Books:

- Organisation Development and Transformation, French, Bell &Zawacki, TMH.
- Organization Development,French&Bell,Pearson

References:

- Organisation Change and Development,Kavita Singh: Excel.
- Organization Development,Daniel Robey & Steven Actman,Macmillan.
- OrganisationDevelopmentChange,Cummins&Worley,Thomson/Cengage.
- Organisation Development Interventions&Strategics, S. Ramnarayan, T.v Rao &kuldeepsingh,Response.

UNIT –III

DIAGNOSTIC PROCESS & AREAS OF DIAGNOSIS

1. Meaning of Diagnosis

- Organisational diagnosis is an exercise attempted to make an analysis of the organisation, its structure,
- Organisational diagnosis could be done as a periodic routine exercise like the case of periodic medical checkup of an individual or may be undertaken whenever there is a cognizable problem that is affecting the functioning of an organisation.
- Effective diagnosis should be an organic process in that as you start to look at an organization and its structures and what it does and does not do, change starts, as change progress so does the 'now' performance and as such the diagnosis process also needs to re-start.
- Organizational Diagnosis is an effective ways of looking at an organization to determine gaps between current and desired performance and how it can achieve its goals.
- In recent years organizational diagnosis has evolved from a technique used as part of the organizational development process to a major technique in its own right.

1.1 INTRODUCTION:

- Organization diagnostic is often mentioned as the most critical element in the OD process.
- It is aimed at providing rigors analysis data on the structure, administration etc & other essential elements of the client system.
- It organization change is to be effective, it must be based on a specified diagnosis of the problem.
- Diagnosis is a systematic approach to understanding and discussing the present state of the organization.
- In recent years of organization diagnosis has evolved from a technique used as a part of the organizational development process to a major technique in this own right.
- Diagnosis is a systematic approaches to understanding & discussions the present state of the organization.
- The area of diagnosis is based on organizational processes.

- Those include communication networks, group problem, solving, goal setting & planning methods.
- The diagnosis is made of the various sub-elements that made up the organization.

1.3 Diagnostic process

- The diagnostic phase is a series of interventions which are intended to engage and connect organizational stakeholders in the change process and begin the process of examining mental models and provide a forum for open communication and sense making.
- It must be remembered the diagnostic phase is part of the OD cycle and as such is intended to be more than just a data gathering stage,
- it is a disturbance process, and should be designed to get stakeholders to begin to question the current reality, and begin thinking about what could be.
- It is during this phase that the OD consultant can develop a deep understanding of the organisational situation, what issues the organisation is facing and what strengths the organisation possesses in order successful achieve any OD intervention.
- It is the diagnostic phase which provides the platform from which the organisation is able to highlight what cultural, economic and capability shifts the organizational is able to make and how those shifts can be made and embedded for sustainable organisational performance.

The organizational Diagnostic phase is often integrated within an overall OD process, commonly called 'a consulting process'.

An example of such a process is:

Entry → Diagnosis → Action Planning → Implementation → Termination

1.4 Key questions that the Diagnostic phase seeks to answer include:

1. What data do we need for the OD programme?
2. What methods and processes should we use for data collection?
3. What politics and power controls will impact the way the diagnosis is carried out?
4. What resources are required to collect the data?
5. What time and resources are the organisation willing to commit?
6. What data is needed to support the organisation in its decision making and action planning?
7. Who owns the data?
8. Who will analyze and make sense of the data once it is collected?
9. Who needs to have feedback from the diagnostic interventions?
10. Having collected the data what revisions are required to the proposed OD programme?

1.5 WEISBORD'S SIX BORE DIAGNOSIS MODELS:-

- Another diagnostic tool is **MARVIN WEISBORD'S** six-bore model, a diagnostic frame work published in 1976 & skill widely used by OD practioners.
- According to **WEISBORD**, the consultant must attend to both the formal & informal aspects of each bore.
- He states that as an open system which exists in an environmental context, an organization needs to be examined with regard.
- Weisbord identifies as inputs the money, people, ideas, and machinery which are used to fulfill the organization's mission. The outputs are products and services.
- Two premises which are not apparent in Weisbord's model are crucial to understanding the boxes in the model.
- The first premise refers to formal versus informal systems. Formal systems are those policies and procedures the organization claims to do.
- In contrast, informal systems are those behaviors which actually occur.
- The bigger the gap between the formal and informal systems within the organization, the less effective the organization is.
- The second premise concerns the fit between the organization and the environment, that is, the discrepancy between the existing organization and the way the organization should function to meet external demands.
- Weisbord defines external demands or pressures as customers, government, and unions.
- Weisbord poses diagnostic questions for each box of his model. For example, he suggests that OD consultants determine whether organizational members agree with and support the organization's mission and goals within the purposes box.
- This question refers to his premise regarding the nature of the formal and informal systems within the organization.

A.Fit between organization & environment:-

- The extent to which purposes & structures support high performance & ability to change with conditions.

B.Fit between individual & organization.

- The extent to which people support (or) subvert formal mechanism intended to cares out an organization's purposes.

In WEISBORD'S model the organization is represented by six bores like purpose, structure, rewards, helpful mechanism, relationships & leadership.

A.PURPOSES:-

Organizational objectives include the missions and perspectives of an organizational vision.

These goals have to be clear to all employees and they need to abide by them, even if their individual philosophies about how things should be are completely different

Two issues are important

- Goal clarity (how well articulated are the goals)
- Goal agreement (do people understand & support the organization's purpose)

B.STRUCTURE:-

- The structure should fit the goal, it is important to see how work is actually done.
- The structure of an organisation is the bigger picture of power relationships and formal relationships between functional groups in an organisation.
- Structure should give a clear idea of the legal power, and it should also provide an accurate and fitting overview of how the goals of the organisation need to be achieved and who is responsible.

C.RELATIONSHIP:-

- Three types of work relationships are important
- Between people-peers & boss – subordinate.
- Between units doing different tasks.
- Between people & their technologies.
- Relationships include individuals, groups, technological and other functional sections that effectively work together.

D.REWARDS :-

- Rewards should be diagnosed in terms of similarities & differences between what the organization formally rewards – the compensation package, incentives.

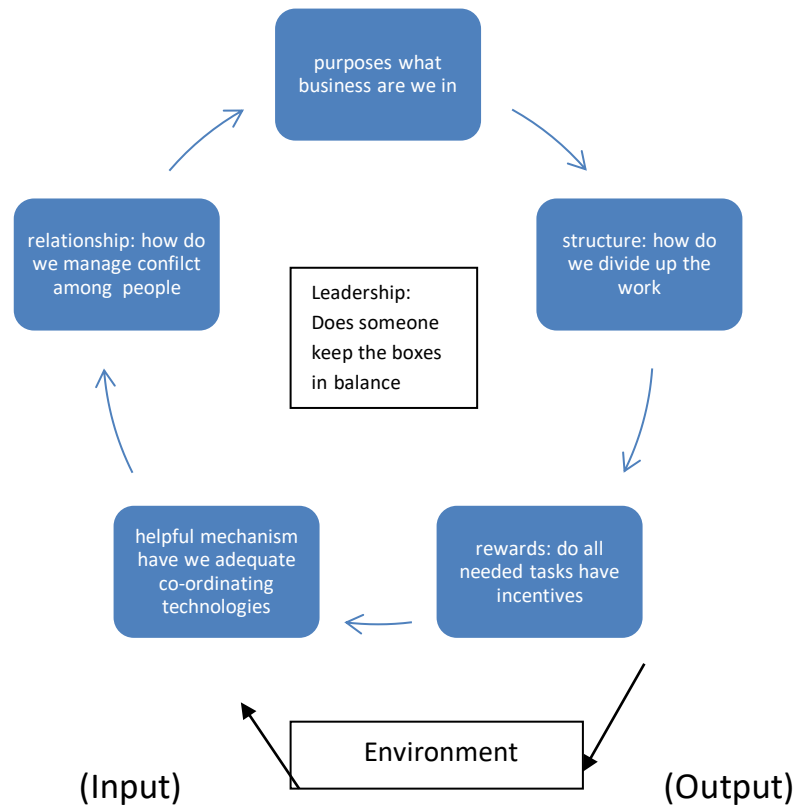
- Reward systems include both official and unofficial rewards and have to be analyzed in order to ensure sufficient (extrinsic) motivation among employees.

LEADERSHIP :-

- Managers need to use the human resources they have at their disposal as effectively as possible. They also use materials and other equipment from the organisation in order to try and achieve the organisation's goals.
- They have to optimize collaboration between employees, in order to jointly work towards their goal or on the production of a single product.
- The intensive leadership style they will employ for this is aimed at tasks and relationships, managing and monitoring goals, identifying problems, and be highly adaptive to their environment, both internal and external.
- Leadership may make the difference between an organization that 'works' & one that does not management literature has identified 4 important leadership tasks like
 - Defining purposes
 - Embodying purposes in programmes
 - Defining institutional integrity
 - Ordering internal conflict.

d) HELPFUL MECHANISM:-

- There are 4 processes that require helpful mechanisms, which every organization.
- Planning
- Budgeting
- Control
- Measurement



External Questions: (Old Question papers)

UNIT-III

1 “Diagnosis is a cyclical process in organization development”-Outline the diagnostic process in brief?

PREPARED BY:

B.V.LAKSHMI, M.B.A, Assoc. Professor,

BALAJI INSTITUTE OF IT & MANAGEMENT, KADAPA.