M.B.A IInd Semester

Course - 201

Organisational Effectiveness Change and Development

LESSONS 1 TO 12

INTERNATIONAL CENTRE FOR DISTANCE EDUCATION
AND OPEN LEARNING HIMACHAL PRADESH UNIVERSITY,
GYAN PATH, SUMMERHILL, SHIMLA-171005

CONTENTS

Master of Business Administration

II Semester

Course 201

Organizational Effectiveness, Change and Organizational Development

Objective:

O.D. is and emerging behavior discipline that provides a set of Methodologies for systematically bringing about organization change and improvement. It helps to understand the dynamics of changes, both inter and intra to the organization, effecting the functioning of organization and development sensitivity to improve the effectiveness. After the study of this course, the students would be able to apply the knowledge of behavioral science in solving socio-technical problems as well as improving and maintaining the effectiveness of the organization.

UNIT-I

Management of Change : Organization culture, socialization process, dimension of change, change process change agent-skills and relationship with client, implementation of organizational change-strategies for change.

UNIT-II

Organizational effectiveness, concepts approaches and its determinants, organizational diagnosis-Methods, collection of data and identification of problems. Organizational Stress causes, effects and coping with stress.

UNIT-III

Organizational development: Definition, objectives, characteristics, models of OD, action research, states of OD programme, underlying assumptions and values.

UNIT-IV

OD Interventions-I : Meaning types of interventions, sensitivity training, life and career planning, role analysis technique, organizational mirroring, transactional analysis, third part peacemaking, counseling, learning styles and development.

UNIT-V

OD Interventions –II : MBO, managerial grid, team building, liker systems four, confrontation meeting, process consultation, survey feedback, institutional building.

Suggested Readings

1. Beckhard R. 1969 Organization in Development: Strategies and Models, Addision Wesely: Reading.
2. Dennis, W.G. 1969. Organization Development: Its nature, Origins and Prospects, Assidon Wesley: Reading.
3. Dalton, G. Lawerence, P. & Griener, 1970 Organization change and Development, Irwon Dorsey: Homewood.
4. Shein, E., Bennis W. Beckhard, R. (eds) 1969 Organization Development, Wesley: Reading.

5. Kuriloff, A.H. 1972, Organizational Development for Survival, American Management Association Inc,: New York.
6. French, Wendell L. & Cecil H. Bell, 1999 Organization Development, Prentice Hall of India: New Delhi.
7. Singh, J.P. 1984 Organization Development: Concepts and Strategies. Indian Institute of Management: Ahmedabad.
8. Somnath Chattopadhyay and Udai Pareek, Managing Organizational Change, Oxfor & IBH, New Delhi, 1982.

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LESSON No. 1
Management of Change

Structure

1.1 Introduction:

Change is the law of the world and everything is subject to change, be it the organizations, or the individuals. More important than the realization that change is the essence of life, it is important to appreciate the importance of planned change. We generally observe that there are many changes in the life of a business. These changes include the development of new technologies and methods of production, change in government policies, the period of deflation, inflation, are the promotion and transfer of employees, entry of competitors in the market, decline in sales, decline in profits, etc. These changes do affect the employees working in the organization. For survival and growth, it is important that the organizations adapt to the changes.

1.2 Learning Objectives:

This lesson shall familiarize you with the strategies to manage the change.

1.3 Presentation of Contents:

1.3.1 Meaning and Nature of Change:

Whenever a change is introduced in the organisation, it is invariably driven by some factor. The change can be triggered both by external and internal causes. Whatever may be the reason, the change has got to be made. However, the major question is to avoid opposition, which can be achieved by proper planning and management of change.

The following details will make us understand the nature of change:

1. Change is the Law of Nature:

Whatever nature has given to this world is subject to change. A man has to adjust himself to the changed situations and environment. If does not do so, he ha to face a lot of challenges, just as a man has to face many changes, similarly a business unit is compelled to make changes because of the pressure of some internal and external forces. The changes donot appear all of a sudden, but it is a law according to which they have to appear.

2. Change is Resisted by man:

Changes are inevitable, but it is true that they are generally opposed by the people. Change in a company can result in the change of the work-place of the employees, their designation, their boss, their work-method, group of friends, their remuneration, etc. In other words, they are compelled to work in a new environment, but human nature is such that he wants to live in the old surroundings. He opposes any change. Change is opposed by almost everybody including the workers, low level managers, middle level managers, high level managers, etc.

3. Change Leads to Development:

Nature of change is to lead towards development. It means that whenever there is some change, it always for in something new. The important question, however, is that when change leads to development why it is opposed by the people. The simple answer to this question is that it is not necessary that the change should benefit everybody. It is quite possible that some people may be benefited more than the other people and possibly som people may suffer loss. In this way those who face loss would certainly oppose the change.

4. Change is Continuous Process:

Change is a process because whenever a change is made, it becomes complete only after passing through various stages. It is not only process, but a continuous process. A business unit comes into existence in a dynamic environment. It develops in such an environment. Therefore, the moment the work of implementing a change is accomplished, some other problem crops up. This again necessitates some other changes.

5. Change has an Element of Uncertainty:

Change is always for future and future is uncertain. Nothing can be said about them with any amount of certainty. Hence, an element of uncertainty is inherent in a change.

6. Change Requires a Change Agent:

A programme of change is not an automatic process. Many efforts have to be made in order to implement it. Therefore, a special man is required to complete the whole process. This man is called an agent of change. For small changes the manager concerned can perform the job of an agent of change. In case of big changes, the help of high ranking managers or some professional consultants is necessary.

7. Change Takes Place due to Two Forces:

It is the nature of change to get affected by two forces- internal and external. For example, if a company merges two departments and converts them into one department, it will be an internal change. On the contrary, if a company has to change its price policy because of the entry of a competing company, it will be an external change.

8. Change has Two Types:

Whatever may be the reason, change can effect in two ways. It can be work related or organisation related. The setting of modern machinery is a work related change, whereas the increasing or decreasing the number of departments is organisation related change.

1.3.2 Factors Responsible for change:

Many changes have to be introduced in every organisation. There can be many causes for introducing changes. For the sake convenience they can be divided into two parts i.e. Internal Factors and External Factors.

A) Internal Factors:

The following internal causes can be responsible for introducing changes.

i) Managerial:

The first internal cause of change is related with the managers. It means the moment there is some difference in the position of the managers, changes have got to be made in the organisation also. These examples include promotion, transfer, proceeding on leave, retrenchment, etc. Every manager has his own style of working. The moment there is a difference in the position of the manager of some department; the effect of change is felt there.

ii) Developmental:

It is important to keep up the tempo of dynamism for the development of any organisation. Intelligent managers continue to introduce changes in some form or the other. In this way, people working in the organisation get used to it. The obvious advantage of it is that whenever some big change has got to be introduced , the employees do not oppose it. These changes include development, production method, discovery of new markets, training programmes etc.

iii) Organisational:

Sometimes, the existing organisation gets paralysed. In such a situation desired results cannot be obtained. The following causes are responsible for weakening the organisation: Managerial levels not being as required, span of management, the number of departments, absence of effective decision-making, continuous conflict between the line and staff authorities, etc. These organizational causes make it necessary to introduce changes in the organisation.

B) External Factors:

There are many external factors which compel the organisation to change their objectives, policies, structure, etc. These factors are as follows:

1. Economic:

The economic factors leave a strong impact on the organisation . As a result of this many changes have to be introduced in the organisation. The following are the examples of chief economic factors:

i) Deflation and Inflation:

Deflation and inflation are the important conditions of any economy. There is a decrease in demands during the period of deflation, while during the period of inflation there is an increase in the demand. Keeping these things in mind, many changes are made in the organisation.

ii) Change in National Income:

A change in the national income results in a change in the standard of living of the people. This has an impact on the demand of things. Many new products have to be created to meet various type of demand. This involves new methods of production. This definitely leads to some changes in the organisation.

iii) Urbanisation:

Urbanisation directly affects industries. Things have to be produced in according to tastes of the people coming from villages to the cities.

2. Governmental:

The following changes are included under the governmental factors:

- (i) Changes in the government at the state level and national level.
- (ii) Change in the economic policies of the government .
- (iii) Change in the import-export policies of the government .
- (iv) Change in the tax policy.
- (v) Change in the licensing policy of the government.

3. Technological:

Technological development going on in any country affects the organisation in two ways: firstly, there are new methods of production and discovery of new machinery. This brings a change in the attitude of the labourers. Illiterate workers get replaced by literate ones. Secondly, because of technological development and the possibility of retrenchment of workers, the labour problem start assuming large proportions. Therefore, the twin problem of the change in attitude of the workers and the possibility of retrenchment is responsible for many changes in the organisation.

4. Social:

The changes in customs, increase in purchasing power of the people change in consumers attitude are those social changes which leave an impact on the organisation. Under this influence changes have to be made in the organisation of the business.

1. 3.3 Types of Changes:

We have seen that there can be many causes, both internal and external, which necessitate changes in the organisation. Now, the all important question is to find out the number of changes that can be introduced under the impact of the internal and external factors. The changes to be introduced in the organisation can be divided into two types:

1.3.3.1 Changes Relating to Work

1.3.3.2 Changes Relating to Organisation

1.3.3.1 Changes Related to work:

Changes relating to work are of the following types:

i) Changes in the Method of work:

New methods of work and production are being developed because of the research being carried out day in and day out only to take advantage of the modernization and for the development of the organisation, these methods are implemented. I n this way, this is the first kind of change in the organisation.

ii) Changes in Jobs:

Sometimes there is a need to divide a big job into many small jobs and sometimes it is vice-versa.

iii) Changes in Machines:

Regular technological changes have taken over the hand-operated machines replacing them with the automatic machines. These changes have their own advantages on the one hand but, on the other hand, they prove harmful in the shape of workers opposition as they fear retrenchment.

iv) Changes in Products:

There is a demand of new products on account of the rising standard of living, urbanization, etc. A manager has to be conscious about this demand. In case of need he has either to change old products or add some new products to the old list of products.

v) Change in Training Method:

In case of need there can be a change in the method of training. It has become essential to impart training according to modern methods because of the new methods of work and arrival of new machines.

1. 3.3.2 Changes related to Organisation:

The following changes are:

i) Changes in organisational structure:

Organisational structure means the posts existing at different of the organisation. This number varies according to the size of the company. For example; there are six departments in a company namely, purchase Department. After intensive study it was felt that there was no need of a separate department of advertisement and that it should be merged with the sales department. In this way, there appeared a change in the structure of the organisation.

ii) Changes in the Position of Employees:

In case of need changes can be introduced in the number, posts and level of the employees working in organisation. This is usually done through promotion, transfer, retrenchment etc.

iii) Changes in Degree of Authorities:

The officers often delegate their authority to their subordinates in order to get the work done efficiently. This is known as the delegation of authority. When this delegation of authority is increased, it takes the shape of decentralization.

iv) Change in Objectives:

An organisation has sometimes to change its objectives under pressure of the internal and external environment. In addition to this, policies can also be changed.

v) Changes in Communication Network:

Communication network is of two types-formal and informal. Alongwith formal communication, informal communication is also important. Any one of these can be given preference according to the need. Alongwith it the medium of communication can also be changed.

vi) Changes in Incentive Methods:

There are two methods of giving incentives-monetary and non-monetary.

1.3.4 Process of Planned Change:

It is obvious that there are many factors, both external and internal, which continue to influence the organisation in some way or the other. It is only because of this influence that changes have to be made in the organisation. Even otherwise, it is always advisable to bring changes according to the changing environment. O n the other hand, the possibility of opposition to change cannot be denied. The purpose of change is to solve problems and not to create some other problems in the form of opposition. The important question is to avoid opposition and implement the change. This problem can be avoided if the change is properly managed or handled. If the change is implemented in a planned manner, opposition to change can be minimized, if not eliminated. Again, it is important to know about this planned manner. It is a process of planned change. If a change is implemented by the following process there is an absolute possibility of success. The various stages of the process of planned change are as follows:

1. Identifying Need for Change
2. Identifying Area to be changed
3. Planning for change
4. Determining Change Forces
5. Implementing Change
6. Feedback

1. Identifying Need for Change:

Under the purpose of planned change the need for a change is understood. Why there is an idea of change comes in our mind. The need of change is associated with the factors influencing the organisation. There can be many factors influencing the organisation. The need is to find out the way in which particular factor influences the organisation. When the information is obtained, the necessity of a change becomes known. For example, the entry of competing companies in the market is one such external factor which affects the already established company. An intensive study indicated that because of the activation of this external factor, there was a fall in the sales of established company. A heavy fall in the sales is a problem before the company. In order to remove this problem the company shall have to introduce some change in its organisation structure. In the context of this problem an effort shall have to be made to know the present amount of sales and amount of sales required. The need of the change is to end this difference in the present sales and the required sales and to check the fall in sales.

In this way, there can be many other reasons for the need of change. These reasons generally include increase in the employees turnover, need for expansion of the organisation, bitterness between the labour and management, continuous increase in the cost of production, change in the import-export policy of the government.

2. Identifying Area to be changed:

At the second stage of planned change process the area of change is identified. It has to be decided whether change will be work related or related to the organisation. At the first stage, there is always a hint about the type of change. For example, there can be many causes for the decline in sales- the inferior quality of goods, lack of advertisement, poor consumer services etc.

It has to be accepted that in the present example the fact about the poor quality of goods as a cause for decline in sales come to the light only after the market survey. Another study showed that the quality of goods could only be improved with the help of modern machinery. Hence, it becomes clear that in this case the establishment of modern machinery is the area of change.

The setting up of the modern machinery is a work related change. In order to solve the present problem which is work related some changes in the organisation may also become necessary. This may include the transfer of some experienced manager to the production department and the creation of a new post of deputy manager alongwith the manager can also be thought of.

3. Planning for Changing:

The moment the area of change is determined, the planning activity starts. The decision about the following three questions are taken;

i) Who will bring the change?

ii) When will the change be made?

iii) How will the change be brought about?

4. Determining Change Forces:

After deciding the planning for change, the forces influencing the change are taken into consideration. The change can affect a single individual or a group or the whole organisation. First of all, the number of forces likely to be affected by the change is determined. After this , it is observed as to how many forces are against or in favour of the change. For example, some people will be against the setting up of the modern machines, while some of them may be in their favour. Those who think that working with the modern machines will make the work easier and that they will learn something new, will be in favour of the change. On the contrary, those who think that for working on the new machines they shall have to get training and that it can lead to retrenchment, will oppose the change.

The change Agent has to take a decision about the implementation of change after taking into consideration the opposing as well as favouring forces. If the number of people in favour of the change is more, it should be implemented. If the number of opponents is more, the change should be postponed for some appropriate time. If both the forces have parity of number, any decision can be taken. An effort should be made to strengthen the favourable forces and weaken the opponents.

5. Implementing Changes:

If the number of people or forces favouring the change is comparatively more, the work of change should be immediately implemented. In the present example, implementing the change means making preparation for the purchase of modern machinery, preparing a training programme, transferring an able manager to the Production Department and creating a departmental Deputy Manager's post and appointing someone on this post.

6. Feedback:

At last stage of the planned change process it is ensured whether the programme of change is moving in the right direction or not. Getting this information is called feedback before implementing the change and doing entire analysis, there can be a possibility of opposition by the opposing forces or even some new difficulty can raise its head. That is why the programme of change has to be constantly watched. An immediate solution of any problem ensures success of the programme of change.

1.3.5 Causes of Resistance to change:

Change is necessary for the survival and growth of a business unit. Every business unit takes birth and flourishes in a continuously evolving environment. Therefore, it is important to introduce change in the organisation in the changing environment . For example, if the fashion is changing, new products shall have to be marketed accordingly. Similarly, if a computer has replaced the type writer, the changes shall have to be accepted. Resistance is another aspect of change.

A) Personal Factors

B) Organisation Factors

A) Personal Factor

1. Economic Causes:
   - i) Fear of Unemployment
   - ii) Fear of Demotion
   - iii) Fear of Heavy Workload
2. Personal Reserves
   - i) No Participation in Change
   - ii) Burden of Training
   - iii) Fear of Monotony
   - iv) Fear of Ego-Dissatisfaction
   - v) Fear of loss due to Uncertainity
3. Social Reasons
   - i) New Social Adjustment
   - ii) Group Norms
   - iii) One sided Benefit

B) Organisation Factors:
   - i) Fear of power & influence
   - ii) Fear of shortage of resources
   - iii) Heavy Change Cost

1.4 Self Assessment questions

1. What do you mean by change in context of management?
2. What are the internal factors responsible for change?
3. What are the different types of change?
4. Define the process of planned change?
5. What are the organizational factors responsible for organizational change?

1.5 Summary

It is summarized that in order to implement the change successfully the expected opposition should be minimized. Before attempting to find out the causes of opposition, the management should realize that it is natural for man to oppose. This human nature cannot be changed under any pressure. Instead the situation of pressure can strengthen the opposition. Therefore, an effort should be made to reduce the opposition in human manner. It is clear that change in the organisation becomes necessary because of many reasons. It can have some adverse effects on the interest of some people. So an effort should be made to reduce the opposition and assimilate all the stakeholders into the process of change.

1.6 Glossary

Change Management: Is the process, tools and techniques to manage the people side of change to achieve the required business outcome.

Organization: Is an entity comprising multiple people, such as an institution or an association that has a particular purpose.

Communication: Is the act of conveying meanings from one entity or group to another through the use of mutually understood sings, symbols and semiotic rules.

Inflation: is a sustained increases in the general price level of goods and services in an economy over a period of time.

Deflation: Is a decrease in the general price level of goods and services.

1.7 Answers: Self-assessment questions

1. For answer refer: section 1.3.1
2. For answer refer: section 1.3.2
3. For answer refer: section 1.3.3
4. For answer refer: section 1.3.4
5. For answer refer: section 1.3.5

1.8 Terminal Questions:

1. What do you understand by change and management of change? Explain the nature of change.
2. Discuss the causes of change?
3. Explain in detail the process of organizational change?
4. Explain the causes of resistance of change?
5. What do you understand by organisational change? Identify some major characteristics found in successful organizational change?

1.9 Suggested Readings:

* Lawy E.Grenier: Pattern of Organisational Change.
* Moorhead and Griffin, “Organisational Behaviour”.
* Jerry H.Gray and Frederic A. Strorke, “Organisational Behaviour-Concepts and Applications”.
* Fred Luthans, “ Organisational Behaviour”, New York, Mc Graw-Hill.

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LESSON No. 2
Strategies for Implementation of Organisation Change

Structure

2.1 Introduction:

There is little disagreement on the fact that every organization has to master the art of change. However, this is not an easy task to accomplish as there are many hindrances to change. There can be several situations when even the people appreciate the importance of change, still there would be forces resisting the same. For example, if the number of people or forces favouring the change is comparatively more, the work of change would be immediately implemented. The term 'implementing the change' would mean all the operational details and a plan of action that would be required to achieve the change. This is easier said than done. The organizations need a proper strategic paradigm for this purpose.

2.2 Learning Objectives :

This lesson shall explain you the different strategies for implementation for organizational change.

2.3 Presentation of Contents:

The issue if achieving change in the individuals as well as the organizations ha been of interest to the researchers and management thinkers. It was observed that many times, the organizations revert back to the earlier systems before they bring about any change. In order to avoid the same, change must be thoroughly planned and then implemented. The following discussion contains some of the theories of planned change, that can be implemented by the organizations.

2.3.1. Theories of planned Change

There are the following theories of implementing change successfully in the organizations.

2.3.2.1 Kurt Lewin's theory

2.3.3.2 Lippet, Watson& Westlay's theory

2.3.4.3 Ralph Kilman's theory

2.3.2.1 Lewin's theory

The theory of planned change was propounded by Kurt Lewin in 1940. This theory is based on the fundamental principle that |*what is resulting now is a resultant in field of opposing forces*. |In an organization, there are two sets of forces, one working in favour of a work and the other working against it. For example, in an organization, some forces would push it for achieving higher production, while there would be some forces directing it towards lower production. Both these forces will achieve equilibrium. Any attempt to bring about a change would disturb the equilibrium and the organization would try to achieve a newer equilibrium. Quite often, the organizations revert back to the original situation, as if no change had occurred. If any change has to brought about in an organization, it must be planned and aim at achieving the newer equilibrium and retaining the newer position. This theory suggested that every process of change would entail three stages. These stages are called as – unfreezing, change, and refreezing and these stages correspond to three developments in the change process. A brief description of each stage is as follows:

i) Unfreezing;

This is the first stage in the change process. It involves casting aside existing attitudes and value system, Managerial behaviours or organizational structure so that new ones can be learnt. Unfreezing creates the need for change.

For unfreezing, the top management must understand the causes for resistance to change. It is common knowledge that there are people who desire status quo and there are also individuals who push for change. The forces against change have strengths equal to those forces pushing for change. An example of four forces pushing in each direction is seen in the case of the organization that ha announced the introduction of a new monthly cost report. After careful analysis, a top manager may find various reasons given by subordinates for resisting change. The first step would be to convince the subordinates about the benefits of change. The management must hold the meeting of the department heads and explain the objective of change and the benefits likely to accrue out of the same. They must also remove the apprehensions in the minds of the people who shall be affected by the change. In such situation, the top management must unfreeze the existing equilibrium. In doing so, three courses of action would be available:

a) Increase the strength of forces that push for change.

b) Decrease the strength of forces that resist change

c) Change the resisting force into one supporting the change.

For example, a bank (say State Bank of India) feels that mush higher operational efficiency can be achieved by the computerization of the branches. When they start doing this, the Unions start the process of resistance as they feel this would drive the employees out of jobs as lesser number of employees would be needed to do the banking jobs. The first step would be to convince the Unions and other stakeholders in the bank about the importance of having computers in the organizations. They can be given training to show the efficiency and accuracy of the baking operations resulting out of the computerization. This process would be connoted as ‘unfreezing.’ Here, the organization would have to give away its earlier beliefs and begin with the process of adapting the change.

ii) Changing:

The second stage is the on in which actual change occurs. New value systems, behaviour or structures replace the old ones. This is the action-oriented stage. This can be a time of confusion, disorientation, and despair mixed with hope and discovery. However, the top management has to manage all these factors efficiently. This stage also requires a thorough operational level planning. For example, in the earlier example of computerization of banks, at this stage, the computers would be purchased and the necessary changes in the banks be made. The employees shall be given the training to operate the computers. The experts would be associated with the branches and they would oversee the actual implementation of the computerization till the branches start functioning smoothly. This a stage of investment and action. There can be situations when the employees might not be able to work on the newer systems and they might make mistakes, causing discontent among the customers. The Unions which are resisting computerization would gain strength from such a situation and they might exert pressure against the change. Such problems need to be addressed to so that the there is no deviation from the planned course of effecting the change.

iii) Refreezing:

One of the tendencies of change is that it tends to revert back to its earlier position because the forces resisting the change can become strong and they can offset all the actions taken to achieve the change. It becomes the duty of the top management to ensure that the change achieved by the stage 2 is sustained and the organization does not go back to its earlier position. This is known as refreezing of change.

Here the change becomes permanent. The newly acquired values and beliefs, and structures get refrozen. A new status quo is established at this stage. Refreezing is important because without it there lies a vacuum. In the earlier example, the computers would become a permanent feature in the bank and would improve the efficiency as well as the profitability of the banks.

This theory is quite logical, but the actual process of change is much more complex. The later researchers have improved upon the same.

2.3.1.2 Lippet, Watson & Westlay’s theory

The simplified model of change was found to be inadequate. So Lippet, Watson and Westlay expanded Lewin’s three stages to a seven stage model.

Phase I: Development of a need for change.

This phase is analogous to the unfreezing stage of Lewin’s model. Here, the organization prepares for imbibing the change and the necessary planning is done.

Phase II Establishing relationship

Establishment of a change relationship a client and a consultant; the relationship is established. The external expert is an unbiased agent for giving shape to the change. He may help in preparing an organization to bring about the change. He must have a thorough understanding of the organization, its strategies and process so that he can give shape to the change.

Phase III Clarification or diagnosis of the client's system of problems.

In this phase, the diagnosis of the client's problems is done by extracting the information. The problem is pin pointed so that the change of the right nature can be brought about.

Phase IV Examination of alternative routes and goals; establishing goals and intention of action.

In this phase, alternate methods of achieving the change are probed and the best course of action if selected so that the change can be achieved efficiently.

Phase V Transformation of intention into actual change efforts.

This is the phase of action, where the change is actually brought about in the organization. It is the process of implementing ideas to reality. It resembles Lewin's second stage of change.

Phase VI The generalization and stabilization of change.

In this stage, the change is stabilized so that the organization does not revert back to its original position. |It is similar to Lewin's third stage of change.

Phase VII Achieving a terminal relationship

This is the stage of terminating client-consultant relationships. The consultant must remain external to an organization and once his objective has been achieved, he must have an amicable exit from the organization. His continued presence can be detrimental to the long-term functioning of the organization.

2.3.1.3 Ralph Kilman's theory

It is also known as Total system change model. Unlike the earlier models, Kilman gives 5 segmented steps of the programme to achieve a change in an organization. These stages are explained as under:

1. Initiating the program:

In this stage, the main focus lies on securing the commitment and support to top management.

2. Diagnosing the problem

In this stage, the diagnosis of the problem is done by conducting a through analysis of problem and opportunities facing in the organization.

3. Scheduling the Tracks

The 3rd stage include the schedules for the track, i.e. the alternative courses of actions, selecting the most efficient path to change and developing an action plan to achieve the change.

4. Implementing Tracks

Once selected, the track is implemented to give effect to the change. There can be various tracks in an organization, which might be implemented simultaneously. For example, there would be a cultural track, management skills track, team building track, strategy-structure track, reward system track, etc.

5. Evaluating the results

This is last stage to match standard with actual performance and evaluate the results.

This theory is more operationally oriented and concentrates on the actual implementation of the change. It is a middle path of the earlier two theories.

2.3.2 Objectives of planned change Theories:

The planned change is needed to meet the overall objectives of the organization. Since, there may be changes in the forces, both internal and external affecting organizational functioning, the organization has to make suitable change to meet this objectives. Thus objectives for such change may be two fold:

* Modification of the organization's mode of adaptation to changes in its environment, and
* Modification of structure, technology, attitudes, values and other behavioural construct of people in the organization.

1. Environmental Adaptation

Organization is basically adaptive coping system. It has to work in the environment which is dynamic. Every organization has to tendency to maintain balance and equilibrium. Because of changes in the environment, the organizational equilibrium is affected. If the changes are minor and come within the preview of existing programmes, the organization will accommodate them automatically.

2. Individual Adaptation:

The second objective of planned change is to achieve individual adaptation. The organization cannot reach to the objective of its environmental adaptation unless some basic internal adaptation is achieved. These internal factors may be individuals, organization structure technology, and task.

3. Structural Adaptation:

Organization structure is the pattern of relationships among various positions and among various position holders. Structural adaptation involves changing the internal structure of the organization. This change may be in the whole set of relationships, work assignment, and authority structure. Change in organizational structure is required because old relationships and interactions no longer remain valid and useful in the changed circumstances.

4. Technological Adaptation:

The impact of recent technological development has forced the organizations to take into account the role of technology in organizational success. In order to cope with the changed environment which may include technological factor as well, the organization has to incorporate new technology. Technological changes have wide spread ramifications and often the entire systems have to be changed.

5. Task Adaptation:

Technological changes may bring many types of changes in organizational task. Task focuses on the job performed by the individuals in the organisation. Since, there may be many new types of jobs, the existing job techniques may not be suitable. Moreover, there may be new job load because of the job enlargement.

In such a case, new equilibrium has to be found out which matches people with jobs. In this matching process, there may be several problems which must be encountered by planned change.

It can be observed that a change will bring disequilibrium in the organization. In order to achieve new equilibrium, the organization has to modify many aspects of the organization. All these aspects are inter-related. This is what the systems approach of organization theory suggests that a system approach has to be followed.

Such change may be brought either by recruiting new employees or training them for new jobs. The second alternative may be preferable because there may be environmental constraints on replacing old employees. Since, the job structure is changed; the internal relationship among people will have to be changed because old relationship may not be suitable. Thus all these factors are inter-related and simultaneous changes have to be made in all these aspects. This is the basic objectives of planned change in the organization.

2.4 Self-assessment questions

1. Explain the Kurt Lewin's theory of planned change?
2. Explain the Ralph Kilman's theory of planned change?
3. What are the objectives of planned change?

2.5 Summary

Having selected appropriate strategy and having identified the focal points of the concentration, the manager's immediate job is to implement change. Here he confronts a biggest challenge through resistance by the employees. Any change encounters three problems in implementation- resistance, power and control. Successful implementation of change requires knowledge about the change process. It is too desirable to understand how change takes place generally. It is too well-known that people change their customs. Habits and institutions when they become dissatisfied with the status quo or when there is a more desirable substitute. Several models have been developed to achieve long-term and effective change in the organizations.

2.6 Glossary

Resistance to Change: is the action taken by individuals and groups when they perceive that a change that is occurring as a threat to them.

Unfreezing: The goal during the unfreezing stage is to create an awareness of how the status quo, or current level of acceptability, is hindering the organization in some way.

Refreeze: First you must melt the ice to make it amenable to change (unfreeze). Then you must mold the iced water into the shape you want (change). Finally, you must solidify the new shape (refreeze).

Strategy: is a high level plan to achieve one or more goals under conditions of uncertainty.

2.7 Answers: Self-assessment questions

1. For answer refer: section 2.3.2
2. For answer refer: section 2.3.4
3. For answer refer: section 2.3.5

2.8 Terminal Questions:

Q.1 What do you mean by change. How it successfully implemented?

Q.2 What are the planned change theories?

Q.3 Describe briefly the objectives of planned changed theories?

Q.4 What strategies should be follow for implementing the change?

Q.5 Briefly differentiate between the theories proposed by Lewin and Lippet, et. al.

2.9 Suggested Readings:

1. Fred Luthans, " Organisational Behaviour", New York, Mc Graw-Hill 1989.
2. Beckhard, R. Organisational Development: Strategies and Models, Addision-Wesley, Reading.
3. Dalton, Lawrence and Griener, Organisational Change & Development, Irwin, Homewood.

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LESSON No. 3
Organisational Effectiveness

Structure

3.1 Introduction

Organizational effectiveness is one of the important concepts of management. It is very difficult to conceive the organization theories that do not include the concept of effectiveness. Various academicians, researchers and organizational scientists unanimously acknowledge the importance of the effectiveness in organizations. In the present-day competitive times, organisational effectiveness is an essential condition to compete and survive.

3.2 Learning Objectives:

This lesson familiarize you with the concept and application of organisational effectiveness.

3.3 Presentation of Contents

3.3.1 Concept of Organisational Effectiveness

As stated earlier, organisational effectiveness means differently to different people and there is little agreement among the social scientists as to what the concept really means. The principle reason for the lack of consensus of the concept arises from somewhat parochial views that many scientists harbour about the effectiveness. For example, a financial analyst usually views effectiveness in terms of the rate of return on investment. A Research and Development specialist may look upon effectiveness as the number of inventions and a labour union leader may view effectiveness in terms of the job security, job satisfaction etc.

Despite difference of opinion, many people agree on certain common criteria of effectiveness as explained herein:

1. Effectiveness could be defined as the degree to which organization realizes its goals. (Etizioni)
2. Effectiveness of an organization can be seen in terms of survival of the organization. (Kimberly)
3. Organizational effectiveness is the extent to which an organization achieves its objectives in the given resources, without placing undue strain on its members. (Georgopolous and Tannenbaum)
4. Effectiveness is the ability of an organization to mobilize its centres of power for action-production and adaptation. (Mott)

Campbell has reviewed the concept of organizational effectiveness and has formed as many as thirty different criteria for measuring effectiveness. It is true that all thirty cannot be relevant to every organization but certainly some must be more important than others. After having tabulated these criteria, he concluded that since an organization can be effective or ineffective on a number of different facets that may be relatively independent of one another, organizational effectiveness has no operational definition.

The researchers thus conclude that organizational effectiveness lacks a single operational definition. There is almost a unanimous agreement today that OE requires multiple criteria that different organizational functions are subject to evaluation employing different characteristics. Effectiveness is not one-dimensional concept that can be precisely measured by a single, clear-cut criterion. Effectiveness is a matter of degree and no organization is effective as it could be. Effectiveness is a label to which an organization has performed according to its capacities, potentials, and general goals.

3.3.2 Effectiveness versus Efficiency

The distinction between the concepts "effectiveness" and "efficiency" is very important to explain why some organizations are effective but highly inefficient, or highly efficient but ineffective. Effectiveness is a broad concept and takes into account a conglomeration of factors, both inside and outside the organization. It is commonly referred to as "*the degree to which predetermined goals are achieved*." On the other hand, efficiency is a limited concept that pertains to the internal workings of the organization. Efficiency' refers to *the amount of resources used to produce a particular of unit output*.

Efficiency refers to the economic aspect of the business operations and is measured as the ratio of inputs to outputs. It refers to the way in which the resources are put to use, whereas effectiveness refers to the accomplishment of organizational goals and objectives.

Effectiveness centres more on human side of organizational values and activities, whereas efficiency concentrates on the technological side. Chester Barnard makes an important distinction between these concepts 'effectiveness' and 'efficiency' by saying "when unsought consequences are trivial, effective action is efficient; when unsought consequences are not trivial effective action is inefficient.".

3.3.3 Organizational Effectiveness Approaches

There are four broad approaches to organizational effectiveness - the goal attainment approach, the systems approach, the strategic constituencies approach, and the behavioural approach.

3.3.3.1 The goal attainment approach to OE

An organization primarily exists to accomplish goals. Goal attainment is probably the most widely used criterion of organizational effectiveness. Organization's effectiveness is appraised in terms of the accomplishment of ends rather than means. The goal approach has a widespread practical appeal.

Assumptions

The goal attainment approach to organizational effectiveness is based on the following assumptions:

(i) Organizations have the goals that are well defined and properly understood by all the members of the organization.

(ii) There must be a general consensus in the organisation on these goals.

(iii) The goals must be few enough to be manageable.

(iv) Progress towards these goals must be measurable.

Goal may be looked upon as an image of a future state. This definition might include goal statements about a single variable such as rate of return on investment, or profit production or sales or complex variables satisfying the multiple criteria of the systems. Once these goals are identified it is necessary to develop same measurement device to see how well these are realized. Not only that the goals should be tangible, verifiable and quantifiable, but the conditions under which they are to be accomplished and the degree to which each goal must be satisfied also to be specified. Then the organization measures the actual performance and compares it with the specified goals set to see the degree of its effectiveness.

Limitations of the Goal Approach

Despite being simple, this approach suffers from certain limitations as mentioned below:

I. Goal attainment approach is difficult to apply in those organizations that do not produce tangible outputs.

2. Organizations may have different types of goals-short-run, long-run, individual, operational and organizational. The effectiveness levels can be different for different goals and thus can lead to different results for the same organisation.

3. The fact that organizations have multiple goals also creates difficulties. The goals compete with each other and sometimes are even incompatible. For instance, low cost of production and high quality may be competing goals.

4. Goal attainment approach assumes consensus on the goals of the organization. But in the wake of the diverse interests and multiple goals, such a consensus may not be possible.

5. The more serious problem is about the measurement and evaluation of performance.

Despite these problems, goal approach continues to dominate the scenario of organizational effectiveness. Goal approach exerts a powerful influence on the management and organizational behaviour.

3.3.3.2 Systems Approach To Organizational Effectiveness

Goal attainment approach criticized as being biased as it concentrates only on outputs. But a more comprehensive look at organizational effectiveness calls for judging the ability of organization in acquiring the inputs and in the transformation of inputs into outputs (called the transformation process). This is done through the systems approach.

A systems approach to OE implies that organizations are made up of interrelated and interacting elements. The effectiveness of the total system is dependent on the performance of all its subsystems.

The open system perspective emphasizes the inter-relationships between various parts of an organization and its environment as they jointly influence effectiveness.

The systems view aims at such factors as relations with environment to assure continued receipt of inputs and positive acceptance of outputs, flexibility of response of the organization to changing environment, 'the efficiency with which the transformation take place in the organization, the level of employee job satisfaction and the clarity of communication etc. Managers as such have a responsibility to understand the nature of their environment and to set realistic goals that accommodate the environment. The more effective organizations are those which successfully adapt structure, work, technologies, policies with the changing environment to facilitate the goal attainment.

Problems with the Systems Approach

Although the systems approach to effectiveness explains it better than the goal-attainment approach as it recognizes the importance of the environment of an organization, still it suffers from certain limitations as stated below:

I. Flexibility of response to environment and such qualitative variables defy appropriate measurement.

II. The system approach focuses on the means and not the ends. So, it tends to overlook the outputs of an organization, which is not justified.

3.3.3.3 Strategic Constituencies Approach To Organizational Effectiveness

The strategic constituencies approach is similar to the systems approach, but has slightly different emphasis. Like systems approach, strategic constituencies approach also considers interdependencies among different subsystems in the organization, but it is not concerned about the entire environment. It seeks to appease only that part of the environment that can threaten the organization's survival. An effective organization is one that satisfies the demands of those constituencies in its environment from which it requires support for its continued existence.

Strategic constituencies approach is based on the assumption that an organization is confronted with competition demands from various interest groups from within and outside the organization. Management must reject all unimportant demands and select only the critical or strategic constituencies of the environment in order to survive. An organization must follow certain steps in order to be effective.

1. Management should identify all integral constituencies in the environment on which the survival of the organization depends.
2. The relative power of each constituency should be evaluated by considering the degree of dependence of an organization on them.
3. Identify the expectations held by the organization from those constituencies

4. The management should arrange these constituencies in order of their power and expectations.
5. The organizational effectiveness is judged in terms of its ability to satisfy the ranked constituencies.

Limitations of strategic constituency approach

1. It is not easy to separate the strategic constituencies from the larger environment of an organization.
2. It is very difficult to assign weights to these critical constituencies regarding the dependence of the organizations on them.
3. The expectations that the constituencies hold of the organization defy identification and measurement.

3.3.3.4 Behavioural Approach To Organizational Effectiveness

It is important to recognize and account for the people who ultimately determine the quantity and quality of organization's response to the demands made by the environment.

Behavioural approach to OE emphasizes the role of individual behaviour as it affects organizational success or failure. When employees agree with the objectives of the organization (employer) then it results in perfect Integration of the individual and organizational goals: This leads to a high degree of organizational effectiveness. It is because when goals converge, the individual exerts his effort to the maximum extent. This situation of, perfect integration of individual and organizational goals can be aptly labeled as 'myth' as it represents an 'ideal' situation. An ideal situation is one which never touches real. Individual goals vary and differ with organizational goals and thegreater the disintegration the lesser will be the effectiveness.

3.3.4 Time Dimension and Organizational Effectiveness

Although, there is disagreement on one universally acceptable variable" of effectiveness, the dimension that is generally agreed upon is the time. i.e., whether the organization sustains itself over a period of time or not in the environment.

Survival of the organization is the long-run measure of effectiveness. The indicators of effectiveness can be both short run and long run. The short-run indicators comprise of production, efficiency and satisfaction measurements. The medium term indicators include adaptive ness and development. The relationship between time dimension and these effectiveness criteria are shown in the following figure

Each of these terms are explained herein:

Production :

It reflects the ability of the organization to produce whatever demanded by the environment The, measure of production include profits, sales, market share, students graduated, clients served and the like.

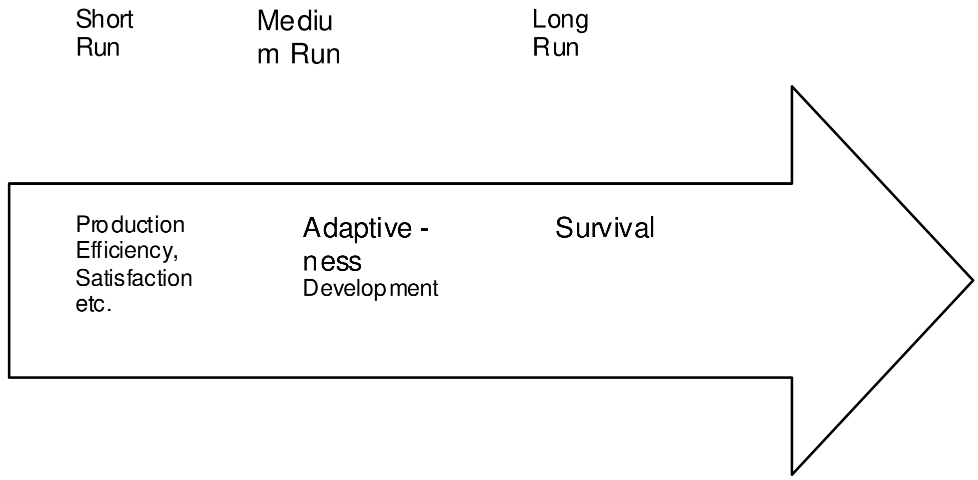

Figure 1 : Time and effectiveness

Efficiency.

It is defined as the ratio of output to inputs. The measure of efficiency include the rate of return on capital or assets, unit cost, down-time, cost per client etc.

Satisfaction.

It is the criterion that organization has satisfied the needs of its employees, participants, and clients. Measures of this satisfaction and morale include employee attitudes, turnover, absenteeism, tardiness and grievances. For instance, high employee turnover represents high dissatisfaction to the employees.

Adaptive ness.

It is the extent to which the organization responds to the internal and the external changes. It shows the ability of the management to read the changes in the environment. If the organization cannot adapt to the changing demands of the environment, its survival is in jeopardy. Unfortunately, there are no measures to judge an organization's effectiveness in terms of whether it is adaptive or not.

Development

An organization must invest itself to enhance its capabilities to survive in the long-run. Development efforts include training programmes for managerial personnel and new incumbents to the organization. It should be noted that there are no fixed relationships among these variables. For instance, though it is generally agreed that production leads to satisfaction, the two are not always positively related.

The measures of production, satisfaction, and efficiency are relatively more concrete, specific, verifiable and objective than the intermediate measures of adaptive ness and development.

3.3.5 Achieving Organizational Effectiveness

Every organization makes efforts to increase the effectiveness. In this process an organization must diagnose the sources of low effectiveness, the nature and causes of low effectiveness. According to Alwin Brown , seven reasons may be attributable to failure of organizations to achieve effectiveness: ,

(i) Failure of administrators to act when they need to.

(ii) Delay in taking action.

(iii) Taking the wrong action.

(iv) Lack of sufficient effort.

(v) Excessive effort in relation to the need

(vi) Excessive quality or effort in relation to the problem.

(vii) Wasted effort.

Having diagnosed the causes of low effectiveness the organization can take necessary and corrective action over the controllable factors. Various researchers have constructed a set of diagnostic indices of organizational effectiveness. They are:

(a) Understanding.

This is the extent to which the relations are accurately perceived.

(b) Normative conformity.

This is the extent to which the actual behaviour confirms to the. perceived behaviour.

(c) Affective conformity.

This is the extent to which the actual behavior confirms to the desires and reflections.

(d) Satisfaction and dissatisfaction.

This is the extent to which the prescribed, perceived or actual relations are also desired or rejected.

(e) Affective atmosphere.

This is the state of balance between the affectively positive and affectively negative choices in an organizational unit.

(f) Centralization.

This is the extent of concentration of choices (prescribed, actual, desired, perceived, or rejected) in a particular person or group.

3.4 Self-assessment questions

1. Define the concept of organisational efficiency?
2. How efficiency is different from effectiveness?
3. What do you understand by behavioural approach to organisational efficiency?
4. What are the main reasons responsible to failure of organisation to achieve efficiency?

3.5 Summary

Organisational effectiveness is a extent to which an organization has performed according to its capacities, potentials, and general goals. It is not one-dimensional concept that can be precisely measured by a single, clear-cut criterion, rather it is a broad concept and takes into account a conglomeration of factors, both inside and outside the organization. It is commonly referred to as the degree to which predetermined goals are achieved. Organisational efficiency is a limited concept that pertains to the internal workings of the organization. Efficiency' refers to the amount of resources used to produce a particular of unit output.

There are four broad approaches to organizational effectiveness - the goal attainment approach, the systems approach, the strategic constituencies approach, and the behavioural approach.

Survival of the organization is the long-run measure of effectiveness. Every organization makes efforts to increase the effectiveness. In this process an organization must diagnose the sources of low effectiveness, the nature and causes of low effectiveness.

3.6 Glossary

Effectiveness: in Management refers to the capability of the management to achieve the desired targets in the specified time.

Efficiency: signifies a level of performance that describes a process that uses the lowest amount of inputs to create the greatest amount of outputs.

Centralization: The term centralization means concentration of authority at the top of the administrative system.

System: is a group of interacting or interrelated entities that form a unified whole.

3.7 Answers: Self-assessment questions

1. For answer refer: section 3.1
2. For answer refer: section 3.3
3. For answer refer: section 3.3
4. For answer refer: section 3.3
5. For answer refer: section 3.3

3.8 Terminal Questions

Q.1 What is organizational effectiveness? Why is it difficult to define this concept?

Q.2. Differentiate between organizational effectiveness and organizational efficiency? How can these be measured?

Q.3. What are various approaches to organizational effectiveness?

Q.4. Differentiate between systems approach and strategic constituencies approach of organizational effectiveness.

Q.5. "Organizational Health encompasses a feeling of wholesomeness of the entire organization." Do you agree with this statement? Give reasons in support of your answer.

3.9 Suggested Readings

1. Principles and practices of management by VSP Rao and PS Narayana
2. Organizational behaviour by R A Sharma
3. S.P.Robbins, "Organisational Behaviour", Prentice Hall
4. Herbert A Simon, " Administrative Behaviour"
5. Ephrain Yuchman and Stanley E.Sea Shore," A system Resource Approach to Organisational Effectiveness".

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LESSON No. 4
Organisational Diagnosis

Structure

4.1 Introduction:

Whenever there is any problem in the organization, a thorough analysis of the same needs to be done so the necessary interventions can be made and the problem be solved. The activity of fixing the problem in the organisations is known as 'organisational diagnosis.' Organisational Diagnosis involves the identification of the root cause various diagnostic techniques such as interviews, questionnaires, observation and secondary data measure etc. are used in this stage. These diagnostic techniques are employed by the manager depending on the nature of the problem and capabilities of enterprise. The breadth of diagnosis depends upon the seriousness of the problem. Sometimes a problem involves only one department or group or individual and hence diagnosis primarily in the particular area. Diagnosis also enables the managers to perceive the gap between desired and actual performance and take necessary course of action.

4.2. Learning Objectives:

This lesson shall familiarize you with the concept and techniques of organisational diagnosis.

4.3 Presentation of Contents:

4.3.1 Levels of Diagnosis:

Just as a doctor undertakes a diagnosis of the patient before he prescribes any medicine, the consultant has to undertake the diagnosis of the organization as well, before he can undertake the necessary action to solve the problems confronting an organization. There are three levels of organisational diagnosis. These are:

A) Organisational Level

B) Group Level

C) Individual Level

A) Organisational Level Diagnosis:

At the organisational level, the diagnosis is done at the macro level. The organization as a system is studied, particularly in the context of its interaction with its external environment. The external matrices can be a source of problems. So, their effect is studied. Thereafter, the organization's goals, mission, policies, etc. are studied, which are broad framework, within which an organization functions. Sometimes, these cause structural level problems, which can hamper the functioning of the organization.

B) Group Level:

The group level diagnosis studies the problems that arise when the groups of people work in an organization. In every organization, there are teams, departments, which might have some inherent structural adjustment problems. Quite often, the groups might function properly, but when they interface with other groups, they might cause problems. The diagnosis would focus on how these groups are functioning and what are the factors causing problems between them.

C) Individual Level Diagnosis

At the individual level also, there can be problems. The individuals might not be able to function as per the requirements, because they might have some inherent personality traits that hamper their working. Alternatively, they might not be able to fit into the system.

Each of these organisational diagnosis is discussed in detail in the following discussion.

4.3.2 Organisation Diagnosis

The organisational level diagnosis has three levels, as explained below.

4.3.2.1 Total Organisation Diagnosis:

As stated earlier, organisational level diagnosis involves analysis total system. It may involve relevant extra-system, which might lie outside the purview of the organisation. There can be some macro level issues, which can cause problems and the organizations have to respond to them. For example, in 1991, India transformed to a free economy. Consequently, many companies had great structural problems, They were functioning well in the early system of protected economy and they were finding problems in a competitive economy. Similarly, customer's preferences can change, the government policy can change. These are the macro level problems, which need to be diagnosed to devise an appropriate response.

4. 3.2.2 Typical Information sought:

In the organisational level diagnosis, the typical information sought by the consultant is:

1. Norms of Organisation
2. Organisational culture
3. Attitude/Opinion on systems
4. Cognitive objectives i.e goals, supervision, top
5. Organisation Climate
6. Key functions such as decision making
7. Goal setting
8. Understandability of goals and objectives

In the organisational level diagnosis, the first step is to understand the norms of the organization. The organisational goals, mission and objective can have a lot of impact on the functioning. They give a direction to the organization and the entire system strives to achieve these goals. The people working in the organization must understand these goals so that they can act upon them. Similarly, the prevailing aura, or the organisational climate has a significant effect on the functioning. Some organizations would facilitate the operations while others would hamper the working. The efficiency would be different in different situations.

4.3.2.3 Methods:

The following methods are used to undertake the organisational level diagnosis:

a) Questionnaire
b) Interview
c) Interview of panel of representative
d) Examination of rules, regulations, policies, symbols

The methods would undertake a macro level analysis of the organization through these tools, the choice of which would depend upon the objectives and the feasibility.

4.3.3 Large Subsystems:

The second level of the organisational level diagnosis is at the level of the large sub-systems. These subsystems operate in the overall system and have the potential to influence an organization's functioning. The components of large subsystems are:

(i) Hierarchy Level
(ii) Geographical level

4. 3.3.1 Typical Information:

While undertaking the diagnosis of the large subsystems, the answers to the following questions are sought:

1. How does whole system view subsystem & Vice-Versa?
2. How do members go with the system?
3. Unique features of subsystem
4. Major problems of subsystem

5. Are subsystem goal compatible with organization?
6. Does heterogeneity affect performance?

These issues help in pin-pointing the problems that might originate at the level of the large subsystems.

3.3.2 Methods

The following tools are used to identify the problems operating at the level of the large subsystems:

a) Questionnaire
b) Survey Techniques
c) Interview
d) Organisation Records and Reports
e) Performance Problem

These methods are the tools to identify the bottlenecks and their use would depend upon the nature of the problem confronting an organization.

4.3.4 Small Simple Subsystems:

The small simple subsystems are the organisational level small subsystems that assist in the functioning of the organization. Some of the examples of the simple subsystems are the formal work groups, permanent/temporary, etc. For example, the top management may appoint a committee comprising of key subordinates and they might be overseeing the other departments. This move might be resisted by the groups. They might be causing the problems. The diagnosis will have to identify these problems.

4.3.4.1 Typical Information

In order to address the problems operating at the level of the small subsystems, the typical information required would be:

1. Culture, Climate, attitude, feelings
2. Problem of team
3. How to improve team effectiveness
4. Do individuals know their role
5. Are groups effective

These issues will pin-point the points of friction, prevailing in the organizations.

4.3.4.2 Methods:

The diagnosis at this level can be done with the help of the following tools:

a) Individual Interviews
b) Group meetings
c) Questionnaire
d) Observation of Staff meetings & day to day operations
e) Formal meetings for group diagnosis

4.3.5 Interface/ Intergroup systems:

These are the subsets of total system & contain members of system. Here people have problem and responsibilities. These are the operational level systems, which need to be studied so that the functioning can be streamlined.

4.3.5.2 Typical Information

The following key areas need to be probed into for solving the problems at this level.

1. How each system sees other?
2. What problem do the two groups have in working together?
3. In what way subsystem get in each other's way?
4. How they collaborate to improve groups?
5. Nature of climate
6. What do members want?

The aspirations of the members of these levels can greatly improve the functioning of the organizations. Therefore, the groups perspective on the functioning and the problems faced by them while working need to be addressed to.

4.3.5.3 Methods

The following methods can be used to diagnose the problems operating at the level of the groups:

a) Information meeting
b) Organisational mirroring meetings
c) Interview
d) Sharing Data

These tools identify the problems emerging at the interfaces between the groups, which can be addressed by appropriate intervention techniques.

4.3.6 Individuals

The individuals are the final constituents of any organization. They have to implement all the strategies and have to perform all the operational level duties. Several problems can emanate at their level, which can offset even the best management practices. The consultant must work at the level of the individuals as well to diagnose the problems that might exist in an organization.

4.3.6.2 Typical Information

The typical information needed to identify the problems at the level of the individuals can be as under:

1. Do people perform according to organisational expectations?
2. How do they place there performance?
3. Do certain problems typically arise?
4. Do people meet standards and norms?
5. Do they new knowledge/ skills/ability?
6. What career opportunities they want?

These are some of the issues that can greatly influence the operational as well as the strategic efficiency of the organizations. So, the top management has to integrate the individuals with the organizations so that they can give their best to them.

4.3.6.3 Methods

The following methods are used to perform the individual level diagnosis.

a) Interviews

b) Information derive from diagnostic work team meeting

c) Problem identified in HRD Deptt.

d) Self Assessment

4.3.7 Role Diagnosis

There can be role conflicts between the individuals, which can cause problems in the organizations. These need to be diagnosed to avoid conflicts and smoothen the functioning.

4.3.7.1 Typical Information

The typical information required for role-level diagnosis is:

1. Should Role change?
2. What is the fit performance of the person & a role?
3. Is he is the right person for role?

4.3.7.2 Method

The following methods can be used for role-diagnosis:

a) Observation

b) Interview

c) Role analysis technique

d) MBO

e) Career planning activities

f) Exit Interview

4.3.8 Supra system diagnosis

Besides all the factors mentioned in the preceding discussion, there can be some problems due to the factors beyond the control of the organisation. For example, in the recent times, there are problems due to law & order in the region, terrorism, etc. These also need to be studied while performing the diagnosis as they can influence the employee morale and their functioning.

4.3.8.1 Typical Information:

1. How do key people view suprasystem?
2. Are there friction & incongruities?
3. Are there high performing and low performing units?

4.3.8.2 Methods

The following methods are used to undertake the suprasystem level diagnosis:

a) Organisation mirroring

b) Joint Diagnosis

c) Questionnaire

d) Group Interviews.

Very often the macro level business environment does not change very frequently. The organizations have already undertaken measures to solve the problems resulting out of them. Still, they should be prepared to solve the problems resulting out of these changes.

4.4 Self-assessment questions

1. Define the term organizational diagnosis?
2. Explain different methods of organizational diagnosis at organizational level?
3. What are the different levels of organizational diagnosis?
4. What do you understand by supra system diagnosis?

4.5 Summary

Organisational diagnosis is a potent tool to identify the problems confronting an organization. There can be problems at the different levels and accordingly, the organizations can undertake the diagnosis. In a typical diagnosis, the consultant collects the information from various sources and pin-points the problems confronting an organization and suggests the appropriate intervention techniques.

4.6 Glossary

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.

Cognition: is "the mental action or process of acquiring knowledge and understanding through thought, experience, and the senses".

System: is a group of interacting or interrelated entities that form a unified whole.

Organisational Climate: is a general expression of what the organisation is. It is the summary perception which people have about the organisation. It conveys the impressions people have of the organisational internal environment within which they work.

Interview: is essentially a structured conversation where one participant asks questions, and the other provides answers.

4.7 Answers: Self-assessment questions

1. For answer refer: section 4.1
2. For answer refer: section 4.3.2.3
3. For answer refer: section 4.3.1
4. For answer refer: section 4.3.8

4.8 Terminal Questions

Q.1 What is organisational diagnosis? Why is it required to be done in the organizations?

Q.2 What are the levels at which the organisational diagnosis is done and why?

Q.3 Briefly explain the organisational level diagnosis, the typical information sought and the methods of undertaking organisational diagnosis?

Q.4 What are the sources of information to undertake group level diagnosis?

Q.5 Briefly explain the techniques to undertake individual level organisational diagnosis.

4.9 Suggested Readings:

1. Fred Luthans, " Organisational Behaviour", New York, Mc Graw-Hill 1989.
2. Beckhard, R, Organisational Development: Strategies and Models, Addision-Wesley, Reading.

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LESSON No. 5
Organisational Stress

Structure

5.1 Introduction:

In today's changing and competitive work environment, stress level is increasing both in the workers as well as the managers. As a result of this work stress, more and more managers are showing signs of chronic fatigue and burnout. Research has concluded that stressed out managers are not good for their companies or shareholders. In most cases, stress leads to reduced productivity. Stress is a problem in almost all the countries of the world, irrespective of whether the economy is strong or weak. Considered from an individual's point of view, stress is our body's physical, mental and chemical reactions to circumstances that frighten, confuse, endanger or irritate you. If controlled, stress is a friend that strengthens us for the next encounter. If handled poorly it becomes an enemy which can cause diseases like high blood pressure, ulcer, asthma and overactive thyroid. As per the medical explanation of the term "stress is the body's general response to environmental situations". It can lead to;

i) Physiological Discomfort

ii) Some kind of emotional unhappiness

iii) Strained relationships with other people

5.2 Learning Objectives:

This lesson shall help you to conceptualize organisational stress, its sources and consequences.

5.3 Presentation of Contents:

5.3.1 Organisational Stress: Concept & Features:

Stress refers to an individual's reaction to a disturbing factor in the environment. It is also known a interaction of the individual with the environment. It is an adaptive response, mediated by individual differences and/or psychological process; that is a consequence of any external action, situation or event, that places excessive psychological and/or physical demands upon a person.

Features:

Some of the important features of organisational stress are explained as under.

i) Stress is a neutral word:

It is not bad in and of itself. But when stress is created by undesirable outcomes, it becomes distress. On the other hand, if it is created by desirable and successful effects it is called Eustress. Eustress is a healthy, positive and developmental stress response. It is primarily the distress form of stress which requires examination and steps to cope with it; because distress is generally associated with heart disease, alcoholism, drug abuse, marital problems, absenteeism etc.

(ii) Stress is associated with Constraints and Demand:

Constraints prevent an individual from doing what he or she desires. If a person wants to buy something, but he does not have the necessary cash, it is a constraint. Demands refer to the loss of something desired. If a person wants to go and watch a movie, but he is unable to do so because of pressing official work, it amounts to a demand. Both Constraints and Demands can lead to potential stress.

(iii) Two conditions are necessary for potential stress to become actual stress:

Stress is usually very high when there is uncertainty over the outcome and the outcome is very significant. Both these conditions are necessary. If there is no uncertainty but the outcome is not significant, there will again be no stress.

(iv) Stress is not simply anxiety:

Stress may be accompanied by anxiety, but the two are not synonymous. Anxiety is psychological and emotional whereas stress operates in the physiological sphere also along with psychological sphere.

(v) Stress should also be differentiated from nervous tension:

Nervous tension may be a result of stress. Stress is a subconscious action. Even unconscious people have exhibited stress, whereas nervous tension is a conscious action. People may "bottle up" their emotions and not reveal them through nervous tension.

(vi) The term "burnout" is also closely associated with stress:

Some researchers contend that burnout is a type of stress, but other treats it differently. Burnout is closely associated with helping professions like nursing, education and social work, it is characterized by emotional exhaustion, depersonalization and diminished personal accomplishments. Even though, technically, burnout is different from stress, these are generally used interchangeably.

5 3.2 Sources of Stress:

Stress is a reality of our everyday life. There are both eustresses and distresses that come from our work and non-work lives. It was pointed out by Near, Rice and Hunt in 1980, by Sekaran in 1986 and by many others, that the work and non work domains of one's life are closely interrelated. Thus if one experiences much distress at work, that stress will be carried over to the home, which will increase the sense of awareness of even small distresses experienced in a family sphere. Likewise, stresses experienced at home or with friends or from other non work situations can be carried over to the work place which might heighten and multiply the stresses experienced at work. Thus, we can say that stresses generate from four sources:

5.3.2.1 Extra-organisational Stressors

5.3.2.2 Organisational Stressors

5.3.2.3 Group Stressors

5. 3.2.4 Individual stressors

5.3.2.1 Extraorganisational Stressors:

Job stress is not limited to things that happen inside the organisation, during the working hours, Extra organizational factors also contribute to job stress. These stresors include the following factors:

1. Political Factors:

Political factors are likely to cause stress in countries which suffer from political uncertainties as in Iran, for example. The obvious reason is that the countries have stable political system where change is typically implemented in an orderly manner.

2. Economic Factors:

Changes in business cycles create economic uncertainties. When the economy contracts, people get worried about their own security. A very important example is the great depression of 1930s. During this period, suicide rates touched the sky. Minor recessions also cause stress in the work force as downward swings in the economy are often accomplished by permanent reductions in work force, temporary layoff or reduction in pay.

3. Technological Factors:

Technological uncertainty is the third type of environmental factor that can cause stress. In today's era of technological development new innovations make an employee's skill and experience obsolete in a very short span of time. computers, automation are other forms of technological innovations, which are threat to many people and cause them stress.

5.3.2.2 Organisational Stressors:

In organizations, there is no shortage of factors which can cause stress . Almost every aspect of work can be a stressor for someone. Although there are many factors in the work environment that have some influence on the extent of stress that people experience at the job, the following factors have been shown to be particularly trong in including stress:

1. Job Related Factors:

Job related factors or task demands are related to the job performed by an individual. These factors include the following:

(i) If a job is too routine, dull and boring or happens to be too demanding in terms of frequent transfer or constant traveling , which limits the time he can spend with his family, the individual is likely to experience stress.

(ii) Some jobs also be hazardous or morally conflicting to the individual who interfaces with it, for example, working in a explosives manufacturing factory for the individual who is a staunch believer in and advocate of peace. For lack of other job opportunities, he may be forced to work in this environment and this may be a constant source of servere stress and anguish to the person.

(iii) Some duties and responsibilities have inbuilt stress such as those of the fire fighter or the police squad which defuses bombs.

(iv) Jobs where temperatures, noise or other working conditions are dangerous or undesirable can increase anxiety. Similarly, working in an over crowded room or invisible location where interruption are constant, can also lead to stress.

(v) The more interdependence between a person's tasks and the tasks of others, the more potential stress there is ,Autonomy, on the other hand tends to lesson stress.

(vi) Security is another task demand that can cause stress. Someone in a relatively secure job is not likely to worry unduly about losing the position. On the other hand, if job security is threatened stress can increase dramatically.

(vii) Another task demand stressor is workload. Overload occurs when a person has more work to do than he can handle. The overload can be either quantitative or qualitative. On the other hand, the opposite of overload is also undesirable. It can result in boredom and apathy just as overload can cause tension and anxiety. Thus, a moderate degree of work related stress is optimal because it leads to high level of energy and motivation.

2. Role Related Factors:

Role related factors relate to pressures placed on a person as a function of the particular role he or she plays in the organisation. Individuals can experience the following role related stresses:

i) Role Conflict:

Role conflict occurs when two or more persons have different and sometimes opposing expectations of a given individual so that it is not possible to satisfy all of them. Role conflict takes place when contradictory demands are placed upon an employee simultaneously. For example, an advertising manager may be asked to produced a creative ad campaign while on the other hand, time constraint is put upon him, both roles being in conflict with each other. Another type of role conflict is the inter-role conflict where an individual plays more than one role simultaneously in his life and the demands of these role conflicts with each other, For example, a police officer is invited to his friend's wedding party where the guests use drugs which are against the law. Here he faces a role conflict.

ii) Role Ambiguity:

Stresses from job ambiguity arise when an employee does not know what is expected of him or her or how to go about doing the job. For Example, if an employee who joins an organisation is left to himself to expectations of him or his role are, the newcomer will face a high level of role ambiguity. Even an old employee can be given responsibility without being given much information. For example, a production manager might tell a foreman that 500 units of steel rods are to be manufactured in next five days and leaves town immediately without specifying what kind of additional help will be provided, or what the purpose, cost, weight or design details are. The foreman is left with a lot of role ambiguity and does not know how he should go about doing the job.

iii) Role Overload:

Role overload refers to the situation when an individual is expected to do too many things within a limited time as part of the daily routine. For example, if Mrs. X is expected to perform the duties of a supervisor, receptionist, public relation officer and an accountant, she is likely to experience a lot of stress from the several roles she has to play during the day. She may be a lot of stress from the several roles she has to play during the day. She may be able to manage the various roles for a short period of time, but if expected to continue in this fashion on a long term basis, she is likely to fall sick or quit.

3. Inter Personal and Group Related Factors:

Interpersonal demands are pressures created by other employee. Group related stressors include factors like conflicts, poor communication, unpleasant relationship and fear of being ostracized from the group as a valued member. Working with superior, peers or subordinates with whom one does not get along can be constant source of stress. Some people can deal with conflicts and misunderstanding in an open way and resolve issues as they arise. Many, however, find it difficult to do this and build internal stresses for themselves. Moreover, lack of social support from colleagues and poor interpersonal relationships can cause considerable stress, especially among employees with a high social need. Sometimes, the individuals try to avoid these stresses by remaining absent as frequently a possible and even start looking for new jobs.

4. Organisational Structural Factors:

Organisational structure defines the level of differentiation, the degree of rules and regulations and where decisions are made. Excessive rules and lack of participation in decisions that affect an employee are examples of structural variables that might be potential stressors.

5. Organisational Leadership Factors:

These factors represent the managerial style of the organisation's senior manager. Some managers create a culture characterized by tension, fear and anxiety. They establish unrealistic pressure to perform in the short run, impose excessively tight controls and routinely free employees who fail to turn up.

6. Organisation's Life cycle:

Organisations go through a cycle. They are established, they grow, become mature and eventually decline. An organisation's life cycle creates different problems and pressures for the employees. The firm and the last stage are stressful. The establishment involves a lot of excitement and uncertainty, while the decline typically requires cutback, layoffs and a different set of uncertainties. When the organisation is in the maturity stage, stress tends to be the last because uncertainties are lowest at this point of time.

5.3.2.3 Group Stressors:

Another source of stress in organizations is poor interpersonal relationships or conflicts. These conflicts can be among the members of the group or between the superiors and subordinates. Groups have a lot of influence on the employee's behaviour, performance and job satisfaction. On the other hand, the group can also be a potential source of stress. Group stressors can be categorized into the following factors:

1. Group Cohensiveness:

The famous Hawthrone studies had proved that group cohesiveness is very important to the employees, particularly at the lower level of the organisation. Lack of cohesiveness can be very stress producing, especially for those persons who cannot thrive in isolation.

The other side of the picture is that too much cohesiveness can also lead to stress. Saying like " Too much familarity breeds contempt" is very valid because prolonged contact with other people can also cause stress. This stress becomes more intensified when the people we are close to or with whom we come in contact with are in distress themselves.

2. Lack of Social Support:

Satisfaction though a state of mind is primarily influenced by the positive external factors. These factors include friendliness, respect from other members and self respect, support, opportunity to interact, achievement, protection against threats and a feeling of security. In this type of social support is lacking for an individual, it can be very stressful.

3. Conflicts:

People who are working in the organizations are prone to interpersonal and intergroup conflicts. As we have discussed in the previous chapter, conflict has both functional and dysfunctional aspects. Whenever conflict has dysfunctional consequences, it will lead to stress in all the concerned parties.

4. Organisational Climate:

Much of the group or interpersonal relationships depend upon the organisational climate. An overall organizational climate may have a relaxed style of working or it may be tense and crisis oriented. All the employees of such organisation will be continuously tense. If the climate in general is unfriendly, hostile or totally task oriented.

5.3.2.9 Individual stressors:

The typical individual works for about 8 to 10 hours a day. The problems and experiences which he has to face in the remaining 14 to 16 non-working hours can spill over work place. Our final category of stressors thus includes persona or individual stressors. Following are the main factors, which can cause stress to individuals:

1. Job Concerns.

One of the major job concern s lack of job security, which can lead to concern, anxiety or frustration to the individual. The prospect of losing a job especially when you have a family and social obligations is always very stressful.

Career progress is another reason of anxiety. This is particularly true for middle aged people, because middle age is a period of soul searching and self doubt. If these people wee not given to them were beneath their qualifications, they may become very anxious . This anxiety will lead to stress.

2. Career Changes:

When an employee has to relocate geographically because of a transfer or promotion, it disrupts the routine of his daily life causing concern and stress. The relocation can lead to the following problems:

(i) The fear of working in a new location.

(ii) Unpredictability about new work environment.

(iii) Anxiety about creating new relationships.

(iv) Uprooting of children from their schools and friends.

(v) If the employee has got a working spouse then the stress is greater.

Uncertainty about getting a new location creates some degree of stress.

Thus , when a person is geographically relocated, his stress will depend upon how many changes occur in his social relationships and family life. More the changes , more will be the stress.

3. Economic Problems:

Some people are very poor money managers or they have wants and desires that always seem to exceed their earning capacity. When individuals overextend their resources, or in simple words, if they spend more than they earn, it will always cause stress and distract the employees from their work.

4. Changes in Life Structure:

The life structure of a person changes as he grows older. As a person grows older, his responsibilities to himself as well as others change and increase. The higher the responsibility, the greater the stress.

5. The Pace of Life:

As the responsibilities of a person increase, his capacity to execute them should also increase, his capacity to execute them should also increase. A hectic pace of life when the person is always busy in business or otherwise can create more stress than a relaxed pace of life. Certain professions like teaching are less stressful than those of company executives, bankers or businessmen.

6. Life Change and Life Traumas:

Life change and life traumas are both stress producing. Life changes may be slow or sudden. Sudden changes are highly stressful. Life traumas can be highly stressful.

7. Personality of a Person:

The extent of stress is also determined by the personality of a person. In respect of personality the distinction between type a and type b behaviour pattern bcome relevant. A mentioned earlier type a personalities may create stress in their work circumstances due to their achievement orientation, impatience and perfectionalism.

8. Ability to Cope:

How a person is able to cope with the stress and the sources a person seeks to deal with stress and the sources a person seeks to deal with stress are also very important. For example, people who have strong faith in God and his will find it easier to deal with stressful situations like the loss of a loved one. Similarly, family relations and friends are a source of a great comfort at such times of crisis.

Thus, if we have to appraise the total amount of stress an individual is under, we have to sum up his or her extra organizational, organizational-group and personal stressors.

5.3.3 Consequences of Stress:

As is pointed out in the introducing comment on stress, stress is not automatically bad for individual employees or their organizational performance. It is the dysfunctional aspects of the high level of stress that should be and are amajor concern for contemporary society in general and for effective human resource management in particular. Distress experienced by individuals are negative consequences for them, their families and for the organizations they serve. The consequences of stress can be studied under three general categories:

5.3.3.1 Consequences for the individual:

Stress shows itself in a number of ways. An individual who is experiencing stress may develop the following symptoms:

i) Physiological Symptoms:

In the initial stages, the major concern of stress was directed at physiological symptoms. The reason was that this topic was researched by specialists in the health and medical sciences.

ii) Psychological Symptoms:

While considerable attention has been given to the relationship between stress and physiological symptoms, especially within the medical community not as much importance has been given to the impact of stress on mental health. But psychological problems resulting from stress are very important in day to day job performance. The psychological impacts of stress may be:

i) Stress can cause dissatisfaction. Job related stress can cause job-relatd dissatisfaction. Job dissatisfaction, " is the simplest and most psychological aspects of stress."

ii) High levels of stress may be accompanied by anger, anxiety, depression, nervousness. One study found that stress had the strongest impact on aggressive actions such as sabotage, interpersonal aggression, hostility and complaints.

iii) The psychological problems from stress may lead to poor job performance, lowered self esteem, resentment of supervision, make decisions and job dissatisfaction.

iv) The less control people have over the pace of their work, the greater the stress and dissatisfaction.

v) Some evidences suggests that jobs that provide a low level of variety, significance, autonomy, feed back and identity, create stress and reduce satisfaction and involvement in the job.

iii) Behavioural Symptoms:

Any behaviour which indicates that you are not acting your usual self may be a sign of adverse reaction to stress. Direct behaviour that may accompany high level of stress include:

i) Under eating or overeating

ii) Sleeplessness

iii) Increased smoking and drinking

iv) Drug abuse

v) Nodding off during meetings or social gathering

vi) Losing your sense of humour

vii) Moving in a tense and jerky way

viii) Reacting nervously or irritably to everyday sounds

ix) Absenteeism and turnover

x) Reduction in productivity.

Consistently acting and feeling out of character is a serious warning that we are losing our ability to cope with tension . Inability to feel or express any emotions or a sense of being indicates loss of contact with our surroundings and ourselves. The above indicators can help us in overcoming the tensions in our day to day life.

5.3.3.2 Consequences for the family:

Distress which is handled by individuals in dysfunctional way such as resorting to drinking or withdrawl behaviour, will have an adverse effect on their family life. The effects of this will be spouse abuse, child abuse, alienation from family members and even divorce. The stressors which generally affect the family life are:

In the dual career families where both the spouses are pursuing careers, a lot of personal commitments, varied in nature, are demanded from them.

Additional stresses are experienced while handling the personal, social and cultural dilemmas of balancing work and family, discharging parenting responsibilities, handling competition at the work place and within the family and being an involved member of the extended family.

5.3.3.3. Consequences to organization:

The effect of employees stress on organizations are many and varied. These include:

i) Low performance and productivity

ii) High rate of absenteeism and turnover

iii) Loss of customer due to poor attitudes of workers.

iv) Increased alienation of the worker from the job.

v) Destructive and aggressive behaviour resulting in strikes and sabotage.

The stresses experienced by employees who take on critical roles and are responsible for public safety can sometimes be detrimental to the well being of the constituents served. For Example, the stress experienced by airline pilot, train driver , railway guard can result in the loss of so many lives. Therefore, the costs of employees stress to the organization in terms of lost profits, declining assests, bad image projection, poor reputation and loss of future business enormous.

5.3.4 Approaches of Stress:

When we look at stress from organisational point of view, management may not be concerned about the low to moderate levels of stress experienced by the employees. The reason is, that some functional level of stress is necessary to improve employee performance. But high level of stress and sustained low level of stress are a cause of action by the management. But when we look at stress from individual's point of view even the low level of stress are perceived to be undesirable. Keeping this in mind we can discuss the individual and organisational approaches towards managing stress. Before discussing these approaches, we must keep in mind two points:

i) Firstly, we must not make any generalization. Each of us have different limits, different optimum stress levels and will perceive the sources of stress differently. One person's overstress may be another person's challenge and optimum stress.

ii) Secondly, we need to differentiate between what we can do to equip ourselves and to organize our environment to prevent us from becoming over or under stressed. We label this as prevention. Yet however, well we prepare ourselves and try to control our environment from time to time, we will still experience undesirable stress. It is then that we need to have developed Management Skills.

Now we discuss the individual's and organisational approaches to managing stress:

5.3.4.1 Individual Approaches

5.3.4.2 Organisational Approaches

5.3.4.1 Individual Approaches

As we know that the stress has got a number of negative consequences for the individuals that is why every individual should take personal responsibility for reducing his or her stress level. There are a number of ways by which a person can either avoid stressful conditions, change them or learn to cope with them. Stress can be managed by an individual, which are enable him to regain control over his life. Some of the stress reducing strategies from individual's point of view are:

I. Knowledge about stress

II. Physiological Fitness

III. Time Management

IV. Assertiveness

V. Social Support Network

VI. Readjust Life Goals

VII. Relaxation Techniques

VIII. Plan your life in Advance

5.3.4.2 Organisational Approaches

Individuals may design their own strategies to reduce stress, but it is a must for the organizations to develop programmes that will help the employees in reducing their stress. This will lead to less employee turnover, absenteeism and as a result productivity will improve. Some of the measures which organizations can take are:

I) Selection and Placement

II) Goal setting

III) Improved Communication

IV) Redesigning Jobs

V) Participative Decision Making

VI) Building Teamwork

VII) Personal Wellness Programmes

To conclude, we can say that all these strategies or a combination thereof should be applied to make the work environment less stressful to a level which is positive and challenging.

5.4 Self-assessment questions

1. Define the concept of organizational stress?
2. How the stress is different from anxiety?
3. What are the main sources of stress?
4. How career change can become the source of stress?
5. What are the psychological symptoms of stress?

5.5 Summary

To summarize, we can say that as a result of this work stress, more and more managers are showing signs of chronic fatigue and burnout. Research has concluded that stressed out managers are not good for their companies or shareholders. So we can say that strategies or a combination thereof should be applied to make the work environment less stressful to a level which is positive and challenging.

5.6 Glossary

Stress: is a feeling of emotional or physical tension. It can come from any event or thought that makes you feel frustrated, angry, or nervous.

Anxiety: is your body's natural response to stress. It's a feeling of fear or apprehension about what's to come.

Burnout: is a state of emotional, physical, and mental exhaustion caused by excessive and prolonged stress.

Group Cohesiveness: (also called group cohesion and social cohesion) arises when bonds link members of a social group to one another and to the group as a whole.

5.7 Answers: Self-assessment questions

1. For answer refer: section 5.3.1
2. For answer refer: section 5.3.1
3. For answer refer: section 5.3.2
4. For answer refer: section 5.3.2
5. For answer refer: section 5.3.3

5.8 Self Assessment Questions:

1. Define the term stress. What are it sources?
2. Bring out the impact of stress on performance and satisfaction?
3. Explain in detail the consequence of stress emphasising on physiological and behaviour responses to stress?

4. Explain in detail some of the personal strategies in coping with employees stress?
5. What type of stress do you think employees working in Indian organisation experience. Explain giving examples?

5.9 Suggested Readings:

* Brief, Arthur P.,Randall S. Schuler and Mary Van Sell (1981), "Managing Job Stress": Little Brown.
* Friedman, Meyer and Ray H. Roseman(1974), "Type A Behaviour and your heart".
* Quick and Quick (1984), " Organisational Stress and Preventive Management".
* Schuter, R.S. (1980), " Definition and conceptualization of stress in Organisations" in "Organisational Behaviour and Human Performance".
* Selye, Hans(1974), 'Stress without Distress".

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LESSON No. 6
Organisational Development

Structure

6.1 Introduction:

The concept of Organisational Development was originated in 1950's and 1960's. It was popularized by theories like Blake and Mouton, Sphepard and Bectihard. The basic, purpose of Organisational Development is to alter each employee's entire formal or informal role set to support the change. It is also known as "Organisational Proficiency", "Organisational Health". Organisational development is important from the point of view of society, customers and workers as it reduces the cost of production and enhances the organizational productivity and profitability. There used to be different types of conventional productivity and profitability. There used to be different types of conventional training programmes but in 1960's a new integrated type of Training Programmes was developed which is now commonly known as Organisational Development.Due to organizational Development the organizational can better adapt to the technology and line with the fast pace of change. It is just like a training to the employees to mould themselves in a planned way so that necessary changes may be introduced in the organisation without much resistance from workers.

6.2 Learning Objectives:

This lesson shall make you familiar with organisational development, its features, objectives and Pre-requisites.

6.3 Presentation of Contents:

6.3.1 Characteristics of Organisational Development:

The concept of organisational development has the following features:

6.3.1.1 Planned change

Organisational development is data-based approach to change which involves all of the ingredients that go into managerial planning. It involves goal setting, action planning, implementation monitoring, and task corrective action when necessary.

6.3.1.2 Problem Solving:

Organisational development is concerned with the problem solving. It seeks to solve the problems through practical experiences gained on the work and not merely through theoretical discussion as in a class room.

These problems mainly occur at the time when working on the job; hence the organizational members. This focus on improving problem-solving skill by discussing data-based system problems is called action research. In other words, employees are "learning how to learn" from their experiences, so they can solve new problems in the future.

6.3.1.3 Organisational Development Experimental Learning:

Organisation development provides experimental learning to help the participants learn new behaviour patterns through experience. They can discuss and analyse their own immediate experience and learn from it.

This approach tends to produce more changed behaviour than the traditional lecture and discussion, in which people talk about abstract ideas. Theory is necessary and desirable, but the ultimate test is how it applies in a real situation.

6.3.1.4 It is based on Human Values:

Organisational development programmes are often based on humanistic values. The values are positive beliefs about the potential and desire for growth among employees. To be effective and self-renewing, an organisation needs employees who want to increase their skills and contributions.

The best climate for this to happen is one that creates opportunities for growth by stressing collaboration, open communication, interpersonal trust, shared power, and constructive confrontation. They all provide a value base for organizational development efforts and help ensure that the organisation will be responsive to human needs.

6.3.1.5 Contingency Orientation:

Organisation development is situational and contingency oriented. As people learn to develop their behavioural concepts through experience, they can suggest various ways to solve a particular problem and to adopt any of them most suited in the present circumstances. Thus, organizational development is flexible and pragmatic adopting actions to fit particular needs.

6.3.1.6 Levels of Interventions:

Organisational development programmes are aimed at solving problems that may occur at the individual, interpersonal group, inter-group, and total organizational level. Organisational development interventions are designed for each level as for instance career planning at the individual level, them building at the group level.

6.3.1.7 Focus on Whole Organisation:

Organisational development focuses on a whole organisation or a major unit of it so that the environment in the whole organisation tends to reinforce the employees to learn whatever the programme includes. It differ from the traditional training programme that emphasizes on a small group or a certain job.

6.3.1.8 Organisational Development are Group Processes:

Organisational development uses the group processes rather than individual process. It makes sincere efforts to improve the group performance.

There are group discussion, inter group conflicts, and team building. Sensible efforts are made to develop and improve interpersonal relations, open communication channels, build trust and encourage responsiveness to others.

6.3.1.9 It leads Comprehensive Change:

Organisational development efforts focus on comprehensive change in the organisation, rather than focusing attention on individuals, so that change is easily observed.

6.3.1.10 It brings Long-Range Change:

Organisational development efforts are not meant for solving short-term, temporary, or isolated problems. Rather, organizational development focuses on the elevation of an organisation to a higher level of functioning by improving the performance and satisfaction of organizational members on long-term basis.

6.3.1.11 Organisational Behaviour as Dynamic Process:

Organisational development is a dynamic process and includes the efforts to guide and direct changes as well as to cope with or adopt changes imposed.

6.3.2 Assumptions of Organisational Development:

i) Most individuals have drives towards personal growth and development. However, the work habits are more a response to work environment rather than personality traits.

ii) Highest productivity can be achieved when the individual goals are integrated with organisational goals. This way , the workers will be highly devoted to Quality output because they will take personal pride in the optimum Quality.

iii) Co-operation is always more effective than conflict. Conflict tends to mistrust, prohibit collaboration and eventually limit the effectiveness of the organization.

iv) The suppression of feelings adversely affect problem solving, personal growth and satisfaction with one's work. Accordingly, free expression of feelings is an important ingredient for commitment to work.

v) The growth of individual member is facilitated by relationships which are open, supportive and trusting.

vi) The difference between commitment and agreement must be fully understood. Agreeing to do something is totally different than being committed to do something.

vii) A sense of commitment makes it easy to accept change and the implementation of change is even easier when this commitment is based upon participation in the process.

viii) Organisational development, if they are to succeed, must be reinforced by the organization's total human-resources system.

6.3.3 Pre-requisites for Organisational Development:

Organisational development must fulfill certain conditions if it were to be effective. Not that these conditions, if satisfied, will guarantee success of organizational development programmes. But a favourable environment conductive for organizational change will be created. To reduce the probability that organizational development programmes will have a negative or no effect on the organisation the following criteria should be met as per Newton Margulies:

1. Perceptions of organizational problems by key people and perceptions of the relevance of the behavioural sciences in solving these problems.
2. The introduction into the system of a behavioural scientist consultant.
3. Initial top level involvement, or atleast support from a higher level with subsequent top management involvement.
4. Participation of intact work teams, including the formal leaders.
5. The operationalising of the action research model.
6. Early successes, with expansion of the effort stemming from these successes.
7. An open, educational philosophy about the theory and the technology of organizational development.
8. Acknowledgement of the congruency between organizational development and many previous effective management practices.
9. Involvement of personnel and industrial relations/human resources management people and congruency with personnel policy and practice.
10. Development of internal organizational development resources and facilitative skills.
11. Effective management of the organizational development process and stabilization of changes.
12. Monitoring the process and measuring of results.

6.3.4 Objectives of Organisational Development:

Organisational development seeks to change the organizational environment in which a manager works. It aims at the improvement of the total system to ensure that the full potential of a manager's abilities is utilized, and there is a sustained change in his behaviour which is conductive to a better organizational performance.

1. Organisational Development develop a self-renewing, viable system which can be reorganized in a variety of ways, depending on the tasks that are to be performed.
2. Organisational Development increase in the level of trust and support among an organisation's members.
3. It create an environment in which authority assigned role is augmented by authority based on knowledge and skill.
4. It increase the openness an authenticity of communications laterally, vertically, and diagonally.

5. It increase the level of self and group responsibility in planning and implementation.
6. Organisational Development optimize the effectiveness of the stable the basic organisation chart and the temporary systems the many projects, committees, etc. through which much of an organisation's work is accomplished by built-in and continuous improvement mechanisms.
7. Move towards high collaboration and low competition between interdependent units.
8. It create conditions in which conflict is effectively managed.
9. It helps in reaching a point where decisions are taken on the basis of an information source rather than an organizational role.
10. Enhance the identification of members and groups with the organizational as a whole.
11. Assist managers setting challenging but realistic goals for themselves.

The emphasis on the 'people' aspects of organizations does not mean that organizational development practitioners do not try to bring about changes in organisation structure, practices or policies, they often do. But the typical organizational development programme is aimed at changing the attitudes, values and beliefs, of the employees, so that they themselves can identify and implement such organizational changes.

6.3.5 Organisational Development Process:

The various steps followed in organizational development are a part of whole process and in order to get the full benefit of organizational development all the steps should be applied properly.

Organisational development is a continuous process. It is a complicated process and hence needs top management Support without which this process can not be successful and if adopted cannot be successfully implemented in the organisation. The process of organizational development may differ from organisation to organisation but broadly every Organisational Development process model has got the following stages:

i) Diagnosis of the Organisation:

To introduce organizational development, the first step is to thoroughly study the composition, working, efficiencies and deficiencies of the organisation.

ii) To Give Feedback to the Top Management:

After doing in-depth study of the every aspect of the organisation, the management is enlightened by giving then a detail Feedback Report by a specially designed expert committee in writing to make the management aware what are the other latest methods, policies, procedures, rules and regulations being used in other organizations in the line of production so that the management could decide what to be introduced in the organisation.

iii) To identify the Problem at the Top Level:

The management after going to the report submitting by the expert committee will identify the areas, departments, workshops, product, programmes and procedure which needs overhauling i.e. modification and alteration. It would not be desirable to bring changes in large scale. Bring changes in only in there aspects which are very urgent.

iv) Establishing Task Force:

The need for organizational development goes beyond the need for management development. The commitment needed in organizational development is far greater than for management development.

v) Identification of the internal Change Agent:

Organisational Development can not be practical without a strong internal change agent.

vi) Top Team building:

Organisational Development involves lot of money, efforts, changes, modification which requires at a higher level of a top-team consisting of senior officer from different departments. So that they could extend their expertise in the proper implementation of the desired modification.

vii) To Formulate Top Management Strategies and Planning:

After the problems are being diagnosed, the top-team plans the various courses of action plan involving the overall goal for change, determination of basic approach for attaining these goals and the sequence of detailed scheme for implementation of the approach.

viii) Work-shop for Change Agent:

For organizational development we should have consultant and an organizational Development Manager. It is important to have experienced men with knowledge of social sciences, human resources management.

The organisational Development Manager will function as internal, organisational consultant and to assist in evolving and implementing a plan of the organization.

6.3.6 Benefits of Organisational Development:

1. Treats each human being as a person with a complex set of needs, all of which are important in his work and life.
2. Gives people in organization the chance to understand how they relate to work, the organization and work environment.
3. Gives each member of the organization opportunities to develop to his full potentials.
4. Seeks to make organization more effective in meeting all its goals.
5. Provides opportunities for the people to function as human being rather than mere resources in the productive process.
6. Tries to create an environment in which exciting and challenging work can be found.

6.3.7 Limitations of Organisational Development:

As a method of inducing change, organisation development has certain limitations. These are as follows:

1. Organisational development can be more powerful than the behavioural science concepts on which it rests. Behavioural Science has various limitations, and these are applicable to organizational development also.
2. There are some persons, specially complacent ones who are not prepared to apply diligence of effort for improvement and the methods of work involved in organizational development are sometimes not of sufficient strength to challenge the motivation of highly complacent people.

3. Task of the organisation and the characteristics of its membership also put limitations on the effectiveness of organizational development.

6.3.8 Situations Appropriate for organizational Development:

Since organizational development is a process rather than a solution, it is difficult to specify precisely what kind of situations may be appropriate for organizational development programmes. However, by viewing organisatioanl problems in general terms. We can suggest the following areas of organizations inviting organizational development programmes:

i) The organisation's managerial strategy e.g, communication pattern, location of decision making.

ii) The culture of organisation e.g. norms, values, power structure.

iii) Structure and role in the organisation.

iv) Intergroup collaboration

v) Motivational levels of employees

vi) Trust and support among Organisational Members.

vii) Synergistic solution to problem

6.3.9 To go for Organisational Development:

A host of factors have made it imperative that organizations must undergo transformation not only in one particular element but in a number of elements like people, technology, structure, relationships and so on, reflecting a qualitative change in organizational functioning which not only enables it to survive but survive efficiently and effectively. Therefore organizational development aims at a higher quality of work life, productivity, adaptability and effectiveness.

It Leads Knowledge Explosion:

A change of tremendous significance that has occurred in the society is knowledge explosion knowledge has expanded not only in depth but also in width. Not only have few frontiers opened up in the same discipline but vast knowledge is being generated in different disciplines. Science and Technology have placed information at the doorstep of every information-seeker. The revolution in electronics, telecommunications, space technology, genetic engineering, heart-transplantations are casting a profound impact on people's lives. Further, education is no longer the privilege of the rich. It is reaching the masses, creating an awakening and arousing their aspirations.

Organisational Development Leads to Rapid Product Obsolescence:

Products are fast becoming obsolete. This is the outcome of a growing emphasis on Research and Development. A shift in the emphasis itself is a result of the globalisation of business which has intensified competition, making, it the survival of the fittest. This phenomenon necessitates increasing organizational adaptability, knowledge explosion also has a bearing on how rapidly a product becomes obsolete. It enhances organizational responsiveness as well.

It Facilitates Changing Composition of Work Force:

Until recently, only males constituted the work force in corporate organizations. Women concentrated on agriculture handicrafts, and the like wherein they did not have to be away from the home for long and the rules of attendance were not so rigid.

The spread of education, economic compulsions and changing social values reflected in women's liberation have contributed in no less measure to change in the complexion of the present day work force women are joining the ranks of corporate managers, pilots, and police. In urban areas quite a sizable proportion of families no longer consists of 'single earners'. Rather, both the husband and wife have money incomes and the proportion of such couples is growing. This development has serious implications for business. No less significant is the fact that people coming from low economic and social backgrounds are witnessing upward social and occupational mobility through reservation in education and job that the individual continues to display the newly imbibed behaviour.

Organisational Development Creates the desire for Experimental Learning :

Learning by doing is the best education. Class-room teaching , reading Books, attending Seminars, or lectures by trainer experts are no substitute for learning by doing, by creating situations in which skills have to be applied, decisions have to be made and so on.

Experimental learning leaves an indelible in print the demand has been increasing for techniques which can create real life situations opportunities.

Growing Concern over Personal and Social Issues:

As discussed, people are becoming more and more conscious of their rights and privileges. Education is of course an important factor but the institution of democracy in India has also played a significant role in making people feel concerned over personal and social issues.

So organizational development is the discipline directed towards using behavioural science knowledge to assist organisation adjust more rapidly to change. Using a system approach organizational development has grown rapidly in response to a needed the need for organisation to remain viable and to survive in the world of change.

6.4 Self-assessment questions

1. What do you mean by Organizational Development?
2. What are the main features of Organizational Development?
3. What are the main objectives of Organizational Development?
4. Explain the process of Organizational Development.
5. What are the limitations of Organizational Development?

6.5 Summary

Organisational Development is an attempt to bring changes in one's beliefs, attitudes, values, structures and practices- in the entire culture of the organisation. Due to organizational development the organisation can better adapt to the technology and line with the fast pace of change. It is just like a training to the employees to mould themselves in a planned way so that necessary changes may be introduces in the organisation without much resistance from workers.

6.6 Glossary

An organization: or organisation is an entity comprising multiple people, such as an institution or an association that has a particular purpose.

Organizational Development: can be defined as an objective-based methodology used to initiate a change of systems in an entity.

Technology: is the sum of techniques, skills, methods, and processes used in the production of goods or services or in the accomplishment of objectives, such as scientific investigation.

Contingency: is the status of propositions that are neither true under every possible valuation nor false under every possible valuation.

6.7 Answers: Self-assessment question

1. For answer refer: section 6.1
2. For answer refer: section 6.3.1
3. For answer refer: section 6.3.4
4. For answer refer: section 6.3.5
5. For answer refer: section 6.3.7

6.8 Terminal Questions:

1. Define Organisational Development. Bring out clearly it features and process of organizational development?
2. What do you understand by organizational development? Discuss the steps involved in this process.
3. Explain are different techniques of Organisational Development?
4. What are the importance and limitation of Organisational Development?
5. Describe some of the values, the organisation. Should develop to make Organisational Development effectiveness?

6.9 Suggested Readings:

* Edger Schein, "Process Consultation: Its in Organisation Development".
* French, Wendell L., " Organisation Development", New Delhi.
* R. Beckhard, " Organisation Development Strategies and Models".
* Paul R. Lawrence, " Organisation Change and Development" , Richard D. Irwin.

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LESSON No. 7
OD Interventions-1

Structure

7.1 Introduction:

When a person shows some symptoms of ill health, the doctor diagnoses the sickness and then starts the treatment by giving him the right medicine. Similarly, whenever the organizations feel that they are under any problem, they engage an external consultant, who diagnoses the problem and then undertakes a series of measures to cure the problem. These are known as the organisational development interventions. By organizational Development interventions we mean the various activities and steps which the consultants and the client organization takes for improving the organizational functioning. Organisational interventions are the set of structured activities in which selected organizational units engage with a task or sequence of tasks which are directly or indirectly engaged to organizational improvement. They make the things happen and are like tools or weapon to bring organizational development.

7.2 Learning Objectives

This lesson shall acquaint you with various organizational development interventions.

7.3 Presentation of Contents :

7.3.1 OD Intervention/Tools

There are different types of organisational development tools available to the organizations. In common usage, there are following tools, which are used as organisational development interventions.

1. Sensitivity Training
2. Role Playing

3. Management by Objectives

4. Grid Development

5. Organizational Redesign

6. Job Enrichment

7. Work Design

8. Survey Feedback

9. Process Consultation

10. Team Building

11. Third Party peace Making

12. Structural Techniques

The above list is not exhaustive as a large number of the tools keep on evolving from time to time. There are several factors that influence the choice of the appropriate OD interventions, some of which are as under:

(i) Nature of the problem

(ii) Nature of the organization

(iii) The prevailing business environment

(iv) The level of skill of the employees

(v) Competence of the consultant

(vi) Cost of OD interventions

(vii) Availability of physical infrastructure

Out of the variety of the OD intervention techniques, a few are explained in the three lessons.

7.3.2 Sensitivity Training:

Sensitivity training, sometimes known as call-group training, is focused on allowing members to become more sensitive to the ways in which they related to others. Very often, the problems arise in the organizations because the people do not understand the unique requirements of the people in other groups. They keep on emphasizing their own viewpoint, thereby causing conflict. Such inter-group frictions can be minimized if one group understands the other. The sensitivity training is one such technique, where the one group is sensitized about the requirements of the other group.

While administering this technique, a small group of 10 to 12 people is formed, assisted by a professional behavioural scientist, who acts as a catalyst for the group. There is no specified agenda given to the group. |The consultant merely creates the opportunity for group members to express their ideas and feelings freely. Since the trainer has no leadership role to play, the group must work out its own methods of proceedings. A leaderless free group session is on. They can discuss anything they like. Individuals are allowed to focus on behaviour rather than on duties. As members engage in the dialogue they are encouraged to learn about themselves as they interact with others. While constituting the sensitivity groups, there can be different strategies to decide upon its composition. Some of the types of groups are:

i) Stranger:

Stranger group consists of individuals probably from different companies who do not know each other.

ii) Cousin:

Cousin group consists of members of the same organization or firm, whose work is interrelated, typically being in different departments.

iii) Family Groups :

Family group consists of unit members who work with each other, often including the supervisor.

As individuals learn to express trust and confidence in each other, they can relate more openly and not nearly so afraid to show their feelings. They become able to express hostilities effectively without regard to personalities and focusing on exactly what it is that bothers them and they become more nearly able to be constructive and honest in dealing with others. They also gain constructive and open feedback from others about themselves and their own activities and relationship with others. Such a procedure can be quite a shock and should not be conducted by amateur consultants, i.e. inexperienced persons.

7.3.2.1 Features of Sensitivity Training :

i) It emphasizes the process rather than the content of the training and focuses upon emotional rather than conceptual training.

ii) It is an experience-based methodology aimed at changing behaviour through instructed group interaction.

iii) It is not a set of hidden, manipulative processes aimed at brain washing individuals.

iv) It is not intended to suppress Conflict, it is not group therapy and it does not guarantee change.

7.3.2.2 Objectives of Sensitivity Training :

(i) To make trainees sensitive to emotional reactions and expressions in themselves and others.

(ii) The participants sharpen their ability to perceive and to learn the implications of their actions in the process of drawing their attention to their own or other's feeling.

(iii) To stimulate and develop personal values and goals which are commensurate to social goals and scientific methods of personal decision making.

(iv) To develop a scientific attitude to looking future situations.

(v) To help achieving, behavioural effectiveness in transactional in environments obtaining around the participants.

7. 3.2.3 Merits of Sensitivity Training :

(i) It can apparently result in more supportive behaviour, more considerate managers and more sensitive people.

(ii) Participants are reported to have become more open and self understanding.

(iii) Communications are improved a lot and the leadership skills have been reported well.

iv) It promotes an opportunity to gain insights in to personal blinds spots, and people become aware of the norms of groups. Role flexibility and a sense of belonging to the group.

7.3.2.4 Demerits of Sensitivity Training :

i) Some individuals report a feeling of humiliation manipulation, decline in self confidence and psychological change.

ii) T-group training is not only capable of including anxiety, but very likely to do so.

iii) The anxiety may have an unrewarding effect, such as causing the people to be highly frustrated, unsettled, and upset.

7.3.3 Role Playing:

Like sensitivity training, role playing is also a technique of laboratory development. Whereas sensitivity training aims at developing sensitivity to behavioural patterns of oneself and others, role playing has the purpose of improving trainee's skill in dealing with others However, in practice, it may not be possible to differentiate between the objectives of the two even though the methodologies used in both are quite different. Specifically, role playing technique is used for human relations and leadership training.

Its purpose is to give trainees an opportunity to learn human relations skills through practice and to develop insight into one's own behaviour and its effect upon others.

Thus, its objectives is very narrow, i.e. to increase the trainee's skill in dealing with other soothers.

It can be used in human relations training and sales training because both these involve dealing with others.

Under this method, a conflict situation is artificially constructed and two or more trainees are assigned different roles to play. No dialogue is given beforehand. The role players are provided with either a written or oral description of the situation and the role they are to play. After being allowed sufficient time to plan their actions, they must then act their parts Spontaneously before the class.

7.3.3.1 Benefits of Role Playing:

1. When one is asked to put one's self in someone else's place and play the role of that person, it generally increases awareness of other's problems.
2. The process helps the participants to appreciate that the behaviour often is a consequence not only of their personalities but also of the situation, and helps them to identify and recognize some of their own faults.
3. The trainee can broaden his experience by trying different approaches, while in a real situation he has only one chance. By evaluating the different ways of handling the same situation, he is able to see the strengths and weaknesses of these.
4. In a sense, role playing is more than an experience because it permits observation, discussion and emphasis that are not customarily a part of experience.

7.3.3.2 Demerits :

1. Some individuals become too involved in the acting and loose sight of the purpose of the exercise.
2. Some trainees may place more emphasis on showoff and acting than on the problem involved.

7.3.4 Management by Objectives :

Although this technique has been explained at length in a separate chapter, in this lesson, this is being discussed again from the perspective of organisational development Management by objectives is a popular organizational development technique where under the performance goals of an individual are set after mutual, consultation and discussion between him and his superior..

The individual is then evaluated on the basis of these agreed-upon objectives. Management by Objectives (denoted by MBO) is an approach to management that focuses on objectives or the expected results of various organizational and managerial decisions. Although objectives provide the focal point, the thrust in MBO is on management. The mere existence of objectives is not a sufficient condition for MBO. One can have objectives or targets without having MBO. Similarly, the management processes can be kept hyperactive without clear and agreed objectives. The emphasis in MBO is that the objectives should be the central focus in the management process. MBO begins by defining objectives and then uses these statements as criteria to judge the quality of activity (behaviour) and the adequacy of inputs (resources). MBO is concerned with both the achievement of objectives as well as the processes by which these objectives are established and achieved. MBO emphasizes the development of the system's capability as well as and individual manager's competence and motivation for performance improvement in the short and the long run.

7.3.4.1 Important features of MBO :

MBO integrates the systems and behavioural knowledge approach to manage organizations. After the implementation stage is over, MBO becomes integrated with the key managerial process and activities. An organization practicing MBO is likely to have the following major features.

1. Well defined objectives for all Levels

Objectives, expressed as expected results, are established for all the levels in the organization, including the corporate level, all the units or departments and the individual managers. Objectives provide the means for integrating the organization with its environment, its subsystems and people. Thus, corporate objectives are a means to integrate the organization with its environment, the unit or the departmental objectives integrate the organization with its parts, while the manager objectives integrate the managerial contributions with the needs of the organization.

2. Focus on key areas

By means of identification of key result areas, (KRAs) MBO ensures that the priority areas, which have significant impact on performance and growth, receive due attention.

3. Participative decision making

The MBO process is characterized by participation of the concerned managers in objective setting and performance reviews. It provides every manager opportunities to influence those decisions, which have implications for his performance. Participation in groups also allows managers opportunities for clarifying their job relationship, with superiors and subordinates.

4. Periodic review of performance

Periodic reviews of performance is an important feature of MBO. The absence of such reviews will be a sure indication that objectives are not used for managing the organization. Usually these reviews are held once every quarter. The performance reviews in MBO emphasize initiative and active role by the manager, who is responsible for achieving objectives. This is the operation of self-control in MBO. These reviews are also future oriented, focusing on corrective action and planning.

5. Defining System and Procedures

Objectives in MBO provide guidelines for appropriate systems and procedures. Decisions on system change and resource allocation, including delegation of powers, are therefore based on the needs of objectives. In case of conflict between the objectives and procedures, objectives are superior; procedures must be changed or the objectives will not be achieved.

7.3.4.2 Advantages of MBO

1. It identifies problems of management, including structure, strategies and practices.
2. It focuses attention and effort on priority areas.
3. Planning becomes more precise and useful.
4. MBO make objectives explicit and directs work activity towards their achievement.
5. It provides clear standards of control and facilitates self-control.
6. It sharpens accountability for performance;
7. It highlights interdependence within the organization and improves communication and cooperation.
8. MBO provides a vehicle for delegation of authority. It is an effective instrument for managing decentralized operation.
9. It emphasizes development and utilization of human resources.
10. It stimulates organisational change and provides a framework and guidelines, for planned change, enabling the top management to initiate, plan, direct and control the direction and the speed of change.

7.4 Self-assessment questions

1. Define the term sensitivity training?
2. What do you mean by MBO?
3. What are the importance of MBO in organization?
4. Explain the merits of role playing.

7.5 Summary

In this lesson, only four main OD intervention techniques have been explained. The choice of OD intervention technique depends upon a large number of factors, including the nature of organization, the nature of problem, prevailing business environment and the competences of the organization as well as the consultant. In the sensitivity training, the people from heterogeneous groups are made to interact freely so that they can understand each other's perspectives and appreciate the problems faced by others. This sensitizes them towards others and reduces conflicts.

On similar lines, role playing is also a popular technique where the people are made to play role in a variety of situations, whereby they understand why people behave in a particular fashion when they are in a particular situation. Similarly, MBO is a classical technique for organisational development. Under this technique, all the goals are predefined and the entire organization strives to achieve them. The quantified progression towards goal achievement reduces the conflicts between the groups.

7.6 Glossary

Organizational Development: can be defined as an objective-based methodology used to initiate a change of systems in an entity.

Organizational Development Interventions: are structured program designed to solve a problem, thus enabling an organization to achieve the goal.

Sensitivity Training: is a form of training with the goal of making people more aware of their own goals as well as their prejudices, and more sensitive to others and to the dynamics of group interaction.

Management by Objectives (MBO): is a strategic management model that aims to improve the performance of an organization by clearly defining objectives that are agreed to by both management and employees.

Role-playing: is the changing of one's behaviour to assume a role, either unconsciously to fill a social role, or consciously to act out an adopted role.

7.7 Answers: Self-assessment question

1. For answer refer: section 7.3.2
2. For answer refer: section 7.3.4
3. For answer refer: section 7.3.4
4. For answer refer: section 7.3.3

7.8 Terminal Questions:

Q.1 What are OD interventions? What purpose do they serve?

Q.2 How many types of OD interventions are used by OD experts? What factors determine the choice of a specific OD technique?

Q.3 What is sensitivity training? Explain its salient features?

Q.4 Write a note on the applications of role playing in organisational development.

Q.5 Explain the use of MBO as OD intervention.

7.9 Suggested Reading:

1. S.K. Charkravarty, "Management by objectives", New Delhi.

2. R, Beckhard, "Organisation Development Strategies and Models".

3. Paul R. Lawrence, "Organisation Change and Development", Richard D., Irwin.

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LESSON No. 8
OD Interventions-2

Structure

8.1 Introduction :

Intervention are sets of structured activities in which selected organisation units engage with a task or sequence of tasks, where task goals are related directly or indirectly to organizational development, the make things happen. We already read some of the techniques of OD Interventions. This chapter explains some of the other interventions used for organisational development.

8.2 Learning Objectives

After reading this lesson, you shall be able to understand some more OD intervention techniques.

8.3 Presentation of Contents :

Some of the other common techniques for organisational development are explained in the following discussion

8. 3.1 Grid Development:

Blakeand Mouton gave one of the most important approaches to the concept of organizational development through Managerial Grid, which is also Known as "grid training." This technique aims at attaining much more than the development and growth of the individuals and the managers. This technique balances the requirements of the work and the human aspect of the organization. Most of the conflicts in the organizations occur because of the imbalance between the two. In integrates the individual and the team development.

Managerial Grid gives emphasis on two important aspects found in all organizations. These are:

(i) Concern for productivity

(ii) Concern for people

The concern for productivity relates to the efforts made by the organizations to extract higher productivity from the human resources while the concern for people implies taking all the measures for the welfare of the human resources. If a manager shows high concern for productivity, he shall pressurize the human resources to put. in more labour and may even ignore their personal problems. Such recklessness rush to achieve higher productivity may hamper the moral of the teams. On the other hand, some managers may have very high concern for peoples. They may give very high emphasis on the people's welfare, their wishes, etc., to the extent that they may compromise on the organisational performance. In long run, such an approach can hamper the efficiency of the organization. The rightful approach would lie in balancing the two so that none of the extremes are reached. Only then, can the organization function smoothly, with lesser conflicts and problems.

8.3.1.1 Stages of Managerial Grid

The process of implementing the managerial grid shall encompass the following stages

i) Setting Organisational Goal:

Top managers together create an ideal model of the organisation. They set goals to be tested, evaluated and refined by managers and subordinated working together throughout the organisation. When the goals are decided by involving all the people in the organization, then the people understand them and show lesser resistance. This reduces the chances of conflicts between the organizations.

ii) Goal Attainment:

Organisation members seek to make the ideal model a reality. Each submit examines how their activities should be carried out in order to achieve excellence and they proceed to take whatever corrective actions are necessary. Such a participative approach strengthens the teams and the people show higher degree of commitment towards the organizations.

iii) Stabilisation:

Eventually, the results of all the phases are evaluated to determine which areas of the organisation still need improvement or alteration. Efforts are made to stabilize positive changes and to identify new areas of opportunities for the organisation. The stage of stability is the stage of peak performance for any organization. The top management must try to sustain this stage for the maximum period of time so that all the people in the organization are able to give in their best efforts for the goal attainment.

iv) Training:

Key managers learn about grid concepts and how they are applied in a week-long seminar. They assess their own managerial styles and work on improving such skills as team development. There are the exercises such as the group problem-solving and communication after appropriate instruction. The key managers work to implement the grid programme throughout the organisation. When a larger segment of the work force of an organization is involved in the organisational development, the results are more stable and people show more commitment towards goal attainment. At this stage, the dexterity of the trainers assumes utmost importance as this can greatly influence the performance of the organization.

v) Team Development:

The trained managers bring their new understanding of Managerial Grid concepts to the work situation. The teams develop greater cohesiveness and works towards higher standards of productivity.

vi) Inter group Development:

This stage focuses on the relationship between the organization's work groups to improve co-ordination and co-operation. Inter group tensions are dealt with openly and joint problem-solving procedures are developed.

The managerial grid technique has been used very successfully in many organizations. However, the requirement of trained consultant is a small deterrent in its wide spread application.

8.3.2 Organisational Redesign

Quite often, the relationships between the people working in the organizations can be a source of conflict. Many problems can be solved by adjusting the reporting patterns, flow of information and the distribution of authority and responsibility among the people working in the organisations. Accordingly, the technique of organisational redesign has been developed to solve the problems in the organisations. Some of the more recent versions of this technique are designated as corporate restructuring, process reengineering, etc.

The organization's structure may be changed to make it more efficient by redefining the flow of authority. There can also be changes in functional responsibility, such as a move from product to matrix organizational structure. In order to achieve the structural redesign, the following techniques may be used by the organisations:

i) Job Enrichment:

Job enrichment is a motivational techniques which emphasizes the need for challenging and interesting work. It suggests the jobs be redesigned, so that intrinsic satisfaction is derived from doing the job. In its best application, it leads to a vertically enhanced job by adding functions from other organizational levels, making it contain more variety and challenge and offer autonomy and pride to the employee. The job holder is given a measure of discretion in making operational decisions concerning his job. In this sense, he gains a feeling of higher status and power.

ii) Work Design:

Work design is a broad team meaning the process of defining, tasks and jobs to achieve both organizational and employee goals. It must, therefore, take into account the nature of the business organisation interest the organizational structure, the information flow and decision process, the differences among employees, and the reward system. When job redesign or design is the objective, job analysis is indispensable. Fortunately, job designers hardly ever have to start from scratch because few functions are entirely new. Much of job design, therefore consists of redistributing activities and reconfiguring existing jobs. Even under circumstances where jobs are entirely new, imaginative job designers have been able to describe future activities accurately.

These tools can help in creating newer challenges and relationships among people and they-learn to work more amicably in the teams. Now, several IT-based techniques are available which can greatly assist in the implementation of this tool.

8.3.3 Survey Feedback

Survey feedback, a popular and widely used intervention technique was developed in the University of Michigan. Its main purpose is get the teams in the organisations to redesign processes for solving the problems faced by them. The technique of survey feedback has two main activities:

(i) Collection of data from within the organization through the use of tools such as questionnaires and interviews.

(ii) Conducting feedback meetings and workshops in the deficit areas, as reflected by the data collected.

The most common technique of collecting the data is the standardized questionnaires, where the attitude of the individuals, the organisational climate and organisational health is assessed. These questionnaires are distributed to all the members of,the organization and then analysed. The findings are discussed with the top management and the exact cause of problems is identified. Thereafter, the organisational leaders conduct the group meetings with the change agent (external consultant) to devise out strategies to solve the organisational problems.

This technique is very useful to bring about changes in the attitudes and perception of the participants. This technique is often used with other OD interventions like team development, where it produces much better results. However, this technique is not very effective for solving routine problems as its results are not very evident in the short run.

8.3.4 Process Consultation

Process consultation is a set of activities, undertaken by the consultant, to help the client organisation to perceive, understand and act upon the process events, which occur in the environment. This technique is based on the assumption, that the organisational effectiveness depends upon how well the people in an organization relate to one another. The help of an external consultant is taken as he is an outsider and is not likely to be biased. His diagnosis of the organisational problems shall be more objective and effective in solving the problems.

The major areas of concern in this technique are the inter-group processes, group problem solving, group decision making, communication, group norms, functional roles of group members and the leadership.

In this OD technique, the following stages are followed

(i) Initiating the contract- The external consultant initiates the contract with a client organization to solve the problems.

(ii) Define relationship - The consultant's relationships with the organization are defined so that there is no ambiguity in the extent of intervention that he is expected to make.

(iii) Selection of methods- The consultant has to select the appropriate method to solve the organisational problem. This calls for effective analysis of the problem to generate the alternatives.

(iv) Diagnosis - The diagnosis of the problem is made by collecting the required data. The questionnaires, interviews, etc. can be used to collect the data and pin-point the exact cause of problems.

(v) Administering intervention - The intervention is administered to the organization with the help of the tools like agenda setting, feedback, coaching, structured interventions, etc.

(vi) Termination - Once the objective of organisational development has been achieved, the relationship with the external consultant must be terminated as his continued presence might generate newer conflicts in the organization.

This technique helps in solving the inter-group problems faced by the organizations. It is pertinent to mention that although this technique emphasizes the need for hiring an external consultant, the organizations are the best means to help themselves.

8.3.5 Team Building

Team building is a tedious task, which requires a lot of patience and interpersonal skills. The leaders learn the act of team building over the years. There can be no readymade tips for team building, which fit in all situations because of the diversity of each situation. Still, some of the general guidelines for building effective teams are listed as below:

a) A way of life

b) The responsibility of every team member

c) A continuous process

d) About developing a clear and unique identity

e) Focused on a clear and consistent set of goals

f) Concerned with the needs and ambitions of each team member recognizing the unique contribution that each individual can make.

Team building is an essential training, which every team leader has to learn. As the economies become more competitive, there shall be increased pressure on the teams to show results. This is possible only when the leaders are able to keep their teams cohesive and directed towards achieving the objectives. Team building is both a science and. an art because there are scientific studies that have shown path to building. effective teams. However, the application of the knowledge remains the skill of the team leader. Hence, the leaders have to use their ingenuity to keep their teams at high levels of performance. Team building has been discussed at length in a separate lesson.

8.3.6 Third Party Peace Making

Third party peace making as, its name suggests, focuses, on interventions by third party to resolve the situations of conflict. Walton suggests that a fundamental aspect of third part}' to make the two disagreeing parties is to confront or face up to the fact that conflict does exists and that it is impeding the effectiveness of both. The consultant facilitates the significant issues involved in the conflict to surface by using the right intervention techniques. By widely choosing the place, selecting the proper- environment, using effective intervention strategies, and setting an appropriate agenda for meeting, the third party can help the parties in conflict to own up to their problems and find solutions.

Where the issues involved are of substantive nature for example, competition for scarce resources, the consultant or peace maker will concentrate on the parties engage in problem- solving through rational bargaining behaviours.

8.4 Self-assessment questions

1. What are the different stages of Grid Development?
2. Explain the concept of Job Enrichment?
3. What is the importance of Team building?
4. What do you understand by Work design?

8.5 Summary

The managerial grid is an OD intervention technique, which balances the concern for people with the concern for productivity. This technique is administered with the help of training, team development and inter-group development. The technique of organisational redesign involves redefining the relationships between people, particularly the distribution of authority and responsibility so that the team can function effectively, without conflicts. Survey feedback is a potent technique for data collection and the problem solving. In this technique, a comprehensive survey is made among the organizations and the results are analysed and the corrective actions taken to solve the problems. Some other OD intervention techniques discussed in the lesson are the team development, process consultation and third party peacemaking. In all these techniques, the third party intervention identifies die problem and facilitates in solving, it. All these techniques aim at reducing the conflicts and facilitating the cooperation among the teams.

8.6 Glossary

Organizational Development Interventions: are structured program designed to solve a problem, thus enabling an organization to achieve the goal.

Managerial Grid Model: helps Managers to analyse their leadership styles through a technique known as grid training.

Job enrichment: is a method of motivating employees where a job is designed to have interesting and challenging tasks which can require more skill and can increase pay.

Training: is teaching, or developing in oneself or others, any skills and knowledge or fitness that relate to specific useful competencies.

8.7 Answers: Self-assessment question

1. For answer refer: section 8.3.1.1
2. For answer refer: section 8.3.2
3. For answer refer: section 8.3.5
4. For answer refer: section 8.3.2

8.8 Terminal Questions

Q.1 What is managerial grid? What are the prerequisites to implement it as an OD intervention technique?

Q.2 Explain the steps in managerial grid technique.

Q.3 What are the tools used while administering the survey feedback technique?

Q.4 Write a brief note on process consultation technique.

Q.5 Why is it important to have the third party while administering the OD interventions?

8.9 Suggested Reading :

1. Management of Change and Organisational Development by S.K. Bhatia.
2. Action Learning Worldwide: Experiences of Leadership and Organisational Development by Yury Boshyk
3. Human Resource Development in a Knowledge Economy: An Organisational View by Rosemary Harrison and Joseph Kessels
4. Experimental Approach To Organisational Development by Harvey.

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LESSON No. 9
OD Intervention- 3

Structure

9.1 Introduction

With so much of the complexities in the business environment and a large number of the problems confronting the organizations, the nature of problems also varies. So, there are a large number of intervention techniques that have been developed. While the earlier two lessons have discussed some of the commonly used techniques, this lesson contains some more exhaustive treatment to the subject.

9.2 Learning Objective

This lesson shall explain you some more of the OD intervention techniques.

9.3 Presentation of Contents

In this lesson, the following types of the OD intervention techniques are discussed:

9.3.1 Intergroup & 3rd party Interventions
9.3.2 Organisational mirror Intervention
9.3.3 Comprehensive Intervention
9.3.4 Confrontation Meeting
9.3.5 Strategic Management Activities
9.3.6 Structural/Techno-structural Interventions

These techniques are explained in the following discussion.

9.3.1 Inter-group & 3rd party Intervention :

This is a 6 step model, also called inter-group team building Interventions. The steps of this intervention are:

Step-I

Whenever any problem arises between two groups in the organization, they meet in separate room and prepare separate reports. They give their thoughts, attitudes, feelings & perceptions of the other group and try to predict what the other group is saying about them. All these are documented for later use.

Step-II

After the first step is over, the two groups are made to sit in a common room and discuss what has been documented in the first step. The two groups come to know what they feel about themselves and what others feel about them. This improves their understanding.

Step-III

After having understood each other, both the groups return to their separate meeting places. They react on what is. learnt about themselves and other groups and identify the areas of disagreement & friction. Then, the priority issues are decided so that the corrective action can be taken.

Step - IV

In the fourth step, both groups share problems again and . make a list of problems that can be solved. They set the priorities and decide upon who shall initiate the action, what action is to be taken and when the action has to be taken.

Step-V

In this step, the two groups follow the integration team building activity. There is another meeting of two groups to assess how for actions have been taken.

This six step model brings the two groups closer to each other and improves their communication and reduces the conflict. This technique is particularly useful when there are conflicts between the groups within the same organization.

9.3.2 *Organisation Mirror Interventions*

This intervention comprises of a set of the activities in an organisation group, wherein the groups gets feedback from representatives of several other organizational groups about how it is perceived and regarded. This is a way of looking at oneself from other's perspective, i.e. mirroring oneself. After the key areas for improvement have been identified, the corrective actions for increasing the team effectiveness are taken.

***9 3.3 Comprehensive Interventions*:**

Under this intervention, an attempt is made to interpret the future activities and avoid problems in future. Ten steps are involved in this approach:

(i) Consultant meets voluntary committee of 4-6 potential participants.

(ii) About 50-60 people invited and whole system is presented to them. Group is divided and each is asked to anticipate future.

(iii) The participants are divided into focus group of 6-8 members.

(iv) The awareness is generated among the groups.

(v) Data base is built, vision shared and interpreted to draw conclusion.

(vi) First major activity focuses on part i.e analysis self, company, society.

(vii) The second major activity focuses in present factors.

(viii) Third major activity focuses in future.

(ix) The fourth major activity focuses in future.

(x) Volunteers document the meetings.

This technique is very comprehensive as each of the stages is followed in utmost details. In large organizations, this technique is particularly useful as it does not leave any aspect of the problem undiagnosed, or unsolved. However, its comprehensiveness is a great source of problem in itself as it can be tedious, time consuming and tough.

9.3.4 Confrontation Meetings:

This technique was developed by Richad Bechham. Followings are the steps involved in this meeting;

Step-I

At the very first place, the top management introduces goals. At this stage, a statement from consultant required. This stage highlights the importance of communication within the organisation and predicts the practicability of problem solving.

Step - II

This is the step of information collection, wherein small groups of about 7-8 members of heterogeneous background are formed. The subordinates are not put in same team and the top management meets them separately. The groups form the goals for themselves. There is a reporting of the entire discussion.

Step-III

This is the step of information sharing, where the reporters of each group represent findings. The total list of the issues is categorized on type of problems.

Step - IV

In this stage, the priority setting and group activities planning is done. In this stage, the groups go through list of items and each group is handled by top management.

Step - V

In this stage, the top management meets teams to follow up plan and prepare action plans and communicate to rest of people.

Step-VI

The last stage is of the programme review, where the top management review performance.

In this intervention. technique, the two groups meet and diagnose the problems and solve them. This technique is particularly useful in the times of conflict between the groups within an organization.

9.3.5 Strategic Management activities

The strategic management process is also an effective OD intervention technique. As is commonly stated, six major steps should be followed while going through the strategic management activities. These are as follows :

(i) Goal formation

(ii) Environmental Analysis

(iii) Strategy Formulation

(iv) Strategy Evaluation

(v) Strategy Implementation

(vi) Strategic Control

The discussion of strategic management is skipped in this lesson as there is a separate paper on this subject, where the students will get a comprehensive overview of the subject. However, the interested students are referred to the standard text books on the subject.

9.*3.6 Structural/Techno-structural Interventions:*

In addition to behavioural techniques, there are structural approaches as a part of the organizational development programme. One such approach is to change the organization's formal structure. Change of formal structure includes combining departmental responsibilities, removal of vertical layers, and widening spans of control so as to make the organisation flatter and less bureaucratic.

Reducing the number of rules and procedures in order to increase employees' autonomy and increasing the decentralization to speed up decision-making processes are the other examples of structural changes.

Job design is another organizational development structural techniques-job design is concerned with the way the tasks are combined to form complete jobs.

Jobs should be so designed that they are made more challenging, interesting, and motivating. All this can be done by combining tasks, forming natural work units, establishing client relationship, vertical loading and opening feedback channels. Human resource programmes in training and career development might also be broadly interpreted to be structural organizational development techniques.

Types of Structural Interventions:

There are a large number of structural interventions that can be used. These are stated asunder.

a) Socio Technical systems

b) Self managed team

c) Work redesign

d) MBO

e) Quality Circles

f) Quality of work life projects

g) Parallel Structure

h) Physical settings and O/D

i) TQM

The detailed discussion of these is beyond the scope of this lesson. The interested students must refer to the standard text books on the subjects of organisational development and organisational behaviour.

9.3.7 Results expected of Interventions

The following are the results can be expected from Interventions:

1. Feedback
2. Awareness of changing socio cultural norms
3. Increased Interaction and Communication
4. Education
5. Participative
6. Increased Accountability

9.3.8 Guidelines for success of Organisational Development Interventions

Some considerations are important for programmatic approach to organizational development programmes in an organisation. These may help to assure probability of successes for organizational development efforts. The following suggestions are made in this regard:

1. Choose Receptive Points for entry :

Only a few points of entry may be chosen for organizational development work in the organisation. Instead of either attempting to introduce change in the entire organisation, or taking up departments in which there difficulties. It may be useful to enter an organizational development work through those departments which are willing to change and want to do something about their problems. These are the healthy parts of the organisation and may, therefore, provide much more facility for introducing change.

2. Work with Forces Supportive of Change :

It may be useful for the consultant to identify those roles and those persons in the organisation, who want change, and therefore, are enthusiastic about it.

3. Focus on the Linkpins:

It is important to identify the- linkpins in the organisation i.e. those roles which are crucial in connecting one level with the other level and one department with another department. If these persons are first taken into confidence and they are built into a team they will facilitate a great deal the organizational development work being planned.

4. Work with Autonomous Parts :

It may be useful for the organizational development consultant to work with a department which is more autonomous than other, and which can introduce changes without necessary approval from other departments. Initially it may be difficult to introduce changes in a department which has a visible link with another department and therefore cannot introduce the changes without approval of and without disturbing the relationship with the other department.

5. Begin at the top and get their commitment:

It is necessary for the consultant to begin at the top level in order to get their support for the organizational development programme, for them to understand the implications of the work and to get their active participation in it. This may ensure sustained action and something happening as a result of organizational development.

6. Use internal Resources and Develop them :

It may be necessary to identify and develop the internal resources for organizational development work and continuously use them.

7. Multiple Entry points :

Instead of attempting only one organizational development interventions in one department, it may be useful to have several entry points, although organizational development work can start with only one department. Though multiple entry points the consultant can focus on attention on several interrelated problems,

8. Achieve Minimum Critical Concentration :

The principle of critical concentration is an important principle in achieving effectiveness. In any department, it is necessary to have a minimum level of concentrated efforts in order to achieve success.

9. Work on felt needs :

The organisation may be having some problems of which it is aware. On many occasions the problems may be at the surface level, while there are some real problems underneath these felt problems. However, it may be useful for the consultant to rely on and trust the perception of the organisation.

10. Use of Proactive Behaviour:

The main role of the organizational development consultant and of organizational, development work is to establish a new culture, with new norms solving problems in the organisation.

9.4 Self-assessment questions

1. What are the various steps of Intergroup Interventions?
2. What do you understand by organisational mirror Intervention?
3. What are the different types of structural Intervention?
4. What do you mean by Confrontation Meeting?

9.5 Summary

It is concluded that for the success of organizational development programmes it is necessary for the consultant to see that there is a continuous reinforcement of the various interventions. OD Interventions are the building blocks which are the planned activities designed to improve the organization’s functioning through participation of the organizational members. OD interventions include Team development, grid training, brain storming. The interventions should take place at all the three levels, namely, individual, group and organisation.

9.6 Glossary

Organizational Development Interventions: are structured program designed to solve a problem, thus enabling an organization to achieve the goal.

Total Quality Management (TQM): is the continual process of detecting and reducing or eliminating errors in manufacturing, streamlining supply chain management, improving the customer experience, and ensuring that employees are up to speed with training.

Management by Objectives (MBO): is a strategic management model that aims to improve the performance of an organization by clearly defining objectives that are agreed to by both management and employees.

Quality Circle: or quality control circle is a group of workers who do the same or similar work, who meet regularly to identify, analyse and solve work-related problems.

9.7 Answers: Self-assessment questions

1. For answer refer: section 9.3.1

2. For answer refer: section 9.3.2

3. For answer refer: section 9.3.6

4. For answer refer: section 9.3.4

9.8 Terminal Question :

1. Write short note on :

   (a) Structural Interventions ‘

   (b) Survey Feedback

   (c) Comprehensive Intervention
2. What do you mean by Organisational Development interventions. Discuss the major Organisational Development interventions?
3. What is the role of strategic management activities? Describe its various steps?
4. What are the guideline for successful reinforcement of various Interventions for organizational development?

9.9 Suggested Readings :

1. S.K. Charkravarty, “Management by objectives”, New Delhi.
2. R. Beckhard, “Organisation Development Strategies and Models”.
3. Paul R. Lawrence, “Organisation Change and Development” / Richard D. Irwin and the Dorsey Press.

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LESSON No. 10
Transaction Analysis

Structure

10.1 Introduction

Individual's behaviour is guided by various psychological factors such as perception, learning, personality, and motivation. The interpersonal behaviour can be studied further in terms of primarily in dyad or two persons relationships, or in terms of group having more than two persons. In each such case, the individual's behaviour affects and is affected by the behaviour of others. Such effect is reflected by change in perception; learning, personality, motivation. The concept of transactional analysis helps to understand the state of mind of two individuals, while they are communicating. Such an understanding is helpful in predicting the outcome of communication and devising out means to make it more effective.

10.2 Learning Objectives

After reading this lesson, you shall be able to understand the concept of transactional analysis and its applications in interpersonal communication.

10.3 Presentation Contents

10.3.1 Concept of transactional analysis

Transactional analysis (TA) offers a mode of personality and the dynamics of self and its relationship to others that makes possible, a clear and meaningful description of behaviour. TA a method of analysing and understanding interpersonal behaviour. When people interact, there is social transaction in which one person responds to another. The study of these transactions between people is called Transactional Analysis. Eric Berne developed TA for psychotherapy in 1950. Later the applications of TA to ordinary interactions was popularised by Berne, Harrs, and Jongeward. TA involves analysis of Awareness, Structural analysis (ego states), Analysis of transactions, Script Analysis, and game analysis. In specific terms, it can be defined as under:

Whether people interact in assertive or non-assertive ways, there is a social transaction in which one person responds to another. The study of there social transactions between people is called Transactional Analysis (TA).

10.3.2 Levels of Self Awareness

The dyadic (between low persons) relationship can be assumed to be composed of interself. Self is the core of personality pattern, which provides integration. Such a concept is cognitive. It describes the self in terms of image, both conscious and unconscious. Joseph Luft and Harrington Ingham have developed a diagram that gives to look at what one is conscious in one's social exchanges and what one is not. Their Johari window diagram (named by combining the first few letters of their names) looks like this.

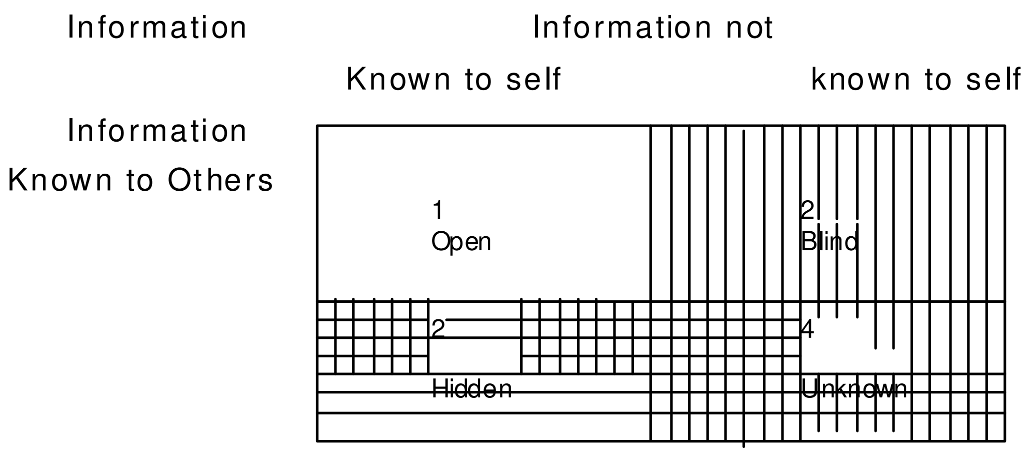


Exhibit I: Johari Window

This model is made up of four different quadrants that together represent total person in relation to others on the basis of awareness of behaviour, feeling, and motivation. Each quadrant is defined as follow:-

a) **The Open Self.** The open quadrant refers to states about individual himself.

Such as behaviours, feelings, and motivations that he knows and is willing to share with others. Sometimes in a relationship the individual is straight forward, open , and sharing. It is clear to both what he is doing, how he is felling, and what his motivations are:-

b) **The Blind Self:-** The blind quadrant refers to states about as individual known to others but not known to him. Other people know what is happening to him but he is not aware of it.

c) **The Hidden Self:-** The hidden quadrant refers to states about the individual known to him but not known to others. This is private and only the person concerned knows what is happening. The hidden self is within the vision of the individual but he does not want to share with others. People learn to hide many feelings and ideas right from their childhood.

d) **The Unknown Self:-** The Unknown quadrant refers to states that neither the individual nor other people know about him. The unknown self is mysterious. Many times, motivations and feelings go very deep and no one, including the person concerned, knows about these. People often experience these parts of life in dreams or in deep-rooted fears or compulsions. These acts, feelings, and motivations remain vague and unclear to people until they allow them to surface.

Change in Awareness

The awareness about self is dynamic because, it changes continuously. As awareness changes, quadrant to which the psychological state is assigned also changes. Jogeward identified eleven principles of such change.

1. A change in any one quadrant will affect all other quadrants
2. It takes energy to hide, deny, or be blind to behavior which is involved in interaction.
3. Threat tends to decrease, awareness; mutual trust tends to increase awareness.
4. Forced awareness (exposure) is undesirable and usually ineffective.
5. Interpersonal learning means a change has taken place so that quadrant 1 is larger, and one more of other quadrants has grown smaller.
6. Working with others is facilitated by a large enough area of free activity. If means more of the resources and skills of the persons involved can be applied to the task at hand.
7. The smaller the first quadrant, the poorer the communication.
8. There is universal curiosity about the unknown area, but is held in check by custom, social training, and diverse fears.
9. Sensitivity means appreciating the covert aspects of behaviour, in quadrants 2,3,and 4, and respecting the desire of others to keep them so.
10. Learning about group processes, as they are being experienced, helps to increase awareness (enlarging quadrant 1) for the group as a whole as well as for individual members.
11. The value system of a group and its members may be observed in the way the group deals with unknowns in the life of the group itself.

In addition to image, there is a structure associated with the inter-self. This consists of those elements of each personality in the inter-person, which affects directly its processes of interaction. The inter-self of the organisational inter-person is then derived from the fact that two selves, two personalities, come together in an instrumental relationship. In addition to its structural dimensions, a second aspect, as discussed earlier, is the image of the relationship in minds of the participants. This affects the type of interpersonal behaviour.

10.3.3 Ego States

Two people interact with each from one of the three psychological positions, or behavioural patterns, known as ego states. Ego states are a person's way of thinking, feeling, and behaving at any time. These ego states are: parent, adult and child. According to Berne, two people interact with each other from one of three psychological positions, known as ego states. These ago states are called parent, Adult and Child, and a person can operate (communicate or act) from any one of the three.

People Whose Parent ego state is in control may be protective, controlling, nurturing, critical, or instructive. They may dogmatically refer to policies and standards with such comments as "You know the rule, Angelo. Now follow it."

The adult Ego State will appear as rational, calculating, factual, and unemotional behavior. It tries to upgrade decisions by seeking facts, processing data, estimating probabilities, and holding factual discussions.

The child Ego State reflects the emotions developed in response to childhood experiences. It may be spontaneous, dependent, creative, or rebellious. Like an actual child, the Child Ego State desires approval from others and prefers immediate rewards. It can be identified by its emotional tone, as when an employee comments to the supervisor, "You're always picking on me!"

Three conclusions about ego stand out. First, conversations often are a mixture of reactions from Parent, Adult, and Child. Second, each ago state has both positive and negative features-it can add to or subtract from another person's feeling of satisfaction. Third, we can detect the ego state that is in control by carefully observing not only the words used but also a person's tone, posture, gestures, and facial expression. Ego states are more apparent in two-person transactions but become more difficult to identify in-group conversations.

10.3.4 Life Positons

Each person tends to exhibit one of four life positions. Very early in Childhood a person develops a dominant way of relating to people. That philosophy tends to remain with the person for a lifetime unless major experiences occur to change it; hence it is called a life position. Although one life position tends to dominate a person's transactions, other positions may be exhibited from time to time in specific transactions. That is, a life position dominates, but it is not the only position ever taken.

Life positions stem from a combination of two viewpoints, as shown in Exhibit 2. First, how do people view themselves? Second, how do they view other people in general? The combination of either a positive response (OK) or a negative response (not OK) to each question results in four possible life positions:

- I'm not OK-You're OK.
- I'm not OK-You're not OK.
- I'm OK-You're not OK.
- I'm OK-You're OK.

The desirable position and the one that involves the greatest likelihood of Adult-to Adult transactions is "I'm OK-You're OK." It shows healthy acceptance of self and respect for others. It is not likely to lead to constructive communications, productive conflict, and mutually satisfying confrontations. The other three life positions are less psychologically mature and less effective. The important point is that, regardless of one's present life position, the "I'm OK-You're OK" position can be learned. There in lies society's hope for improved interpersonal transactions.

Attitude Towards Self		
Postive	I/m OK- You're Not Ok	I'm Ok- You're Ok
Negative	I'm not Ok You're not Ok	I'm Not Ok- You're not Ok
	Negative	Positive

Attitude towards others

Exhibit 2

10.3.5 Transactions

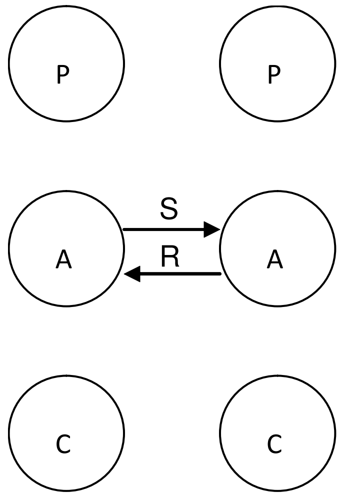
When people interact, they involve in a transaction with others. Thus when a stimulus (verbal or non-verbal) from a person is being responded by another person, a transaction is said to occur. The transaction is routed from ego states. Depending on the ego states of persons involved in transactions, there may be three types of transactions- 1.Complementary 2. Crossed 3. Ulterior.

10.3.5.1 Complementary Transactions

A transaction is complementary when the stimulus and response patterns from one Ego State to another are parallel. Thus the message by a person gets the predicted response from other person. In all, there can be nine complementary transactions. These are adult-adult, parent-child, child-parent, etc. The transaction is complementary because both are acting in the perceived and expected ego states. Usually in such a case, both persons are satisfied and communication is complete. Their complementary transactions are elaborated as follows.

1. *Adult-Adult Transactions*. The manager in the adult ego state

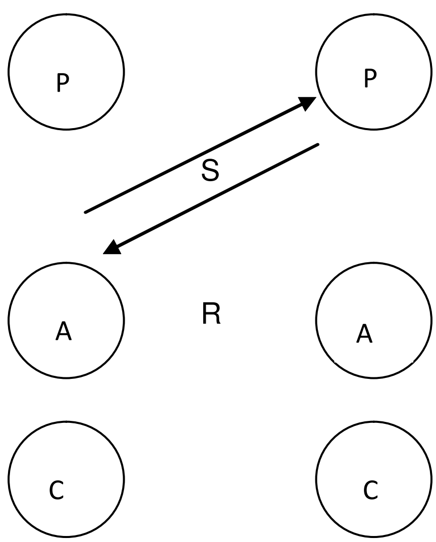
Tries to reason out issues, clarifies and informs employees of issues, and has concern for facts and figures, and human needs. His life position is the 'I am O.K. you are O.K. This is an ideal transaction. Complementary transactions in these ego states are very effective because both persons are acting in a rational manner. Data is processed, decisions are made, and both parties are working for the solutions. Satisfaction achieved by both persons from the solution rather than one person (superior) having other person (subordinate) a dutiful employee or the subordinate only trying to please his superior. However, there are some inherent disadvantages to the adult-adult transactions. The eliminating of the child ego can make the transactions dull due to the lack of stimulation that child can provide. Sometimes adult-adult level may affect decisions being reached due to rational data-processing procedures and the deadline may emerge. In such a case, the superior may have to take the decision with his parent ego state. In general, however, this is the best type of transactions for organizational functioning. Adult-Adult transactions may be presented in the following figure.



Adult-Adult Transaction

1. Adult-Parent Transaction.

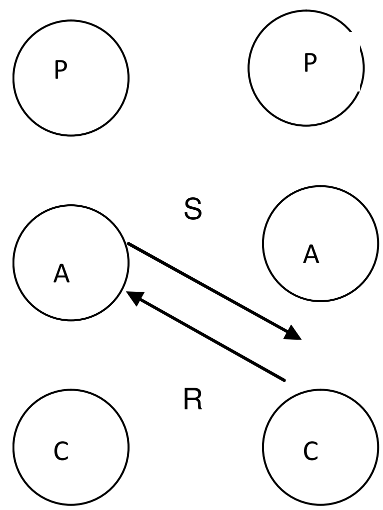
In adult-parent transaction, while the manager attempts to use the information he has processed, the employee in the parent ego prefers to use cliches and rules of the Past. The employee tries to control and dominate the manager by using the parent ego. This transaction style can be effective only on a temporary basis. It can help a new manager understand the rules and guidance under which the employee operates. There are many problems in this transaction style. An employee in the parent ego may create hostile feelings towards managers with adult ego, particularly in the long run. The employee may create other problem when other employees are working with their child ego and recognizing his parent ego because he may have better interaction with other employees.



Adult-Parent transaction

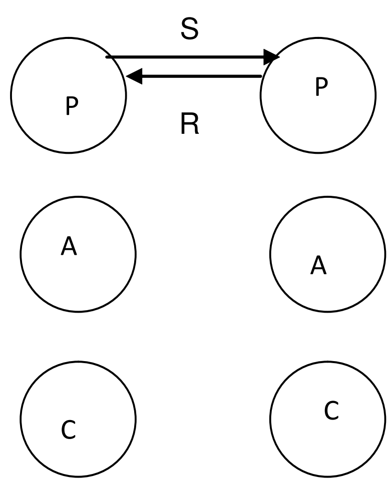
3. *Adult-Child Transaction.*

Adult-child interactions can be effective when the manager is aware of the Ego State of the employee. In such a case, the manager can allow the employee in the child ego to be creative. But there may be problem in this interaction when the employee acts irrationally because of his child ego. Another problem in this context may be in the form of assumption of employee's ego that may be taken in adult ego but this assumption may not hold good. This creates a situation that may be frustrating to the manager and the employee.



4. Parent-Parent Transaction.

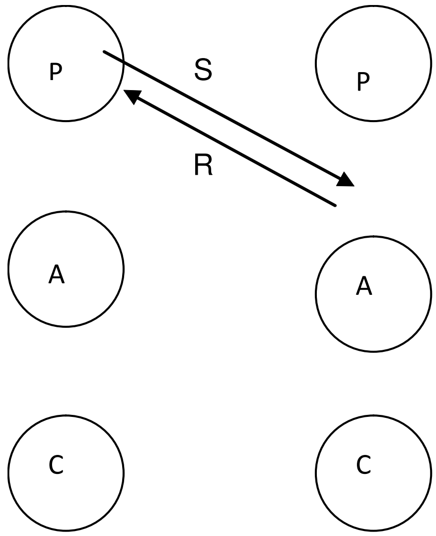
The manager in the parent ego uses 'I am O.K. Your are not O.K.' Life position. He will be a source of admonitions, rewards, rules, criticisms, and praise. This parent-parent transaction can be beneficial in cases whose employee joins forces with the manager and supports him. There are certain



disadvantages of this type of situation. This may lead to unnecessary competition between the manager and the employee because the latter will promote his own idea rather than those of the manager.

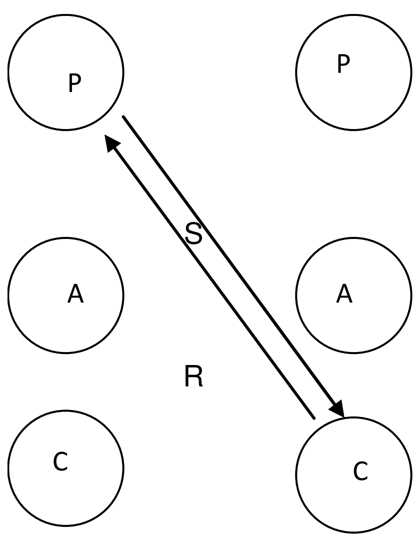
5. *Parent-Adult Transaction*:

In this type of transaction, the manager may e frustrated because the employee will not perform as directed. At the same time, the employee may also feel frustration because of the manager's failures to act as adult. Due to frustration, such a relationship may not last long.



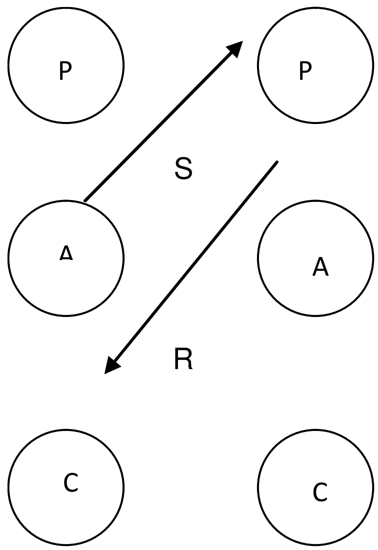
6. *Parent-Child Transaction :*

This may be the ideal situation if the Manager is interacting with parent ego and the employee is acting in child ego. The employee finds this transaction advantageous in that eliminates much responsibility and pressure. The child prevents much conflict and provides for ease operation. However, this situation may not be advantageous in the long run. This depends on the feeling that employees are not capable of doing anything. The employee suffers from this interaction because he has to surrender his adult ego. He may feel frustration because he feels his personality is not developed.



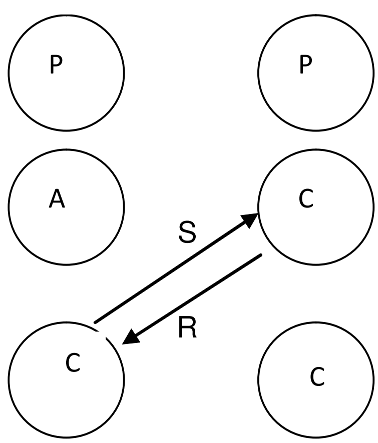
7. Child-parent Transaction:

The manager in the child ego May Contribute very little to the effectiveness of management. This is so that, though creativity is one of the characteristics of child, the role of a manager goes beyond this creativity. In the child-parent transaction, the employee controls the manager in the child ego. The parent will be strong and bearing on the child, and the manager will yield to the employee. The employee may hold threats of punishment to the manager in the form of ridicule, loss of popularity, or even in demotion.



8. *Child-Adult transaction:*

In this transaction, the adult employee will control child manager. The employee may become discouraged particularly when the manager makes decisions on the basis of whims. Fancies, and emotions, which pose problems to employee who want to, interact on the basis of rationality. A major disadvantage of this transaction is that the organization may lose many good employees, particularly those who act on rational basis.



9. Child-Child Transaction:

The manager interacting in Child child ego is not capable of leading his employee successfully and proves to be a liability to the organization. This transaction may be lasting because the organization will review performance. Both manager and employee are acting on whim and fancy, consequently jeopardizing the organizational performance.

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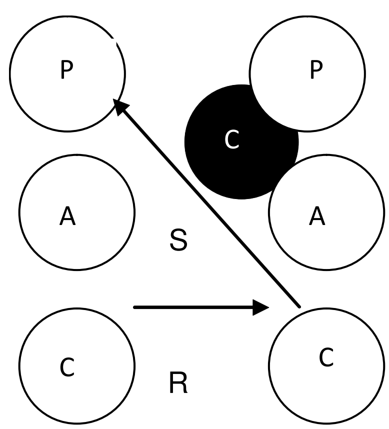
Although these are the possible complementary transactions in the organization because the line of communication is parallel, not all these [illegible]eal for the o[illegible]tion or for the people concerned. From this point of view, only adult-ad[illegible]action is g[illegible]ome circumstances, as discussed earlier, parent-child complementary [illegible]sactions may be [illegible]d.

***10.3.5.2* Non-Complementary Transactions**

Non-complementary or crossed transactions may occur when stimulus-response lines are not parallel. This happens when the perso[illegible]nitiates tra[illegible] expecting a certain response does not get it. The position has been s[illegible] the followi[illegible].



In this case; the manager tries to deal with the employee on adult to-adult basis but the employee responds on child-to parent basis and the communication is blocked. Crossed transaction is not satisfactory because the line of communication is blocked and the further transaction does not take place. In such a case, the manager might refuse to play parent-child game and may try again for an adult communication. Another alternative for the manager may be to move parent-child start in order to resume communication with the employee.

*10.3.5.*3 Ulterior Transaction

Ulterior transaction is the most complex because the communication has double meaning. When an ulterior message is sent, it is often disguised in a socially acceptable way. On the surface level, the communication has a clear adult message, whereas it carries a hidden message on the psychological level. Ulterior transactions, like blocked transactions are undesirable.

10.3.6 Stroking

People seek stroking in their interactions with others. Stroking is defined as any act of recognition for another. It applies to all types of recognition, such as physical, verbal, and nonverbal contact between people. In most jobs the primary method of stroking is verbal, such as "Pradeep, you had an excellent sales record last month "Examples of physical strokes are a pat on the back and a firm handshake.

Strokes may be either positive, negative or mixed. Positive strokes feel good when they are received, and they contribute to the recipient's sense of being OK. Negative strokes hurt physically or emotionally and make the recipient feel less OK about her-or himself. An example of a mixed stroke is this supervisor's comment: "Suresh, that's a good advertising layout, considering the small amount of experience you have in this field." In this instance the supervisor is communicating in a judgmental Parent-to-child pattern, and perhaps the negative stroke about lack of experience is included to show superiority or to retaliate for an earlier negative stroke given by the employee.

The supervisor normally secures a better result by avoiding the punishing Parent-to-Child approach and initiating an Adult-to Adult communication. Using this approach with a tardy employee, the supervisor might say, "Good morning, Ramesh." Did you have some problem getting to work this morning that I can help you with?" The discussion might then develop into an Adult problem-solving conversation ("I'm OK-You're OK") that will reduce the probability of future tardiness.

10.3.7 Benefits of Study of Transactional Analysis

Organizations that have used TA report that it has been moderately successful. Training in TA can give employees fresh insights into their own personalities; it also can help them understand why others sometimes respond as they do. A major benefit is improved interpersonal communication. Employees can sense when crossed communication, preferably in the Adult-to-Adult pattern. The result is a general improvement in interpersonal transactions. TA is especially useful in sales and other areas where success depends on customer relations.

1. Developing Positive Thinking

TA brings positive actions in people because it brings positive approach towards life. TA brings a clear change from negative feelings-confusion, defeat fear, frustration, loneliness, pessimism, and suppression-to positive feelings-clear thinking, victory, achievement, courage, gratification, decision, friendship, optimism, and fulfilment. Some of the specific areas for developing positive thinking through TA are stroking, positive reinforcement, inner dialogue as related to decision-making, active listening, and time-structuring.

2. Interpersonal Effectiveness

TA improves interpersonal relationship by providing understanding of ego states of persons involved in interaction. The managers may be able to identify the ego states from which both parties are interacting. A better understanding of themselves and of other persons will make them more comfortable, confident, and effective. The improved interpersonal relations will being effectiveness to the organization.

3. Motivation

TA can be applied in motivation where it helps in satisfying human needs through complementary transactions and positive strokes. Manager can enrich jobs for people by helping them to engage in kinds of activities that give them more positive strokes. TA helps in changing the managerial styles more suitable to the emergent situation.

4. Organization Development

TA can help in organization development process. Jongeward has identified the role of TA in six areas of organization development: to maintain adult-adult transactions, to give an Ok to the natural child, to identify quickly crossed transactions, to minimise destructive game playing, to maximise encounters (intimacy), and to develop supportive systems, policies, and work environment. 1-9 manager acts from child ego state, the 9-9 manager acts from adult ego and effectively makes use of parent and child ego states. In the managerial grid, 9-9 style is the most desirable which corresponds with adult-adult transaction, which is best according to TA.

5. Conflict resolution

There are several natural connections between TA and the approaches to resolving conflict that are discussed earlier in this chapter. The parent Ego State may lead to the use of a forcing strategy, while the Child State may smooth over conflicts or try to avoid them. The “I’m OK-You’re OK” person is more likely to seek a win-win outcome, applying the Adult ego state and a confrontational strategy.. Once more, the relationship among a number of behavioral ideas and actions is apparent.

10.4 Self-assessment questions

1. What do you understand by Transactional Analysis?
2. What are the Complementary Transactions?
3. What do you mean by Non-complementary Transactions?
4. What are the main benefits of Transactional Analysis study?

10.5 Summary

Transactional analysis is a technique to understand the state of mind of the two individuals, when they are communicating. Each person lies in a particular ego state, which keeps on changing. There can be three ego states – parent, adult, and child. Depending upon the state of ego of two or more individuals, different types of transactions occur between two individuals. An understanding of the concept of transactional analysis helps in understanding interpersonal behaviour and making their communication more effective.

10.6 Glossary

Transactional analysis: is a psychoanalytic theory and method of therapy wherein social transactions are analysed to determine the ego state of the patient as a basis for understanding behaviour.

Ego state: is an entire system of thoughts, feelings, and behaviours from which we interact with one another.

Simulation: is an approximate imitation of the operation of a process or system.

Motivation: in management describes ways in which managers promote productivity in their employees.

10.7 Answers: Self-assessment questions

1. For answer refer: section 10.3.1
2. For answer refer: section 10.3.5
3. For answer refer: section 10.3.5
4. For answer refer: section 10.3.7

10.8 Terminal Questions

1. What is transactional analysis? Describe its applications in business organisations.
2. What do you understand by levels of self-awareness? Briefly describe the application of Johari window for self-awareness.
3. Briefly describe the ego states, with examples of each of the state.
4. Describe various types of transactions accruing in interpersonal relationships
5. Explain the business applications of transactional analysis.

10.9 Suggested Reading

1. Organizational Behaviour by John W. New Strom.
2. Organizational Behaviour by R.S. Diwedi.
3. Organizational Behaviour by L.M. Prasad.

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LESSON No. 11
Management by Objectives (MBO)

Structure

11.1 Introduction

Management by Objectives (denoted by MBO) is an approach to management that focusses on objectives or the expected results of various organizational and managerial decisions. Although objectives provide the focal point, the thrust in MBO is on management. The mere existence of objectives is not a sufficient condition for MBO. One can have objectives or targets without having MBO. Similarly, the management processes can be kept hyperactive without clear and agreed objectives. The emphasis in MBO is that the objectives should be the central focus in the management process. MBO begins by defining objectives and then uses these statements as criteria to judge the quality of activity (behaviour) and the adequacy of inputs (resources). MBO is concerned with both the achievement of objectives as well as the processes by which these objectives are established and achieved. MBO emphasizes the development of the system's capability as well as and individual manager's competence and motivation for performance improvement in the short and the long run.

11.2 Lesson Objectives:

This lesson makes you familiarize with management by objectives and its applications in management.

11.3 Presentation of Contents

11.3.1 Concept of MBO

The concept of MBO was originally proposed by Peter F. Drucker. His explanation of MBO is quoted as under:

“What the business enterprise needs is a principle of management that will give full scope to individual strength and responsibility, and at the same time give common direction of vision and effort, establish team work and harmonize the goals of the individual with the common goals. The only principle that can do this is management by objectives and self-control.”

MBO is a process whereby the superior and subordinate managers of an organization jointly define its common goals and define each individual’s major areas of responsibility in terms of the results expected of him. The goals thus defined are used as guidelines for operating the unit and assessing the contribution of each of its members.

Humble defines MBO as a dynamic system, which seeks to integrate the company’s need to clarify and achieve its profit and growth goals with the manager’s need to contribute and develop himself. In his view, MBO “is a demanding and rewarding style of managing a business.”

According to Reddin, MBO is the establishment of effectiveness areas and effectiveness standards for managerial positions and the periodic conversions of these into measurable time bound, objective, linked vertically and horizontally with future planning.

In order to be effective, the MBO process should be integrated with the key activities of the management process, e.g., planning, organising, staffing, direction and controlling. MBO should be considered as a top management planning and control approach with opportunities for participation in the process. MBO has implications for all aspects of management. Its practice is expected to have an impact on the organizational structure and culture, on managerial processes and on the behaviour of people in the organization. MBO lays stress on result orientation, innovation, development of effective systems, and utilization and development of all resources, especially the human resources. Other terms used to denote MBO are:

1. Accountability Management
2. Action Plan of Objectives
3. Goals Management
4. Improving Business Results
5. Improving Management Performance
6. Management by Objectives and Results
7. Management by Results
8. Performance Results and Individual Development Evaluation (PRIDE),

Since evolutions, MBO has changed in emphasis, focus scope. Instead of attempting to locate the stages of evolution, it is preferable to understand it in terms changes in the character of MBO. Fig. 1 illustrates the change in emphasis and focus from the early versions of MBO to its contemporary model.

Earlier Model		Contemporary Model
Performance Appraisal	→	Performance Improvement
Individual		Organization
Short-term		Long-term
		Organization/Environment integration

Fig. 1 Evolution of MBO

The above figure indicates the shift in emphasis but does not imply that the focal point of earlier models is to be neglected. MBO emphasizes performance improvement rather than just performance appraisal, thereby highlighting the importance of planning, motivation, and competence development. Similarly, rather than being individual-centred, contemporary MBO is organization centred. MBO considers short-term objectives as important. The earlier models focused essentially on internal integration of objectives and resources. The present models of MBO focus on the integration of organization and environment because of the emphasis of long-term objectives of the organization and the awareness of the effect of external environment on organization performance. Therefore, the MBO process usually begins with an environmental analysis.

11.3.2 Scope:

Based on its historical evolution and changes in emphasis, MBO has enlarged its scope over the years. It is possible now to identify three MBO systems, each one indicating a major purpose for which it has been used:

MBO system 1	:	Performance Appraisal
MBO system 2	:	Organizational Effectiveness (shortage)
MBO system 3	:	Organization Development

Each of these MBO systems highlights the specific features of MBO. The movement from system 1 to system 3 denotes enlargement of its scope. When MBO is used for performance appraisal only, its primary focus is on developing objective criteria for evaluating the performance of individuals. MBO has a limited scope and is frequently introduced by the personnel department. It does not call for leadership by the top management and is usually resisted by the line management. The benefits of this are limited and short- lived and the problems caused by it are many and serious. MBO system is designed, if it is implemented by the personnel department, it is likely to become an appraisal scheme. Therefore, if the full potential of MBO is to be realized it should first be put in the chief executive office.

In system 2, MBO focuses on improving organizational effectiveness, with a short- range perspective of one to three years. MBO is a management planning and control approach. The emphasis here is both on the organization and the individual manager. It calls upon top management for support and involvement, and the responsibility for MBO practice remains with the line management. A cycle of annual objective setting and periodic reviews, integrated with the planning and budgeting cycle, is a feature of MBO in this form. However, the thrust here is on identifying areas of performance improvement, without considering the strategic issues involved. In this prospective, MBO is seen as an intervention designed to streamline the current situation. It is not viewed as a continuing process.

MBO for organization development (system3) obviously, has a much wider scope since it encompasses the essential features of systems 1 and 2 and goes beyond performance appraisal and improvement to focus on development of the organization capability to cope with its changing environment. It covers all the aspects of strategic and operational management and provides a framework for managing complex organization in the rapidly changing environment. It represents a synthesis of the behaviour and the system approaches to management. It also emphasizes the continuing character of the MBO process and requires the participation and involvement of all the relevant levels of management. Participation, therefore, is an essential feature of system 3MBO. It is a comprehensive approach to management, characterized by result orientation, rigorous analysis and a constant search for newer and better methods of handing existing and anticipated problems.

The full potential of MBO can be realised only if it is perceived as an approach to organization development. However, the evolution of organization development has, by and large, neglected MBO and most practitioners of MBO have also not attempted to relate it to the needs and concerns of organization development. Although MBO is a comprehensive approach in terms of its integration with the key organizational processes, its coverage in terms of the levels of organizational hierarchy, especially the different classes of employees, is limited. Traditionally, MBO has been used for managing managers and professional staff, and the non- managerial employees, such as clerks, workers, etc, have been excluded. Perhaps, the main reason for this can be traced to the very nature of the development of management concepts and techniques. The main focus in the initial work on management was on the shop floor and office workers. As a result, several techniques for identification, measurement and evaluation of work at that level are available. Moreover, these employees seldom exercise discretionary authority in decision making. Their jobs are routine, repetitive and well defined. Above all, the existence of an adversary relationship between these employees and the organization also hampers any programms aiming to improve performance.

11.3.3 Process of MBO

Since the MBO process facilitates translation of basic concepts into management practices should be consistent with the concepts or the practice will have distortions. The MBO process is characterized by the emphasis on the rigour, of the rigour of the of analysis, the clarity and balance of objectives, and participation of the managers with accountability for results. Managers need training and experience for developing the required skills. The process has many steps, which must be understood, appreciated, and practiced.

The basic MBO process comprises the following three steps:

1. Setting of objectives for the organization, for various units (divisions/departments) and the individual managers.

Setting of Objectives	1. Defining the purpose of the organization. 2. Long-term and strategic objectives. 3. Short-term corporate objectives. 4. Departmental objectives. 5. Individual manager objectives.
Action planning	1. Definition of responsibilities for Specific results. 2. Formulation of action plans: (a) Priority tasks, (b) Responsibility. (c) Time sequence. 3. Implementation of plans.
Performance Appraisal Review	1. Periodic review and control (take Corrective action) 2. Reinforcement of desired behaviour through management policies and

Fig. 2 The Process of MBO

2. Directing activities towards the achievement of these objectives.
3. Reviewing individual, unit and organizational performance against these objectives, at periodic intervals.

The major elements in each of these three steps are indicated in the figure (Fig.2).

The objective setting stage involves a definition of the purpose of the organizational questions, such as, 'why does the organization exist, what business are we in', and' what should be our business. These questions provide guidelines for the statement of purpose. This table determines the long-range strategic objectives involving such strategic choices as: (i) growth through diversification into expansion into the existing products/markets or through new business, (ii) blending of trading and manufacturing activities, (iii) the extent of vertical integration (e.g. cotton development for a textile company or the extrusion plant for a copper mining and melting company) or (iv) the balance between the regulatory and promotional efforts for the industries department of a state government. Following form this, the short-term corporate objectives elaborate the long-term and strategic objectives. The divisional and the departmental objectives devise the appropriate means for achieving the corporate objectives. Similarly, the individual manager objectives highlight unique contribution to the accomplishment of organizational and unit objectives. This process of MBO is illustrated in Fig. 3. As objectives move to lower levels.

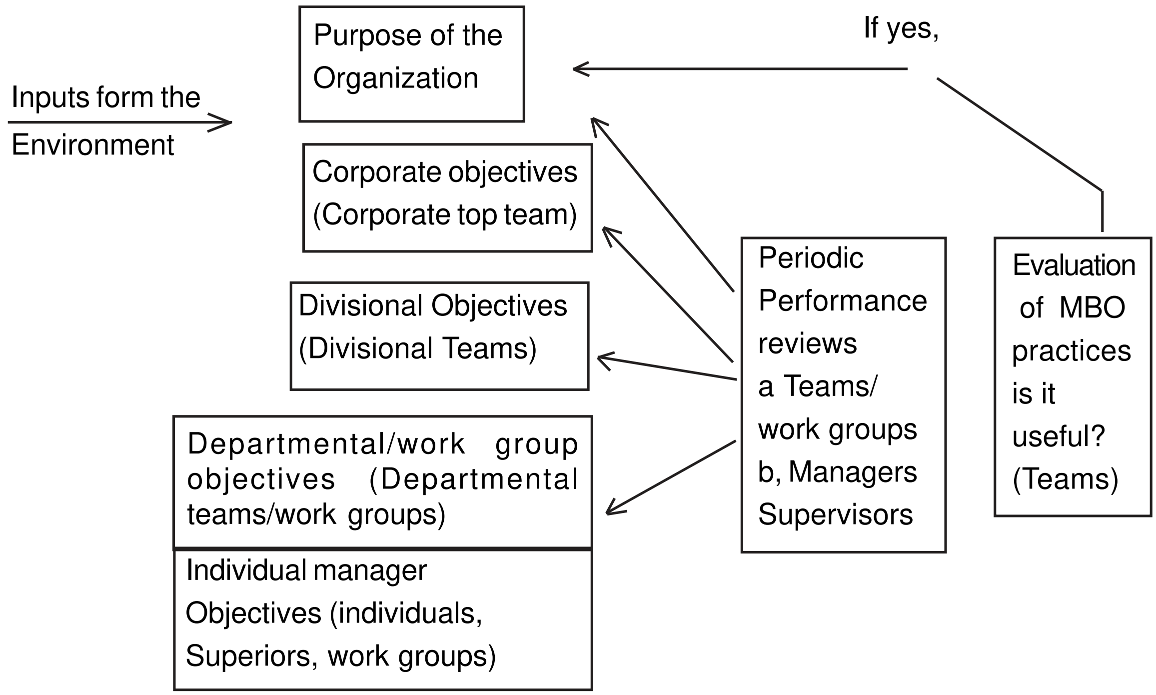

Fig. 3 : The process of setting objectives.

The MBO process is also characterized by the periodic performance reviews. Performance review also provides guidelines for validation, and, if necessary, modification of objectives. The results of MBO review are future-oriented. It is also important to take stock of the overall performance at least once a year. Similarly, the evaluation of the MBO practice must be an integral part of the MBO process. If the members of organization find the MBO practice helpful, it should be continued.

11.3.4 Important features of MBO:

MBO integrates the systems and behavioural knowledge approach to manage organisations. After the implementation stage is over, MBO becomes integrated with the key managerial process and activities. An organization practicing MBO is likely to have the following major features.

1. **Well define objectives for all Levels:-** objectives, expressed as expected results, are established for all the levels in the organization, including the corporate level, all the units or departments and the individual managers. Objectives provide the means for integrating the organization with its environment, its subsystems and people. Thus, corporate objectives are a means to integrate the organization with its environment, the unit or the departmental objectives integrate the organization with its parts, while the manager objectives integrate the managerial contributions with the needs of the organization.

2. **Focus on key areas:-** By means of identification of key result areas, (KRAs) MBO ensures that the priority areas, which have significant impact on performance and growth, receive due attention.

3. **Participative decision making:-** The MBO process is characterized by participation of the concerned managers in objective setting and performance reviews. It provides every manager opportunities to influence those decisions, which have implications for his performance. Participation in groups also allows managers opportunities for clarifying their job relationship, with superiors and subordinates.

4. **Periodic review of performance:-** Periodic reviews of performance is an important feature of MBO. The absence of such reviews will be a sure indication that objectives are not used for managing the organization. Usually these reviews are held once every quarter. The performance reviews in MBO emphasize initiative and active role by the manager, who is responsible for achieving objectives. This is the operation of self-control in MBO. These reviews are also future oriented, focusing on corrective action and planning.
5. **Defining System and Procedures:-** Objectives in MBO provide guidelines for appropriate systems and procedures. Decisions on system change and resource allocation, including delegation of powers, are therefore based on the needs of objectives. In case of conflict between the objectives and procedures, objectives are superior; procedures must be changed or the objectives will not be achieved.
6. **Clarity of role:-** MBO also emphasizes the role clarity for managers and various departments. These roles are defined in terms of expected results and support contributions that the role of each manager and department is integrated with the organisational objectives.
7. **Well defined accountability for all levels:-** Whereas traditionally, accountability for results is centralised at the top-the buck stops only there-MBO creates multiple centres of accountability. Every manager becomes accountable for achieving the agreed objectives. By this process MBO discourages the tendency of some managers to take credit for the achievements of juniors. MBO thus establishes a system of decentralised management with central direction and control.

The greatest benefit of MBO is improvement in management and to the extent the improved management contributes to tangible results, MBO can be regarded as the source of them.

11.3.5 Advantages of MBO

1. It identifies problems of management, including structure, strategies and practice.
2. It focuses attention and effort on priority areas.
3. Planning becomes more precise and useful.
4. MBO make objectives explicit and directs work activity towards their achievement.
5. It provides clear standards of control and facilitates self-control.
6. It sharpens accountability for performance.
7. It highlights interdependence within the organization and improves communication and cooperation.
8. MBO provides a vehicle for delegation of authority. It is an effective instrument for managing decentralized operation.
9. It emphasizes development and utilization of human resources.
10. It stimulates organisational change and provides a framework and guidelines, for planned change, enabling the top management to initiate, plan, direct and control the direction and the speed of change.

The full potential of MBO can be realized only when it is properly implemented and practiced.

11.4 Self-assessment questions

1. What do you mean by management by objective?
2. Discuss the process of MBO?
3. Discuss the important features of MBO?
4. Discuss the advantages of MBO?

11.5 Summary

No firm has access to unlimited resources. So, there is a need to justify its every action and MBO it a potent tool to achieve the same. Under this management practice, first proposed by Peter Drucker, each and every activity of the firm is equated with the predefined measurable objectives. The resources are allocated to the firm to meet these predefined objectives. After having implemented the activities, the performance is evaluated with reference to the predetermined standards and the corrective action is taken, if necessary. Such a systematic approach to management ensures optimal allocation and utilization of resources and proper achievement of objectives. The concept has acquired different nomenclature, but has been accepted by the industry to survive and grow in the competitive environment.

11.6 Glossary

Management by objectives (MBO): is a strategic management model that aims to improve the performance of an organization by clearly defining objectives that are agreed to by both management and employees.

Organisation: is an entity comprising multiple people, such as an institution or an association that has a particular purpose.

Staffing: is the process of hiring eligible candidates in the organization or company for specific positions.

Controlling: is a function of management which helps to check errors in order to take corrective actions.

11.7 Answers: Self-assessment question

1. For answer refer: section 11.3.1
2. For answer refer: section 11.3.3
3. For answer refer: section 11.3.4
4. For answer refer: section 11.3.5

11.8 Terminal Questions

1. What do you understand by ‘Management by objectives? Briefly explain the evolution of MBO.
2. Explain the scope and pre-requisites to a successful MBO
3. Briefly explain the process of MBO?
4. What are the features of MBO
5. What advantages can accrue to a firm by implementation of MBO?

11.9 Suggested Readings

1. Principles of Management by Koontz O Donel.
2. Management by C.B. Gupta.
3. Management by J.S. Chandan.
4. Management the Global Perspective by Whelreich and Koontz.

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LESSON No. 12
Team Building

Structure

12.1 Introduction

Being a social animal, man has lived in groups, ever since he descended on the earth. In the present times, the survival of mankind owes to man's ability to work as a team, which represents an evolution of a group

12.2 Learning Objectives:

After reading this lesson, you shall be able to understand the concept of a team and the methods to form effective teams.

12.3 Presentation of Contents

12.3.1 Defining team

A team may be defined as: *"A group organized to work together to accomplish a set of objectives that cannot be achieved effectively by individuals."*

Three things emerge from the above definition, which show the characteristics of the teams and also explain the process of team building. These characteristics are shown in the form of the following table:

TABLE 1.1 : CHARACTERISTICS OF TEAMS

A group of people	Synergy	Having one aim
Whole > Sum	Co-operation	Flexibility
Working together	Reporting to one boss	Serving one customer

In actual practice, team structures are often complicated, and people can be members of several teams, because *a team is a group of people working together towards a common goal.*

12.3.2 Common goals

The most important feature of a team is commonality of the goals. This can be shown in the form of the example of a financial services organisation, selling pensions. If we were to identify as to who are the members of the sales team, we cannot infer that they confine to those selling the financial products. All those who are a part of the common goals are the members of a sales team. Hence, the members of the sales team would consist of all those, shown in Table1.2.

Table1. 2: Members of a sales team

(on the basis of common goals)

Sales people

Sell to clients

Sales Manager

Ensures the Sales People are equipped to sell properly

Marketing Manager

Designs a product that is attractive to potential buyers

Accountants

Control the costs of the product to keep it competitively priced

Investment Analysts

Maximise the return on the client's investment, making the product more attractive to buy

Administrators

Process the applications quickly so that the client does not lose patience and move to a competitor company

Personnel

Recruit high performing sales people, and provide training to maximise sales

Stationery suppliers

Provide marketing literature that looks professional and makes the product seem attractive

Cleaning staff

Keep sales offices looking attractive, so that clients and prospects feel comfortable visiting the branches

It is important to differentiate between the groups and trams and also between the staff and the team. The differences have been shown in the form of the following tables:

TABLE1.3 COMPARING GROUPS WITH TEAMS

Groups	Teams
• Little communication	• Plenty of opportunity for discussion
• No support	• Plenty of support
• Lack of vision	• Process of discovery supported by openness and honesty
• Exclusive cliques	• Tactical and work groups combine easily into a single team
• The whole is less than the sum of its parts	• The whole is greater than the sum of its parts
• Seeks to hide its identity	• Seeks to discover its identity
• Leaves new members to find their own way but insists on conformity	• Welcomes new members by showing them existing norms and openness to change leader seeks team decisions by serving the team as a focus for two way communication
• Leader manipulates team to own ends .	

12.3.3 Characteristics of High Performing Teams

A lot of research has been conducted on finding out the characteristics of a high performing team. Although the findings of the studies are different, some of the common characteristics of a winning team are:

12.3.3.1 Participative Leadership

12.3.3.2 Aligned on Purpose

12.3.3.3 Task Focused

12.3.3.4 Shared Responsibility

12.3.3.5 Innovative

12.3.3.6 Problem Solving

12.3.3.7 Communicative

12.3.3.8 Responsive

12.3.3.1 Participative Leadership

Envisioning leadership and organizing leadership and a clearly defined leadership role enables people to make choices. Shared norms and shared values draw members into the teams.

12.3.3.2 Aligned on Purpose and Vision

Common shared purpose and a clearly shared vision among the self-directing high morale team have the goals aligned with personal goals of its members. The approach is on problem solving and not laying the blame.

12.3.3.3 Task Focused

The trams must remain focused on the values, on which they have been built.

12.3.3.4 Shared Responsibility

The team can become effective if and only if, its members share the responsibility and do not pass on the buck.

12.3.3.5 Innovative

The teams have to be creative and innovative to stay ahead from their competitors. Otherwise, other teams will outsmart them.

12.3.3.6 Problem Solving

The teams must confront with the issues and look for solutions to the problems, instead of creating more problems for the teams.

12.3.3.7 Communicative

Communication is a must for any team. Open communication removes the misunderstandings and helps to build cohesive teams.

12.3.3.8 Responsive

The team members should be responsive, not only among the team members, but also with other groups of individuals, who come in contact with the people.

12.3.4 Building the Winning Team

"Everyone wants to feel that they are on a winning team, that the company is moving ahead, and that they are an integral part of the group." Some of the guidelines for building winning teams are suggested as follows:

a) Recruiting right people

Building the winning team requires more than just recruiting and hiring of talented people. It means hiring people who will work well together and developing their shared vision and commitment. Physically bringing the people together in formal group meetings for open discussion of broad-based issues improves communication and builds effective teams. The leaders of winning teams must encourage positive, informal interactions between group members, who must develop a "winning" attitude throughout the organization.

In order to have sustained performance, there is a need to watching for and quickly trying to reverse team-building problems such as jealousy, cynicism, and defensive behavior. To build the winning team, the team leader not only needs to show people what direction the team is headed in, but also convinces them to work in the direction, otherwise he cannot expect people to support him.

Specifically, a leader needs to show people:

- The vision for the future.
- The strategy for getting there.
- Why this is the best strategy.
- Every achievement that indicates this team is winning.

b) Physical meeting of team members

Physical meeting of the team members is an indispensable aspect of an effective team. The team leaders can provide formal and informal forums, where the team members can come together and develop shared vision and understand each other. Formal meetings are one such exercise.. Meetings, or even parties or celebrations, with as many people as possible from the entire organization, help build a feeling of solidarity throughout the organization.

But it is also important to have everyone participate in smaller group meetings where some work is done or some decisions are made. This makes people feel that they aren't just part of some big group, but that they are an active, important part of a team. There must be interactive meeting periodically. The meeting should not be one where the leaders just make announcements and summarize the work that's been done and needs to be done. Every member of the team must have an opportunity to give feedback on substantive issues.

c) Getting People To Work Together

One of the most difficult part of building a winning team is encouraging positive, informal interaction between team members when the team leader is not present. This is easier said than done because people tend to get deviated in the absence of the top leadership. Effective team leaders can follow some of the following suggestions to develop the systems, which work, even in their absence.

- Having team members take part in the hiring process of new team members.
- Assigning specific projects for two team members to work on together.
- Trying to arrange for close proximity of offices.
- Creating an incentive-pay plan based on common goals such as profitability.
- Having a specific part of the salary review dependent upon "interaction with others."
- Taking the team off-site for formal meetings as well as casual get-togethers to build a sense of bonding.

d) Checking negative influences

The negative forces creep into every team-building exercise. It is the responsibility of the team leader to check the negative influences, otherwise the entire effort of team building shall be wasted. Some of the common problems of any team building exercise are:

Jealousy

Jealousy occurs when the goals of the team members are not compatible, or when one team member feels left out in terms of achievements. It is a negative state of mind and the persons cannot perform to best of their efforts, if there are some team members, who harbour this emotion. It becomes the responsibility of the team leader to check this.

Cynicism

Some people are just negative by nature. Others might feel that the team cannot possibly prosper or they might not like other teams, groups or organizations. There can be no real reasons for the dislike. People might feel like disliking others because of their nationality, ethnic origin, caste, colour, language or any such reason. These states are often irrational behaviour of the team members and can hamper the process of team building. The leader has to be sure that he is emphasizing the team's positive achievements to the group as a whole. The leader must show the power to confront any openly cynical individual and demand their behavior change at once.

Lack of confidence

Some people lack confidence in themselves and view attacks on their opinions as attacks on themselves. Typically, they might respond with statements like "Are you telling me my fifteen years of experience does not matter?" The leader must not harm the feelings of such employees and must not point this openly. Such people might be explained to be more responsive and confident, when they meet the team leader alone.

3.5 Essentials of Team building

Team building is a tedious task, which requires a lot of patience and interpersonal skills. The leaders learn the act of team building over the years. There can be no readymade tips for team building, which fit in all situations because of the diversity of each situation. Still, some of the general guidelines for building effective teams are listed as below:

a) A way of life
b) The responsibility of every team member
c) A continuous process
d) About developing a clear and unique identity
e) Focused on a clear and consistent set of goals
f) Concerned with the needs and ambitions of each team member recognizing the unique contribution that each individual can make

Each of these is explained in the following discussion

a) A way of life

Team building is not an isolated exercise, which needs to be undertaken at one point. It is a continuous exercise and happens everyday and at all times. Team members and team leaders have to undertake the team building activity as a natural occurrence, which happens along with all other activities. Team members have to appreciate that building teams is a way of life because the years of efforts to build teams can be shattered by a few incidents. So all efforts to build teams must be a part of the system. At the same time, it is important to have an inbuilt check to ward off the negative influences. Only then, can the teams be effective in their functioning.

b) The responsibility of every team member

Them building is not the responsibility of any single person, or groups of persons. It is the responsibility of each and every member of the organization. Only when the team members realize the subordination of the individual goals over the team goals, they become the useful members of the teams. Leaders have to ensure that the team members understand this and feel motivated enough to be a part of the team building exercise.

c) A continuous process

As discussed earlier, team building is a continuous process and must happen at all times. The leaders must focus on building systems that enhance the comradeship and strengthen the teams. If the leaders take this as a fire fighting activity only, they are unlikely to achieve any meaningful results. Hence, the act of team building must be a part of the mission and planning exercise.

d) About developing a clear and unique identity

Team members must feel important. They must realize that they enjoy a unique position within the team. Only then, they will be able to develop their own position and define their individual role in a team. They will realize that they contribute to achieve the team goals.

e) Focused on a clear and consistent set of goals

A team is solely guided by the goals. These goals must be clearly specified and understood by the team members. The team members work in a team only when they feel their individual goals match with the team goals. If the team goals are not communicated to them, they are likely to feel that there is a gap between their individual goals and the team goals. They might not perform effectively and might even consider leaving the team. Such developments can be disastrous for a team. The leaders have to ensure that such a situation does not arise in a team.

f) Concerned with the needs and ambitions of each team member recognizing the unique contribution that each individual can make

Although, subordination of individual goals over the team goals is often advocated, in actual practice, this cannot be sustained for very long. Each member of the team has to be understood. His needs and ambitions need to be satisfied. His individual talent must be identified and put to the best use. The unique contribution of each member must also be acknowledged. Only when these activities are undertaken, will the teams be more effective and cohesive.

g) An awareness of the potential of the team as a unit

The team members have to understand that as a part of the team, their team is a unit, a system, and an entity. The team has to function as a system, in association with other systems. This is possible only when the team members aware of their position and role and they appreciate that their team has a unique position in the social and business system.

h) Results oriented

No team, which is not result oriented, can expect to be successful in realizing its objectives. The results are the benchmarks of performance and have to be achieved by the teams. The team members have to be aware of the goals and must have drive of achievement, which is directly related o their propensity towards being result oriented.

i) Enjoyable

Team members shall put in their best effort, if and only if, they find their team enjoyable. They must feel pleasure in their work and also when they are in the company of their team members. This will motivate them to work more and spend more time as members of the team. The enjoyment to a member is likely to accrue only when his individual goals shall match with the organizational goals. The team leader has to build such bridges to make the task enjoyable.

12.3.6 Restricted actions for Teams

While there are a lot of prescriptions on what the team members should do, as members of the team, there are also several negative issues that deserve attention. There are several actions, which should not be done. Otherwise, all the synergy accrued to the teams shall get wasted. Some of such issues are discussed as under:

a) A short term perspective

The leader of a team should not have a short-term view. He should not be parochial in his outlook, nor should immediate gains or losses influence his decisions unduly.

b) Hurting peoples' feelings

Team members must learn the task of respecting the feelings of other team members. If they hurt the feelings of others, they are unlikely to get their cooperation, thereby defeating the very purpose of making a team.

c) Nepotism

Favouritism and nepotism can harm the very existence of the teams. The team leaders must give equal treatment to all their team members. In case they do not adhere to the principles of equality, the teams are likely to break away, or they might have some members, who play negative role.

d) Match action with words

The words must match with the actions. Otherwise, the team members shall develop a sense of suspicion and shall not believe in what is promised to them.

The actions must reflect the team vision and the shared values.

12. 3.7 Managing the Norms of Informal teams

Informal groups are an inevitable part of every organization and the informal norms develop in every situation. In order to make effective teams, these informal norms must be clearly channelized to achieve the overall team goals. The following discussion explains how leaders can mould the norms of informal groups for team building.

Transforming informal team norms

A team leader should attempt to encourage norms that positively affect a team's goals, and to alter those that are negative. If this is accomplished, the informal group/ team will direct its energies toward desired goals.

Three distinct stages have been identified to foster team norms that are congenial to the organization.

First Stage

The first stage involves determining what the team norms are, and then getting team members to recognize their existence and influence.

Observing the behavior patterns of the team, interviewing the team members, or asking them to identify their own norms can often accomplish this. It must be noted that people frequently respect and follow norms unconsciously.

The predetermined set of determinants for team building among informal groups is discussed as follows:

- **Organizational and Personal Pride.**

  Satisfaction or pleasure taken in attaining personal or organizational achievements.

- **Performance and Excellence.**

  Manner or quality of functioning when striving to meet or beat standards of performance. This includes setting personal standards when none are set/ defined.

- **Teamwork and Communication.**

  The perception that organizational goals and objectives are communicated to and shared by members of the group. The organization has effectively shared its vision or sense of purpose so that all employees can articulate and subscribe to.

- **Leadership and Supervision.**

  The style of management / supervision in engaging employees to deliver willingly their best towards organizational goals.

- **Profitability and Cost Effectiveness.**

  Awareness of employees of their roles and actions to the organizations 'bottom line'.

- **Interpersonal Relations.**

  Personal connections or dealings between or among individuals and groups.

- **Customer and Client Relations.**

  Personal and group attitude towards clients, both internal (i.e. other departments in the case of service departments) and external suppliers and customers.

- **Innovation and Creativity.**

  To be aware of, appreciate the need for and strive for new ways of performing a function, process, procedure or the organization's business model in terms of the need flowing from constant changes in the external environment, the need to be competitive and the need to retain customer loyalty and confidence.

- **Training and Development.**

  The opportunities within the organization and the climate set that promote personal growth and development.

- **Openness.**

  The willingness to promote open, honest and direct dialogue by all employees at all levels on issues that affect individuals, groups and the organization as a whole. This includes the sharing of information, respect for the diverse backgrounds and experiences of members, the absence of 'competition over territory' and the agreement of goals and levels of performance/ quality.

Second Stage

Having identified the team's norms, the next stage is to measure the norms and establish a norm profile. The difference between where the team is versus where the desired norms of the group should be, denotes the normative "gap." These gaps provide the starting point for determining where changes should occur.

Third Stage

The final stage is to bring about normative change. A systematic change process consists of six steps:

- Demonstrate the importance of norms in achieving organizational and group/ team effectiveness.
- Create positive norm goals through cooperative effort.
- Establish normative change priorities.
- Determine a plan of action to bring about change.
- Implement sand monitor the change strategy.
- Review the effectiveness of the strategy periodically and modify where necessary.

12.4 Self-assessment questions

1. What do you mean by Team in context of management?
2. How team is different from group?
3. What are the main features of high performing Teams?
4. What are the essentials of Team building?

12.5 Summary

Team building is an essential training, which every team leader has to learn. As the economies become more competitive, there shall be increased pressure on the teams to show results. This is possible only when the leaders are able to keep their teams cohesive and directed towards achieving the objectives. Team building is both a science and an art because there are scientific studies that have shown path to building effective teams. However, the application of the knowledge remains the skill of the team leader. Hence, the leaders have to use their ingenuity to keep their teams at high levels of performance.

12.6 Glossary

Team: is composed of members who are dependent on each other, work towards interchangeable achievements, and share common attainments.

Synergy: is the creation of a whole that is greater than the simple sum of its parts.

Nepotism: is based on favouritism granted to relatives in various fields, including business, politics, entertainment, sports, religion and other activities.

Strategy: is a high level plan to achieve one or more goals under conditions of uncertainty.

Communication: is the act of conveying meanings from one entity or group to another through the use of mutually understood signs, symbols, and semiotic rules.

12.7 Answers: Self-assessment question

1. For answer refer: section 12.3.1
2. For answer refer: section 12.3.2
3. For answer refer: section 12.3.3
4. For answer refer: section 12.3.5

12.8 Terminal Questions

Q.1 How would you define a team? Why is it necessary to distinguish it from a group?

Q.2 Enumerate the characteristics of high performing and winning teams?

Q.3 What are the negative emotions that can hamper the working of teams? Discuss the role of the team leader to control such emotions.

Q.4 What are informal group norms? How can they be used to build effective teams?

12.9 Suggested Readings

1. Group Dynamics (Hardcover) by Dr. Donelson R. Forsyth Publisher: Wadsworth Publishing; 3rd edition
2. Making Groups Effective (Jossey Bass Business and Management Series) (Hardcover) by Alvin Zander , Publisher: Jossey-Bass; 2 edition
3. by Susan A. Wheelan, Publisher: Allyn & Bacon; 2 edition
4. An Introduction to Group Dynamics (Hardcover) by Donelson R. Forsyth ,Publisher: Thomson Brooks/Cole
5. Team Work and Group Dynamics (Paperback) by Greg L. Stewart, Charles C. Manz, Henry P. Sims , Publisher: Wiley
6. Group Dynamics for Teams (Paperback)by Daniel Levi, Publisher: SAGE Publications; 1st edition

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Assignments

Note: Attempt any five assignments. Assignments are compulsory.

1) Explain in detail the process of organisational change? Also explain the causes of resistance of change?
2) Differentiate between organisational effectiveness and organisational efficiency? How can these measured?
3) What are the levels at which organisational diagnosis is done and why?
4) What type of stress do you think employees working in Indian organisation experience? Explain giving examples.
5) Define Organisational Development. Bring out clearly its features and process of organisational development.
6) What is sensitivity training? Explain its salient features.
7) What is management grid? What are the prerequisites to implement it as an OD intervention technique?
8) What are the guidelines for successful reinforcement of various interventions for organisational development?
9) What do you understand by levels of self-awareness? Briefly describe the application of Johari window for self-awareness.
10) Explain the features and process of MBO.

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MBA Examination

Organizational Effectiveness, Change & Organizational Development

Paper 201

Note: The candidates shall limit their answers precisely with the answer book (400 pages) issued to them and no supplementary/continuation sheet will be issued.

Attempt any Five Questions in all selecting one question from each unit. All questions carry equal marks.

UNIT-I

1. What is Business Process and why is reengineering a popular instrument of change today? How a change through Business Process Reengineering different than a conventional organizational Change.
2. What are essentials of Organizational change? How do evolutionary change and revolutionary change differ?

UNIT-II

3. What is Organizational Effectiveness? Explain the approaches used in evaluating the organizational effectiveness and the problems associated with each approach.
4. Draw up a list of causes for an organizational stress in a software company? What are suitable methods of coping with organizational stress problems?

UNIT-III

5. What is Organizational Development (OD) and what is its goal? What are the OD techniques to deal with resistance to change?
6. What are the main steps in action research? Explain with the help of suitable examples.

UNIT-IV

7. What is organizational learning? In what ways can managers promote the development of organizational learning by acting at various levels in the organization?
8. Write short notes on

   1) Sensitivity training

   2) Organizational Mirroring

   3) Third Party Peace Making

UNIT-V

9. What factors determine the appropriate management grid and control structure in

   a) a research and development laboratory

   b) a mail

   c) a small manufacturing company
10. What are key factors to build a world-class organization? Explain with examples.

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