403 HRM – Organisational Diagnosis & Development

Unit 1.Organisational Development

Definition Of Organizational Development:-

Organizational development is a critical and science-based process that helps organizations build their capacity to change and achieve greater effectiveness by developing, improving, and reinforcing strategies, structures, and processes.

In organizational development, the main stakeholders are both internal and external to the company. Management and employees are internal stakeholders. External stakeholders include customers, investors, suppliers, communities and governments.

Globalization leads to a much greater interconnectedness and opens up organizations to world-wide opportunities and threats.

On top of that, IT is redefining how traditional business models work, creating innovative companies with the ability to scale their services to a worldwide audience in the timespan of only a few years. Just a year after launching, Facebook hit one million registered users. A few years later, Snapchat hit 10 million active users in its first year. This exposes incumbents to disruption.

Evolution :-

1) Robert Tannenbaum   - Robert Tannenbaum has come up with new session called as Team Building in 1952 &1953 at U.S Naval Ordnance test station at China Lake, California. According to Tannenbaum, the term vertically structured groups was used with groups dealing with "Personal Topics"(such as Interpersonal relationship, self analysis etc) & with organization topics(such as duties and responsibilities, policies and procedures etc). These sessions were conducted with all managers of a given organization.

2) Kurt Lewin :-   Kurt Lewin is perhaps best-known for developing Force Field Analysis, using Force Field Diagrams. The classic force field diagram helps a group picture the "tug-of-war" between forces around a given issue. Kurt Lewin change is a three-stage process.

3) MCGREGOR :- Douglas McGregor and Richard Beckhard while "consulting together at General Mills in the 1950's, the two coined the term organizational development (OD) to describe an innovative bottoms-up change effort that fit no traditional consulting categories.

THEORY X Y : Douglas McGregor, an American social psychologist, proposed his famous X-Y theory in his 1960 book 'The Human Side Of Enterprise'. Theory x and theory y are still referred to commonly in the field of management and motivation, and whilst more recent studies have questioned the rigidity of the model .McGregor's X-Y Theory remains a valid basic principle from which to develop positive management style and techniques. McGregor's XY Theory remains central to organizational development, and to improving organizational culture.

4) ROBERT BLAKE :-Dr. Robert R. Blake (January 21, 1918 – June 20, 2004) was an American management theoretician. He did pioneer work the field of organizational dynamics. Together with Jane S. Mouton, he developed the Managerial Grid Model (1964), which attempts to conceptualize management in terms of relations and leadership style.

Foundation Of OD :-

- T - Group :- A Training-Group, or T-Group, is a type of experience-based learning. Participants work together in a small group of 8-14 people, over an extended period. Learning comes through analysis of their own experiences, including feelings, reactions, perceptions, and behavior.

- System's Theory:- The system may be the whole organisation, a division, department or team; but whether the whole or a part, it is important for the OD practitioner to understand how the system operates, and the relationship the parts of the organisation have.
  The emphasis in OD is that that real systems are open to, and interact with, their environments, and it is possible to acquire new properties through emergence, resulting in continual evolution. Rather than reducing an organisation to the properties of its parts or elements, systems theory focuses on the arrangement of and relations between the parts which connect them into a whole.
  The organization is an open system, which interacts with the environment and is continually adapting and

improving. The organisation influences and is influenced by the environment in which it operates if an organisation 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 organisation are interconnected and interdependent. If one part of the system is affected, all parts are.

- Parallel Learning Structure:- Parallel Learning Structures (also known as Communities of Practice) promote innovation and change in large bureaucratic organizations while retaining the advantages of bureaucratic design. Groups representing various levels and functions work to open new channels of communication outside of and parallel to the normal, hierarchical structure. Parallel Learning Structures may be a form of Knowledge Management. Knowledge Management involves capturing the organization's collective expertise wherever it resides (in databases, on paper, or in people's heads) and distributing it to the people who need it in a timely and efficient way.

- Double Loop Learning:- Double-loop learning refers to the distinction between learning that keeps a behavioral system operating within a field of constancy and learning that changes what the system seeks to achieve or to keep constant. It is related to the distinction between first-order and second-order change.

- Action Research:- Action research is another view of the organizational change process. It is an organizational change process that is based on a research model specifically one that contributes towards the betterment of the sponsoring organization and contributes to the advancement of knowledge of organizations in general. In Action Research, the change agent is usually an outside person, who is involved in the total change process, from diagnosis to evaluation. This person usually contracts with the sponsoring organization to engage in organizational research, whereas the typical change agent is called in to make a specific change. Action Research in organizational development provides a scientific methodology for managing planned change.

Unit 2 Organisational Diagnosis

Six Box Model and the Martin Weisbord's questionnaire :-

The **Weisbord Six-Box Model** uses six broad categories to conduct an organizational diagnosis of the issues within company. According to Weisbord, identifying and solving a problem is something that should be done systematically by the people themselves, because they are the most familiar with their own situation. A formal diagnosis is a way to bridge the gap between what is and what should be. Analyzing the six research areas enables organizations to uncover issues and draw conclusions in order to solve internal issues.

1. **Purpose**: Organizational purpose needs to be clear to all employees, and they must adhere to the purpose, even if their personal view is completely different.

2. **Structure**: The organizational structure of an organization contains the bigger picture of power relationships between employees and formal relationships between functional groups. Structure should provide a clear view of who is ultimately responsible for achieving the goals in an organization.

3. **Relationships:** Relationships include individuals, groups, and other functional sections that work together effectively.

4. **Rewards**: Reward systems, both formal and informal, must be analyzed in order to ensure appropriate reward levels are provided, so that employees remain motivated.

5. **Leadership**: Leadership refers mainly to the managers within an organization. Managers need to use the human resources, materials and equipment they have at their disposal in order to achieve the organization's goals. They also need to encourage collaboration between employees who are working on the same project or product.

6. **Helpful Mechanisms**: Helpful mechanisms are methods that help employees to coordinate their activities. Examples are descriptions of organizational approaches, procedures, seminars, notes, reports, perspectives, or integrated information systems.
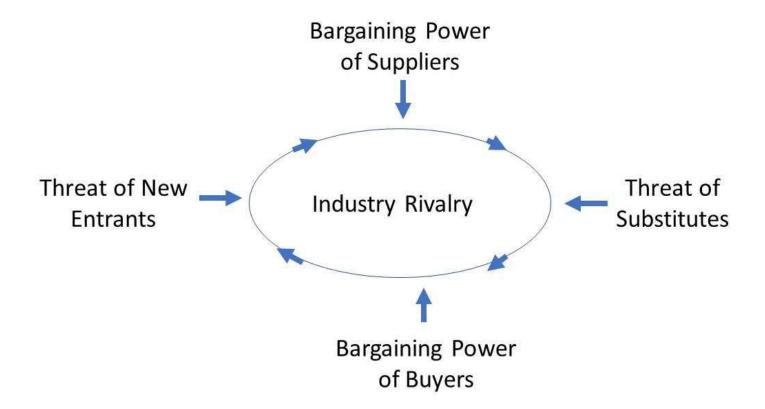
Porter's Five Forces Model:-

Porter's Five forces are-

1. Threat of new entrants

2. Bargaining power of buyers (customers)

3. Threats of substitute products or services

4. Bargaining power of suppliers

5. Competition in the industry (rivalry among existing competitors)

New entrants: Looking at the potential entrants requires understanding of barriers to entry and also the characteristics that are likely to attract new competitors. Features that are likely to attract newcomers are high profit/growth and/or small capital expenditure. For example, in the foreign exchange industry, one of leading companies OFX (ASX:OFX) has seen the potential for growth curtailed for the past few years. This is due to ease of entry of other discount non-bank rival competitors (TransferWise) with similar services or products (as explained by Motley Fools AU).

Buyers: These are the end-users of products (or services) which produces the cash flow of companies. This one of the key question in every business is "How to leverage your products and attract the buyers by creating demand for your company's products over time"? One way is to understand the psychology of your potential customers and see how they interact and use your products. Are your buyers becoming more knowledgeable about technology and its costs? Are there new channels of distribution emerging? Is there any shift in customer's needs? This is why market analysis with surveys and feedbacks, for example, are more important nowadays to check what the customers think of your products or services.

Substitutes: In any product cycle, there is bound to be increase in competition over time as rivals learn more about your products or services. E.g. in the pharmaceutical industry, competition always comes in the form of generics to take market share once patent runs out for the active chemical component.

Suppliers: Are there new means of coordination with suppliers emerging? Are suppliers going out of business due to low turnover? Are their products becoming more differentiated or concentrated? Maybe companies are buying the suppliers and contractors (vertical merger) so that it can save on the margins that was adding to its costs. If this happens, the rival companies may have to find another supplier or even be dealing with a direct competitor for their materials.

Rivals: This looks at the number and strength of your competitors. How many direct rivals do you have? Who are they, and how does the quality of their products or services difer from yours? If competition is intense, companies may attract buyers with massive price cutting and high-impact marketing campaigns. On the other hand, if you have created a moat or niche, you can have the power to price high as the customers have no choice but to use your products or services- E.g. Microsoft software's for personal computers.

PESTEL Analysis of Macro – environment:-

In PESTEL analysis, you develop a detailed description of a company's macro-environment in terms of political, economic, socio-cultural, technological, environmental and legal factors as well as their effects.

In practice, analyses based on the PESTEL model are used in conjunction with studies on the micro-environment as part of the overall environmental analysis. Their objective is to identify any opportunities or risks which may

arise from the business environment.

Political factors

PESTEL analysis's political factors include all **governmental** aspects which directly or indirectly affect your company's business activities. These factors include but are not limited to:

- the country's economic system
- current and future foreign policy
- bilateral relations
- the stability of the political system
- freedom of press
- the level of bureaucracy and corruption
- lobbying
- security policy
- trade policy and
- Governmental regulation and deregulation.

Economic factors

Economic factors can provide insight into the **economic development** of the markets your company is interested in. These factors include but are not limited to:

- economic growth
- gross domestic product
- population
- production conditions
- consumer behavior
- capital flow
- import/export
- stock market trends and
- credit availability.

Socio-cultural factors

When describing the socio-cultural factors, you should first consider **demographics**:

- age distribution
- social classes
- life expectancy
- population growth rate
- language
- wealth distribution
- level of education and
- family size and structure.

Standards, **values** and **attitudes** can also have a significant impact on your business activities. Examples of this include:

- health consciousness,
- shopping habits,
- understanding of one's role (gender roles),
- religion and
- trends.

Technological factors

Technological developments can also lead to both opportunities and risks for your business model. The technological factors you should consider in a PESTEL analysis include:

- government expenditure on research and development
- the level of innovation
- access to new technologies and
- disruptive technologies.

Environmental factors

The second "E" in the acronym "PESTEL" stands for environmental.

The environmental factors include **physical and geographical features** such as:

- climate
- topography
- country size
- infrastructure and
- the availability of natural resources (raw materials, mineral resources).

More and more companies are also focusing on environmental aspects when making business decisions. The following factors play a key role:

- environmental pollution (emissions, waste),
- environmental awareness,
- pressure from NGOs,
- adoption of sustainable products and
- recycling standards.

Legal factors

Your company's scope of action in a targeted market largely depends on the **legal system of the country** in question as well as the **legal awareness** of the general population. In a PESTEL analysis, you will examine which of the following factors, among others, impact your company:

- competition laws
- antitrust laws
- environmental regulations
- consumer protection laws
- occupational health and safety requirements
- merger and acquisition laws
- data protection
- copyright and patent laws
- liabilities
- manufacturing standards and
- labelling regulations.

Unit 3 Team Interventions and Intergroup Interventions

Concept of intervention:-

Organizational Development (OD) Interventions are structured program designed to solve a problem, thus enabling an organization to achieve the goal. These intervention activities are designed to improve the organization's functioning and enable managers and leaders to better manage their team and organization cultures. These OD interventions are required to address the issues that an organization might be facing ranging from process, performance, knowledge, skill, will, technology, appraisal, career development, attrition, top talent retention and the list can actually be pretty exhaustive.

Team Intervention :-

The purpose of this team is to help Employees / Members of the team that are struggling in some way. This usually refers to performance but can include emotional/behavioural/social concerns.

This Intervention can be used effectively to: Engage and align individuals, or cross-teams, to collaborate effectively bring in high energy and charge up the team to achieve stretched goals . Set up a high performance climate in the organisation

Team-Building Interventions The four main areas: Diagnosis, Task Accomplishments Team relationships, Team and organization processes

THE FORMAL GROUP DIAGNOSTIC MEETING: - Its purpose is to conduct a general critique of the performance of the group and to uncover and identify problems on which they will work on

THE FORMAL GROUP TEAM-BUILDING MEETING: - It has the goal of improving the team's effectiveness through better management of task demands, relationship demands and group processes.

PROCESS CONSULTATION INTERVENTIONS - Process consultation model is similar to team- based interventions. It places greater emphasis on diagnosing and understanding pFocuses on individual than the group

It is based on the belief that persons functions as whole total organisms. And each person possesses positive & negative characteristics that must be owned up to &permitted expression

People get into trouble when they get fragmented, when they do not accept their total selves &when they are trying to live up to the demands of others rather than being themselves.

Gestalt approach :-

- The goals of gestalt therapy are:

- Awareness

- Integration

- Maturation

- Authenticity

- Self-Regulation

- Behaviour Change

Basically one must come to terms with oneself, must accept responsibility for one's actions,must experience & live in the "here & now" & must stop blocking off awareness, authenticity & the like by dysfunctional behaviours

It can be applied to boss-subordinate relations & team building.

The primary thrust is to make the individual stronger, more authentic & more in touch with the individual's feelings building a better team. The individual must recognise, develop, &experience his potency & ability to cope with his organizational world whatever its present condition.

To do this people must be able to express their feelings fully both positive / negative. They must learn to "stay with" transactions with others & work them through to resolution rather than suppressing negative feelings or cutting off transactions prematurely.

The gestalt OD practitioner often works with group setting, but the focus is usually on individuals. The main concept of this theory lies in the emotional intelligence and its components are resemble to those of EI process events.

Role Analysis Technique:-

1. Role analysis technique (RAT) Team/Work Group OD interventions

2. Role analysis technique (RAT) • Role analysis technique (RAT) is used to help employees get a better grasp on their role in an organization.

3. Role analysis technique (RAT) • In the first step of a RAT intervention, people define their perception of their role and contribution to the overall company effort in front of a group of co-workers. • Group members then provide feedback to more clearly define the role.

4. Role analysis technique (RAT) • In the second phase, the individual and the group examine ways in which the employee relies on others in the company, and how they define his or her expectations.

5. Role analysis technique (RAT) • RAT interventions help people to reduce role confusion, which can result in either conflict or the perception that some people aren't doing their job.

6. A popular intervention similar to RAT is responsibility charting, which utilizes a matrix system to assign decision and task responsibilities.

Role Negotiation Technique :- Role negotiation technique is a team building technique involving negotiations between participants.

• When the causes of team ineffectiveness are based on people's behavior of unwillingness to change because it would mean a loss of power or influence, role negotiation could help to a great deal.

• Role negotiation technique directly intervenes in the relationships of power, authority and influence within the group. The change effort is directed at the work relationships among members.

• Role negotiation technique was developed by Roger Harrison .

Interdependency Exercise:- Cooperation, better acquainted, examining latent problem, providing useful information. 10 member exercise(interdependencies, what's going well, potential snags, action plans)

Responsibility Charting:- Describes the participation by various roles in completing tasks or deliverables for a or business processes. It is especially useful in clarifying roles and responsibilities in cross- functional/ departmental projects and processes

Responsibility charting will help you to: – Clarify any confusion, assumptions and misunderstandings about 'who does what' – Make sure that someone is responsible for each task – Identify who needs to be given communication about each task – Prevent duplication of effort.

It can unearth a range of issues, including gaps in responsibility, misunderstanding, miscommunication and areas where too many people are given responsibility for the same thing.

Intergroup Interventions: - Inter-group interventions are integrated into **Organizational Development** programs to facilitate cooperation and efficiency between different groups within an organization. For instance, departmental interaction often deteriorates in larger organizations as different divisions battle for limited resources or become detached from the needs of other departments. <u>Conflict resolution</u> meetings are one common inter-group intervention. First, different group leaders are brought together to get their commitment to the intervention. Next, the teams meet separately to make a list of their feelings about the other group(s). Then the groups meet and share their lists. Finally, the teams meet to discuss the problems and to try to develop solutions that will help both parties. This type of <u>intervention</u> helps to gradually diffuse tension between groups caused by lack of communication and misunderstanding.

WALTON'S MODEL of Third-Party Peace-Making Team/Work Group OD interventions:-

Intermediaries (or "third parties") are people, organizations, or nations who enter a conflict to try to help the parties de-escalate or resolve it. Walton has presented a statement of theory and practice for third-party peace making interventions that is important in its own right and important for its role in organization development.

WALTON'S MODEL IS BASED ON FOUR ELEMENTS

- The conflict issues.
- Precipitating circumstances.
- Conflict relevant acts.
- The consequences of the conflict.

WALTON'S HAS OUTLINED THE INGREDIENTS OF A PRODUCTIVE CONFRONTATION

- Mutual positive motivation.

- Balance of power.

- Synchronization of confrontation efforts.

- Differentiation and integration of different phases of the intervention must be well paced.

- Conditions that promote openness should be created.

- Reliable communicative signals.

- Optimum tension in the situation.

ORGANIZATION MIRROR INTERVENTION :- It is a technique designed to work unites feedback in how other elements of organization view them.

Set of activities in which host group receives feedback about how it is perceived and regarded from reps across organization.

PARTNERING :- Used in situations where two or more entities are likely to incur unnecessary and/or cost overruns.

- A variation of team building and strategic planning.

Unit 4 - Comprehensive interventions and structural interventions

Beckhard's confrontation meeting :-

The confrontation meeting was developed by Richard Backhard. According to this meeting, the management team will generate the information about the major problems and underlying causes.

Apart from that, they will develop the plans to prevent such problems and set a foe completed remedial work for the company.

The different steps of these confrontation meetings are climate setting, information collecting, sharing the information, priority setting, planning the goal or actions, immediate follow up by the top management team and generate progress reports.

This intervention is an important one in OD. It is quick, simple, and reliable way in which to generate data about an organization and to set the action plans.

Survey Feedback: -

Collecting data about the system and feeding back the data for individuals and groups at all levels of the organization to analyze, interpret meanings, and design corrective action steps.

These are having two components- the use of Attitude Survey and the use of Feedback workshops.

Survey feedback has been shown to be an effective change technique in OD.

A well designed survey helps organization members to develop valid models of how organizations work and also provide feedback about progress towards goals.

Appreciative Inquiry: -

Appreciative Inquiry is an approach to organisational change which focuses on strengths rather than on weaknesses - quite different to many approaches to evaluation which focus on deficits and problems.

Appreciative Inquiry is often presented in terms of a 4 step process around an affirmative topic choice:

1. DISCOVER: What gives life? What is the best? Appreciating and identifying processes that work well.

2. DREAM: What might be? What is the world calling for? Envisioning results, and how things might work well in the future.

3. DESIGN: What should be--the ideal? Co-constructing - planning and prioritizing processes that would work well.

4. DESTINY (or DELIVER): How to empower, learn and adjust/improvise? Sustaining the change

Grid OD :-

A comprehensive organizational intervention based on the Blake–Mouton managerial grid. The aim is to increase managers' concerns for both production and people, thereby improving organizational effectiveness. It consists of six phases conducted in the following order: (a) a seminar on the Blake–Mouton grid, (b) teamwork development, (c) intergroup development, (d) development of an ideal strategic corporate model, (e) implementation of the ideal strategic model, and (f) systematic critique. [designed by U.S. psychologists Robert R. Blake (1918–2004) and Jane S. Mouton (1930–1987)]

Socio -technical systems:-

Sociotechnical systems (STS) in organizational development is an approach to complex organizational work design that recognizes the interaction, between people and technology in workplaces.

The term also refers to the interaction between society's complex infrastructures and human behavior.

Is based on joint optimization of the social and technological systems of organization.

The boundary between the organization & its environment should be managed to allow effective exchanges but protection from external disruptions.

The implementation of STS should be highly participative.

Work Redesign :-

1. Work Redesign • Job design (also referred to as work design or task design) is a core function of human resource management and it is related to the specification of contents, methods and relationship of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the job holder. • Its principles are geared towards how the nature of a person's job affects their attitudes and behavior at work, particularly relating to characteristics such as skill variety and autonomy.

2. The aim of a job design is to improve job satisfaction, to improve through-put, to improve quality and to reduce employee problems (e.g., grievances, absenteeism). • Richard Hackman & Greg Oldham have provided an OD approach to work design based on theoretical model of what job characteristics lead to psychological states that produce high internal work motivation. • Based on five job characteristics- Skill variety, task identity, task significance, autonomy and feedback from the job.

Quality Circles :-

It is a form of group problem solving and goal setting with a primary focus on maintaining and enhancing product quality. Quality circles consists of 7-10 employees from a unit who meet together regularly to analyze and make proposals about product quality. ¬Leaders are encouraged to create a high degree of participation within the group.

Unit 5- OD Consultant

Meaning: -

An organizational development consultant is an independent contractor who is trained to enter an organization and develop a plan to make it healthy and profitable. If you want to know what an organizational development consultant does, keep reading.

Roles and Responsibilities: -

- Collecting data on the company's current performance.
- Running diagnostic tests.
- Measuring performance against industry benchmarks.
- Figuring out organizational needs and bottlenecks.
- Developing improvement plans.
- Ensuring the linkage of programs to company goals.
- Working with leaders and department heads to solve specific problems.
- Building the organization's stock of human capital through staff development programs.
- Providing specialized industry knowledge gained from previous clients and projects.
- Engaging in change management exercises with employees.
- Creating and managing budgets.
- Getting senior leadership to buy into the change initiative.

Importance of an OD consultant: -

Increased Use of HR Data - Organizational development consultants are analyzing human resources data more than ever to identify trends. Besides providing information on turnover and retention, this data can help determine what employees need to work to their fullest potential, be that professional education, technology or a change in the working environment.

Employee Engagement- Organizational development consultants use employee engagement surveys to gather data about employees' emotional connections to their companies, managers and jobs. This data can then be used to support initiatives that help boost engagement and improve retention and performance, especially during tough economic times. According to research by Gallup, favorable job attitudes are strongly correlated to positive company outcomes during recessions and other difficult periods.

Leadership Development- With a background in applied psychology, organizational development consultants are uniquely positioned to help identify leadership deficits and propose initiatives that enhance leadership soft skills.

Contingent Work- Similarly, some employers are moving toward a contract model for workers. Using data gathered from their research, organizational development consultants can identify the best way to train, develop and manage a contingent workforce.

Client Consultant Relationship Process: -

Consultants need to understand what the client's expectations are and then they need to understand how best to work with the client to meet those expectations. Quite often when the assignment starts, there is a formal discussion about the role the main client (the project sponsor) wants to fill and what the consultant should be looking for, but there's not much discussion about which other members of the client organization need to be engaged with. I have found in my research that the best consultants understand that the client is not one individual, but many people within the organization. Not all of those stakeholders will be involved initially with the brief and if they aren't engaged during the assignment, they can be dissatisfied about the process, the outcome, or both. Sometimes these stakeholders have conflicting needs, and the consultant needs to deal with that appropriately.

Clients who are experienced in using consultants will have learned that they need to help the consultants understand this environment, but many clients are too busy and don't take enough time during the early stages of an assignment to discuss these issues. It's also important to discuss questions like how regularly the client expects updates on the assignment and how involved the client would like to be. These early stages, where the assignment is discussed and expectations are set, are crucial to the development of trust – you can't be seen as a trusted advisor if you behave transactionally.

Major Challenges: -

1. Consulting contract can occur in various ways. The consultants & clients begin to sought out what group should do to in order to start a logical intervention. When both the parties agree, this becomes the overall psychological contract.
2. Usually, the consultant is referred as singular but there can also be consultant teams.

3. People will be encouraged to criticize their superiors. Subordinates may be concerned that they will be manipulated toward their superior's goals with little attention given to their own.

4. It is possible and desirable for the OD consultant to be an expert.

5. But the OD consultant also needs to resist the temptation of playing the content expert.

6. OD consultant should be prepared to describe in broad outline what the organization might look like.