

स्वाध्याय

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UTTAR PRADESH RAJARSHI TANDON OPEN UNIVERSITY
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PGDHRD-02
Organisational Design, Development
and Change

FIFTH BLOCK

Organisational Development and Change



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PGDHRD-02

Organisational Design, Development and Change

Block

5

ORGANISATIONAL DEVELOPMENT AND CHANGE

UNIT 12

Organisation Development

5

UNIT 13

Alternative Interventions

18

UNIT 14

Change Agents : Skills

37

UNIT 15

Consolidation and Follow Up

50

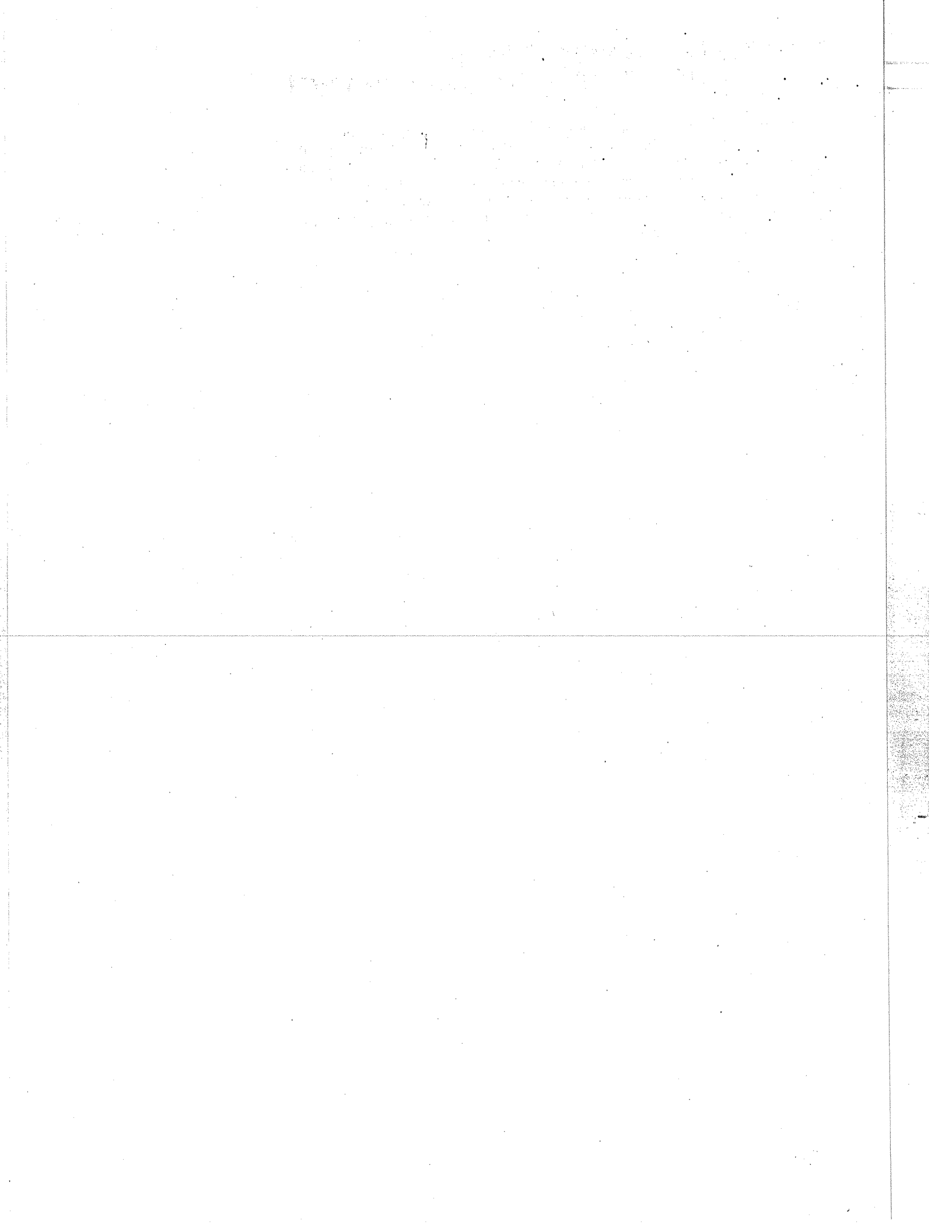
UNIT 16

Institution Building

60

BLOCK 5 ORGANISATIONAL DEVELOPMENT AND CHANGE

Organisation development is a long-range effort to improve an organisation's problems. Unit 12 deals with organisational development, i.e., what is the necessity for organisational development. Unit 13 describes different intervention techniques which help in improving an organisation's problem. Unit 14 presents the skills required for a change agent in the O.D. Unit 15 gives information about how to implement the change and the last unit of the block describes how an organisation groups and becomes an institution.



UNIT 12 ORGANISATION DEVELOPMENT(OD)

Objectives

After studying this unit, you should be able to understand :

- the nature of organisation development
- the definition of OD
- the objectives of OD
- the models of OD, and the action research process of OD

Structure

- 12.1 What is OD?
- 12.2 Definition of OD
- 12.3 Objectives of OD
- 12.4 Characteristic features of OD
- 12.5 Models of OD
- 12.6 OD—Action Research Process
- 12.7 Salient Issues in OD
- 12.8 Summary
- 12.9 Self-Assessment Test
- 12.10 Further Readings

12.1 WHAT IS ORGANISATION DEVELOPMENT?

An organisation is a system consisting of four interacting subsystems: structure, technology, people and task. Structure refers to the formal interactions within the organisation as evidenced in the organisational chart or *organogram*. Task refers to the set of activities to be performed. In other words, the behavioural specifications associated with a job. Technology relates to the level of sophistication determining the work-flow and performance of jobs in an organisation. Higher technology, most often, means higher job knowledge and skills of employees. Organisations may be classified as to their level of technology: high, medium, low or obsolete. People variable refers to the human input in the organisation i.e., individuals (in terms of their physical and mental skills, personality etc.) working in the organisation.

Organisation as a system can be changed and developed to achieve its goals in the best possible way. The goals of an organisation, generally are: survival, stability, profitability, growth and service to society. From one organisation to another, the goal or goals may differ depending upon at what stage of development the organisation is.

An organisation can achieve its goal if it is able to respond to changes within the external and internal environment. The external environment is in terms of forces in the social, political, economic and cultural factors. Competition from similar organisations, changing needs of the public, knowledge explosion, rapid growth of technology—all constitute threat to organisational effectiveness.

Organisation has also to take into cognizance its internal environment which includes existing structure, technology, needs and expectations of its people and the changing scenario of labour force.

Organisation development (OD) is a planned approach to respond effectively to changes in its external and internal environment.

Essentially there are two schools of thought in OD:

- 1) Programme—Procedure School
- 2) System—Process School

The Programme—Procedure school: It is an older approach. According to it, OD is the effective implementation of the organisation's policies, procedures and programmes. It is concerned with personnel activities that contribute to the overall growth and development of the organisation, such as: recruitment, training, career development, compensation, welfare and benefits, labour relations etc. Personnel development is primarily concerned with OD activities.

At present, it is being widely recognised that personnel functions contribute only partly to OD. They at best serve the organisational control or maintenance function.

The system process school: This school considers organisation development in the context of both its internal and external environment. Proponents of this approach view organisation as a system which can be changed and developed to best achieve its goals and objectives. Insights drawn from recent developments in behavioural sciences have contributed to the system-process school. An emerging role for OD is system based and focuses on total organisation effectiveness and hence goes beyond the traditional personnel programmes. The emphasis is much more on work groups within and across departments rather than individuals as such. While personnel programmes demand conformity for prescribed policies and procedures, the system process school encourages openness, and collaborative ways of solving problems so that the outcomes are advantageous to both the individual and the organisation. It is likely that the objectives of both the schools are contradictory to certain extent.

Programme Procedure School	System Process School
Internal	Internal & External
Personnel-oriented	Department-oriented
Individual	Group
Sectional	Holistic
Prescriptive	Open
System internal	Interdisciplinary

12.2 DEFINITION OF OD

OD may be defined as a systematic, integrated and planned approach to improve the effectiveness of the enterprise. It is designed to solve problems that adversely affect the operational efficiency at all levels (Koontz et. al. 1980). It is based on scientific awareness of human behaviour and organisation dynamics. Being an organisationwide effort, it is directed towards more participative management and integration of individual goals with organisation goals. OD is intended to create an internal environment of openness, trust, mutual confidence and collaboration and to help the members of the organisation to interact more effectively in the pursuit of organisational goals. Thus, the organisation is enabled to cope effectively with external forces in the environment.

12.3 OBJECTIVES OF OD

The objectives of OD may be stated as follows:

- improved organisational performance as measured by profitability, market share, innovativeness etc.
- better adaptability of the organisation to its environment
- willingness of the members to face organisational problems and contribute creative solutions to these problems
- improvement in internal behaviour patterns such as interpersonal relations, intergroup relations, level of trust and support among role members, understanding one's own self and others, openness and meaningful communication and involvement in planning for organisational development.

12.4 CHARACTERISTIC FEATURES OF OD

The roots of OD lie in the famous Hawthorne experiments carried out at the Western Electric company by Elton Mayo and his associates. These experiments highlighted the importance of employee attitudes and expectations, informal work groups, norms and values and participation in decision making as influencing performance—all these still central concepts in various techniques of OD.

Though there are divergent opinions and attitudes about the nature and practice of OD, among its practitioners, a general consensus may be noticed among them as to what the basic characteristics of OD are.

In any OD effort the totality of the organisation is to be taken into account. Organisation being an integrated system of sub-systems, changes in anyone sub-system tends to have consequences for the other sub-systems. The approach should be holistic either for identifying the need for change within or for planning and implementing a change. Until the intended change is absorbed in the total system, optimal collaboration, synergism and efficiency cannot be obtained.

The theoretical body of knowledge underlying the concept and practice of OD is eclectic. Recent developments in the area of behavioural sciences, especially psychology, sociology, anthropology etc., have influenced the OD thought and practice.

The intended changes in OD programmes may be carried out at any of the sub-system levels such as:

- organisation structure
- task accomplishment
- work climate (interpersonnel and intergroup relations, work values)
- methods of decision making and problem solving
- technology

The benefits of the planned effort to the organisation are measured in terms of improvements noticed in the performance of the sub-system where the change has been implemented, related sub-systems that have an interface with the changed sub-system, and the organisation as a whole.

a) Intended changes in the organisational structure should be initiated on the basis of a study of the existing structure—especially the formal relationships, span of control and functions performed by each individual in the context of the others. The planned change may be on the basis of what an ideal structure should be like. A better approach would be to take into cognizance the felt needs of the role incumbents. The employees may be involved in identifying problems in the existing structure and also in evolving a strategy for change. Such a participative approach would yield results as the employees are tuned to the intended change.

b) Another approach to OD is at the micro level i.e., at the job level, while the

above was at the macro level. What is of concern is the designing of jobs for better performance. Job related aspects such as authority, responsibility, activities performed, overlapping roles etc., are considered for modification in keeping with the attitudes, expectations of the role incumbents.

Research studies have shown that job attitudes and job satisfaction influence performance. Jobs may be redesigned to provide variety and opportunities for satisfying higher order needs. Jobs enlargement and job enrichment are the job design methods employed as part of OD techniques.

c) OD practitioners also aim at improving the interpersonal climate. The work climate of openness, trust and collaboration has positive influence on performance, while the climate of suspicion, distrust and hostility result in low or mediocre performance. The climate should be supportive, proactive and allow for opportunities to be creative and original.

d) Communication is the life of an organisation and effective communication is basic to internal work climate. OD efforts may be directed to identify the gaps and problems in the formal communication network and improve the communication process. Communication network may be analysed in terms of the following methods.

- **Residential analysis:** It helps in understanding how a given organisation really functions. The analyst is a 'live in' observer of the communication process.
- **Participant analysis:** Data is collected about how communication is actually taking place in the network by interviewing the individuals or through a questionnaire.
- **Duty Study:** Like a cop of observing the traffic on a high way, the analyst positions himself in the communication network at any spot and studies the communication flow.
- **Cross-section analysis:** A time sampling of the communication process in the network may be carried out. However, the sampling must be repeated to get sufficient data.
- **E C C O (Episodic communication channels in organisation) analysis:** A trace element (i.e) a piece of communication is left in the communication network and its flow through the network is traced through time and space.

OD efforts to improve communication may deal with the elements of communication process such as 'source', 'message', 'channel', 'receiver', process of encoding and network, in addition to communication overload.

e) Decision making is another important area for OD intervention. What is a decision? Decision is 'commitment to action'. Decisions are basic to management process and link up the various activities of the organisation. While some of the decisions are routine and programmed, the other may be unprogrammed and ad hoc. While some of them are **operating decisions** that are routine, programmed and executed automatically, the others are **administrative decisions** that are either coordinative and routine, or exceptional and ad hoc while yield custom-made solutions.

Strategic decisions are also exceptional and have an influence on the overall organisation or a greater segment of the organisation. Necessity for strategic decision may arise due to forces in the external or internal environment, new technological input or at the initiative of the chief executive.

Involvement of the people concerned with the issue or problem in decision making leads to acceptable solutions, commitment to implement the decision and better utilisation of human resources. Decisions should be based on objective analysis that include identification of the problem, collection of relevant information and selection of an appropriate solution with a greater probability of achieving the expected outcome.

4 An OD strategy is an intended change at the relevant system or sub-system level.

The methodologies employed are a set of techniques or systematic procedures to

bring about an intended change. The techniques differ depending upon the sub-system that is considered for OD intervention. If the intended change is with reference to the 'people' variable, the methodologies employed are:

- **training or education** involving lectures, experiential exercises, simulation, T-group training etc.
- **confrontation**, where people are brought together to discuss the problem and evolve a strategy based on mutual trust and understanding of each other's position.

If the intended change is at the technological level, it is in terms of planned effort for bringing in new technology taking into account the likely consequences at the task, structure and people sub-system levels. The necessary environment for accepting and implementing the technological input should be created at the other sub-system levels.

OD interventions at the task level deal with job design parameters such as job enlargement, job enrichment, authority and responsibility considerations, human factor engineering etc.

At the structure level, the methodologies include: **data feed back** (systematic collection of information that forms the basis for diagnosis, premising, planning etc.) **Problem solving and decision making**, **process consultation** (watching and aiding on-going processes and improving them), and **OD task force** establishment (setting up of teams or groups to carry out OD efforts). These interventions may be carried out by a change agent.

5 Management practices and employee reactions to these practices form the basis for organisational analysis and diagnosis and determining the appropriate intervention. The success of an intervention depends upon the acceptance of it and willingness to implement or maintain the change and its outcomes by the employees within the organisation.

6 Organisational change is not a one shot affair but a complicated and lengthy process. The type of intervention sought for, the size of the organisation, constraints and facilities within the organisation, perceived organisational climate, attitudes and feelings of the employees and their commitment to change—all influence OD efforts. The typical value system of the organisation as a whole, of the management and of the individual, and the values underlying change are quite significant factors influencing the success of OD activity. Some of the generally agreed aspects of the value system underlying OD as suggested by Beckhard (1967) may be noted from

Table I Value System Underlying-OD

- 1 Individual is and should be more independent and autonomous
- 2 Individual has and should have choice with regard to his work and leisure
- 3 Once the basic needs are met, individuals strive for realising self-worth and their potential
- 4 Where individual needs are in conflict with organisational requirements, individuals perhaps should choose to meet his own needs rather than submerge them in the organisation requirements
- 5 Work should be made meaningful and stimulating thus providing for intrinsic rewards in addition to adequate extrinsic rewards
- 6 Managers should manage by influence than through force or reward power. The power previously vested in bosses is and should be reduced

Source: **Bechard, R.** 'The Confrontation Meeting', Harvard Business Review, 1967 March-April.

7 The change agent who plans for and implements the intervention can be an external consultant or an internal member trained in OD techniques. A change agent chooses appropriate methodology to help the client to help himself. Either to have a full time external consultant or a part-time internal member (some one in the staff or

line function to carry out OD efforts) is a matter of choice depending upon factors like organisational size, type of change and extent of change etc. A combination of external and internal consultant may be used. External consultant may be utilised to diagnose the problem and determine the change strategy, while internal member may be asked to implement the change programme and sustain it. To be successful, a change agent has to have:

- valid and necessary information about the client system
- objectivity and freedom to determine the appropriate interventions, and
- expertise and skills in group processes so that he can work effectively with groups and contribute to their growth and development.

12.5 MODELS OF ORGANISATION DEVELOPMENT

Three models of OD are quite popular, They are Kurt Lewin's Unfreezing—Changing and Freezing Model, Griener's Equential process and Leavitt's System Model.

Lewin's model organisations have an internal equilibrium. Before introducing a change, organisation should be prepared for the change, otherwise there will be resistance to change attempts. Readying for change would mean disturbing the existing equilibrium i.e., unfreezing or creating motivation to change. The change is then introduced which is a new or modified response to solve the organisation problems. The change moves the organisation to a new equilibrium at which the organisation has to be stabilised so that it does not revert to the earlier equilibrium. Refreezing refers to this process of stabilising and integrating the change into behavioural patterns, interpersonal relationships, and individual personalities.

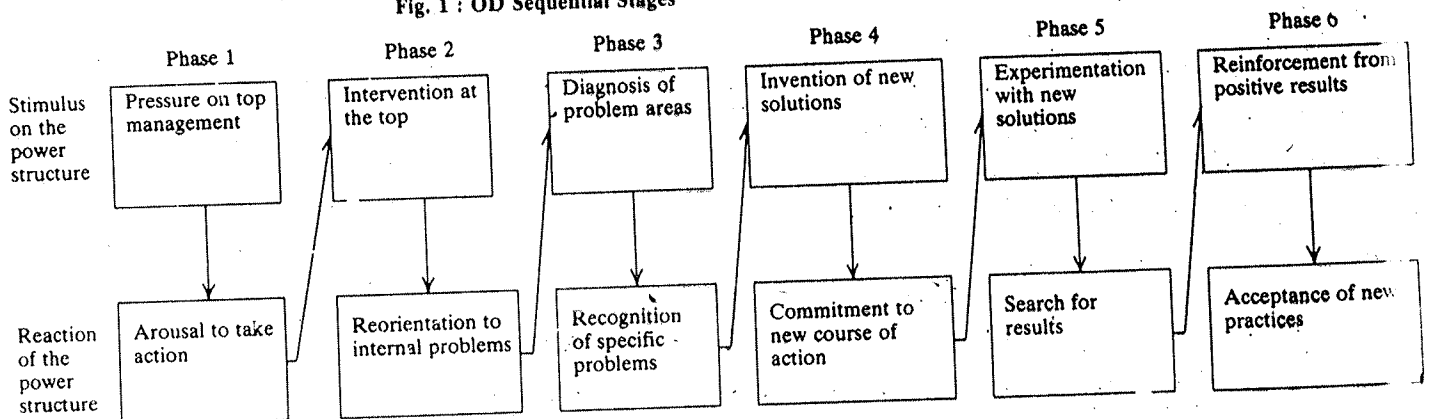
Table 2 Unfreezing-Changing-Freezing Model

Stage 1)	Unfreezing: Creating the need for change, motivating people for change and minimising resistance to change
Stage 2)	Changing: Transition from old behaviour to experimentation with new behaviour in terms of cognitive redefinition through identification (information from a single source) and scanning (information through multiple sources)
Stage 3)	Re-freezing: Stabilising and integrating the change by reinforcing the new behaviours and integrating them into formal and interpersonal relationships and in one's personality

Larry Griener's Model

Change according to this model is in terms of certain sequential stages (Fig. 1). The change process is initiated by external pressure or stimulus on the top management and it is motivated to take action. The succeeding stages of intervention by a change agent are: diagnosis of the problem, invention of a new solution, experimentation with new solution and reinforcement from positive results.

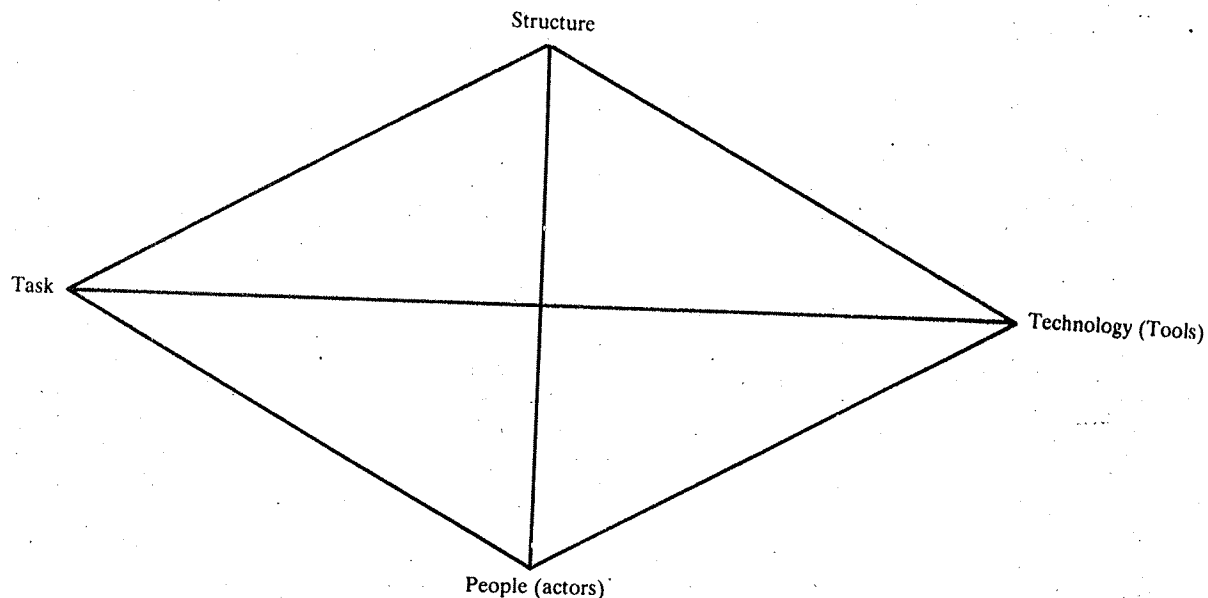
Fig. 1 : OD Sequential Stages



Source: Larry E. Griener, "Patterns of Organisation Change" in Dalton, Lawrence & Griener (eds.) *Organisational change and development*, Homewood III. Richard D. Irwin, 1970.

H. J. Leavitt's model

Leavitt's model focuses on the interactive nature of the various sub-systems in a change process. Organisation is a system of four interacting sub-systems: task, structure, people and technology. Change in anyone of the sub-systems tends to have consequences for the other sub-systems. Hence, OD effort should not only focus on the intended change but also the effects of change on the other sub-systems. Moreover, change can be brought out in any of the sub-systems depending upon the diagnosis of the situation. The planned change may be interpersonal training of the required sort or technological change or structural modification or task modification (Fig. 2)



Source: Harold J. Leavitt, *New Perspectives in organisation research*. John Wiley & Sons, New York, 1964.

Building the Culture of Excellence. What did Culture mean to us at Richardson Hindustan

In Richardson Hindustan, for four years of Organisation development, preceivable change was observed in the C.E. and also in a number of managers as a result of the feedback given.

A number of actions which are called 'interventions' were taken at the top layer, supervisory layer and among unions and workers in the company with equal emphasis given to all these groups of people. In other words, supervisors, union and workers were as high in priority as the other managers.

Monetary compensation, internal promotions and recognition of performance were amongst the first steps that were taken for supervisory and Executive staff. Gradually people were enrolled in task forces, special assignments and projects and for case writing. The live case studies developed were effectively used in training workshops. Emphasis was laid on 'on-the-job' training and slightly diverse work assignments before going into job rotation.

Through formal/informal diagnosis in the environment, it was observed whether a change in the style of work was evident to others.

The real test of whether the company will succeed in moving towards the objectives and philosophy that was stated was in the kind of spirit and willingness that is required in the chief Executive, the principal change agent in the company. In the context, the chief Executive has a kind of restlessness about the exercise and a unique quality of being open to feedback. It was found that changing organisation structure or design will not solve problems of collaboration but genuine support from all functions to an organisational objective will help.

Team Building Workshops

Team building workshops have been conducted in each function and these have helped resolve interpersonal issues and helped arrive at a better understanding between peers, bosses and Subordinates.

Organisation plans which carry career development programmes, succession planning with specific inputs to various executives, is an annual activity conducted with deep concentration. OD committees recommended promotions at supervisory and executive levels. This reduces the inconsistency in assessment/judgement and therefore wrong decision-making about people.

Development of Workers

Training as many people as possible in supervisory and executive ranks in counselling skills was done in development of workers. A model was set in moving industrial relations to supervisory levels and personnel has taken a supporting role than that of front line negotiator.

Supervisory Development

Supervisory group was integrated into management and it was not treated as a different entity. This was made possible by making them participate in several management forums such as strategic planning, communication meetings, negotiations subcommittees for wage contracts, the annual dinner, by changing performance appraisal system to be in line with executives, giving them assignments which call for higher responsibility, permitting access to company information and giving authority for sanctions at shop floor level. Training was given to them through experiential workshops in resolving IR problems on the shop floor. Supervisors were allowed to act on their own and many times condoned their mistakes. Now a worker approaches a supervisor and not be personnel department or the works manager for his problems. Three workshops on IR strategy was held where line management and personnel have participated together.

To sum up a few radical things were done in organisation development and these are:

- a) Made people capable of coping with the reducing uncertainty. Examples : fighting the retail chemists' boycott in 1982 for seven months without disturbing the bottom line; pulling through a year of Advertising disallowance; built relationships with union committees each year and retained the field force identity as supervisors/consumer linkages.
- b) Learn the art of creating change in the environment. Examples : Chief Executive worked intensely for a year with external bodies to impress upon the government to remove the advertising disallowance. Competitive edge over comparable companies to retain the management staff was maintained and stock investment plan was worked for them. Workers are geared up to/discuss simple productivity schemes and sharing gains of automation.

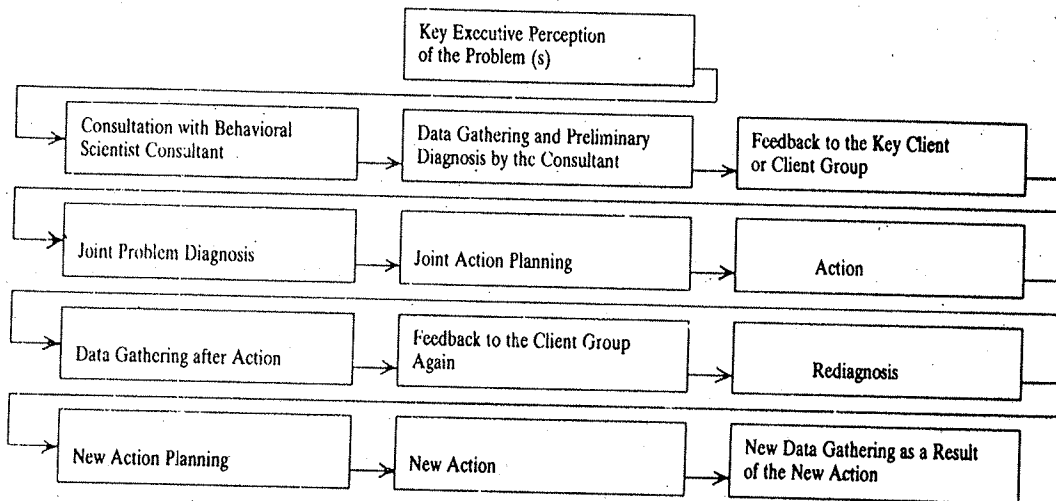
This foundation for a new culture RHL will certainly go a long way in creating an environment of strong people who will meet any challenge with perseverance and commitment regardless of who is the leader and it is motivated to take action. The succeeding stages of intervention by a change agent are : diagnosis of the problem, invention of a new solution, experimentation with new solution and reinforcement from positive results.

Source: Adapted from G.A. Shirodkar. "Building the culture of Excellence : What did culture mean to us at Richardson Hindustan"?—*Managerial Excellence*. August 1985, P.11-15

12.6 OD ACTION RESEARCH PROCESS

The action research process of any OD effort, basically, has the following components or stages (Fig. 3)

Fig III. OD—Action research Process



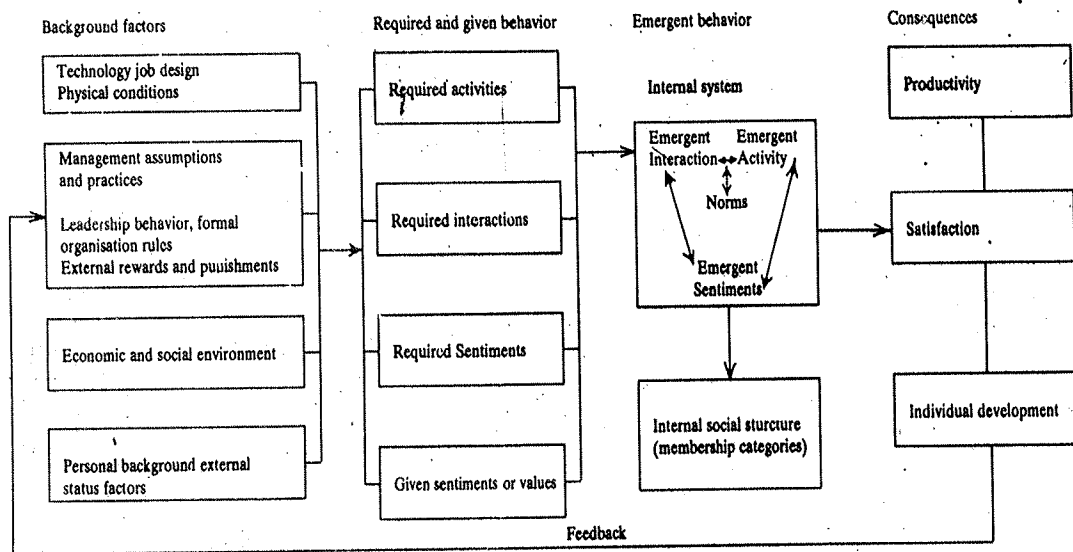
Source: W. French. "Organisation Development Objectives, Assumptions and Strategies," *California Management Review*, 12(1969). P. 26

The OD process starts with the **perception of the problem** in the organisation or a **felt need for a change** at the top management level. This sets the stage for **intervention** by a change agent who may be an external consultant or an internal change agent. The change agent needs to be relatively independent from the power structure of the organisation so that he can be unbiased, realistic and objective in the assessment of the problem. The change agent sets to work by **gathering data** for diagnosis of the specific problems and the organisation's ability to function effectively. Data may be collected either by interview method or Questionnaire method or by a combination of both. Interview may be used to identify the core problems which form the basis for Questionnaire. The latter may be used to collect information from a large number of executives. Data may be obtained with respect to various aspects of the organisation. Data thus collected forms the basis for the **diagnosis** of the organisation problem. The consultant discusses the data with some of the top executives and identifies the problem. He also proposes the next steps to be followed in the OD process and obtains the support of the management for their implementation.

For problem identification certain standard diagnostic procedures may be adopted. Any standardised diagnostic procedure takes into account the following:

- 1) Background variables that include
 - a) structural factors (such as design parameters, technology, working conditions etc.)
 - b) process factors (such as managerial practices, sanctions and reward systems, leadership behaviours etc.)
 - c) employee related variables (like attitudes, expectations, work values, and the organisational environment (the social, political and economic factors.)
- 2) Organisationally required activities that include the process variables and expected employee behaviours.
- 3) The resultant behaviours at the work, process and employee levels.
- 4) Consequences of these behaviours for organisational growth and development and individual satisfaction and development.

A conceptual scheme giving the detailed diagnostic procedure may be noted from (Fig. 4).



Source: Arthur Turner "A Conceptual Scheme for Describing Work Group Behaviour"

The next stage in action research is to prepare the organisation for developmental activities and identify appropriate intervention techniques.

Feedback is supplied to a larger number of executives for their comments. Planned action is confined to a given sub-system level, and greater participation of the members at that level is obtained. Once the data is discussed, problem identified, alternative courses of action evaluated and specific intervention programmes suggested, the consultant plays a supportive role to help the client to be fully geared to the developmental process.

The action intervention stage is the pay-off stage in the OD process. Hence choosing the appropriate intervention, keeping in view the problem, the sub-system and the organisational level, is important for bringing effective change.

After the intervention has been carried out it is necessary to evaluate its effectiveness. This entails gathering data, discussing the information obtained with the client system, checking against the expected outcomes and planning for corrective or remedial actions wherever necessary.

SAIL

In order to improve the production in SAIL an attempt was made to collect feedback from the various sections of industry to identify the problems in the company, opinions and perceptions of people and how they felt that the company was doing and what could be done internally to further improve its operations.

Based on the feedback, the following areas were identified as priorities for action

- 1) Improve work culture
- 2) Optimise use of installed facilities
- 3) Increase productivity
- 4) Generate profits through control of costs, and
- 5) Customer satisfaction.

Improve work culture

The focus here was on team work, communication, discipline and operating consistency.

Apart from seeking a basic change in the attitudes of employees, improvement in work culture also meant building an organisation which had the flexibility and the resilience to accept changes. This meant reduction of the hierarchy and debureaucritization. Less of formal procedure and rules and more accent on results. This led to the conclusion that individual growth and promotions must result from good performance and contribution to the organisation.

Making optimum use of installed facilities

This was possible by better maintenance planning and upkeep of equipment and better use of captive resources.

Increasing productivity

The areas which needed attention were (1) Quality of raw material (2) Adherence to technological discipline (3) Process control for quality enhancement (4) Improvement in productivity through improved performance of the employees.

Generating profits through control of cost

The need to develop cost consciousness as a culture in the organisation.

Providing better customer service

Workshops were held and there was a tremendous effect in the organisation.

- 1) The goals of the organisation were clarified and made know to all. It gave a sense of direction.
- 2) The crisis facing the industry was understood and the need for changes appreciated.
- 3) There was a sense of oneness and participation
- 4) A large number of concrete action plans were drawn up in each priority area. In each unit, a committee was appointed to oversee the action plans drawn up and coordinate the various activities involved
- 5) The workshops created a sense of euphoria which made possible implementation in the units
- 6) This generated a debate in the organisation, and it was here that the basic term around strategy was envolved.

The current strategy is to tune up the organisation and prepare it for playing a Qualitatively different role in future, to improve the structure and culture of the organisation and its capacity to respond to the requirements of the market.

Recruitment

Quality of the employees selected in the company has improved.

Training and development

In the effort to improve the internal efficiency of the company, training and development has a very crucial role to play and the Training and Development organisation is being geared to playing this role effectively.

Communication

Communication systems, both formal and informal have been strengthened.

Incentive schemes have been revised to increase their motivational value.

Organisation

The Organisation is being restructured and the number of hierarchial levels reduced.

Organisational Discipline

There have been significant improvements in absenteeism in all units and in all major departments. Shift changeover delays have been reduced from key departments and time offices relocated. Grievance and welfare systems have received attention and there are improvements in all these areas. Bipartite system have been strengthened and the full participation of all sections of employees/unions and associations obtained to the changes being made. There has been a drastic reduction in overtime.

Appraisal system

One of the first HRD initiatives in the company was the amendment of the Appraisal system for Executives. Initially, the exercise began as a move to amend the promotion policy to make it totally performance oriented. Gradually, it was realised that the promotion policy would not be so changed without having an adequate/acceptable instrument for measurement of performance. This was an important step in the attempt to improve the work culture by convincing employees that their career growth was linked with the performance of the company.

Qualitative changes

Today, the company is still in the middle of the process of change. However, in such a large company changes have not been uniform in all sectors. Over the past few years there have been encouraging qualitative changes in the attitudes of employees:

- 1) There is a greater awareness among officers, workers and associations.
- 2) Communication is more effective.
- 3) There is considerable clarity about goals and objectives.
- 4) Employees have begun to think positively about the company.
- 5) There is higher appreciation that the company works as a whole.

Source: M.R.R. Nair, Major HRD Initiatives in SAIL. 'Alternative Approaches and Strategies of HRD' 13. P. 210-226.

12.7 SALIENT ISSUES IN ORGANISATION DEVELOPMENT

- 1 The OD effort should begin at the top level of the management and permeate the organisation till it reaches the lower levels.
- 2 The external consultant helps in problem identification, problem-solving and implementing action plan without creating dependency needs in the client system. In other words, the external agent helps the client to help himself so that the latter develops ability to function independently.
- 3 The client is either a particular target group or the total organisation. Either of them as the client system has varying implications for OD effort.
- 4 Identifying the needed change depends upon determining the nature and type of the problem within the organisation. This may be done in terms of diagnostic studies that also tap the felt needs among employees. Identifying and defining the problem as accurately as possible is a must as it determines the rest of the activity such as the appropriate intervention techniques, support from the client group and evaluation of the effectiveness of OD effort.
- 5 The change may occur in individual behaviour or organisational behaviour or both. Some of the intervention techniques are applied at individual level, and the others at the organisational level.
- 6 While the earlier approaches have concentrated in individual changes, the present trend emphasises on the holistic approach of dealing with groups or teams. However, there is no one best way to intervene. Hence intervention techniques appropriate to problems at hand should be employed.
- 7 Evaluating the effectiveness of OD programme is as important as identifying the problem and the appropriate intervention technique. Evaluation should be done on an objective basis where the outcomes should be measured accurately and compared to the intended changes as a result of the intervention. Until this is done it is difficult to justify the relevance and value of OD programme.

OD effort:

- is a planned change
- involves the total system
- managed with total acceptance and commitment of the top management
- is designed to improve organisational effectiveness
- makes use of behavioural science knowledge
- is in terms of intervention at the task or structure or technology or people level
- is an ongoing process and a long term process
- relies primarily on experiential learning
- uses an action research intervention mode

12.9 SELF-ASSESSMENT TEST

- 1 Define OD and what are the objectives of OD?
- 2 Examine the nature and scope of organisation development?
- 3 What are the characteristic features of OD? Explain.
- 4 Examine some of the models of OD. Which do you think would be more appropriate for Indian Industries?
- 5 What is OD intervention? Discuss some of the techniques of OD intervention? oriented to 'task' and 'people'
- 6 What are the salient issues in organisation development.

12.10 FURTHER READINGS

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UNIT 13 ALTERNATIVE INTERVENTIONS

Objectives

When you have completed this unit, you should be able to:

- understand what is meant by an OD intervention,
- learn the range of OD interventions and their classification systems,
- learn about a few selected interventions, and
- know about the factors that influence choice of an intervention in an OD programme.

Structure

- 13.1 Introduction
- 13.2 Definitions
- 13.3 Difference between OD Interventions and Traditional Interventions
- 13.4 Classification of OD Interventions
- 13.5 Classification by 'Target' of Intervention
- 13.6 Classification by 'Focus' of Intervention
- 13.7 Target by Focus Interaction
- 13.8 Classification by Strategy of Intervention
- 13.9 Range of OD Intervention
- 13.10 Life and Career Planning
- 13.11 Role Analysis Technique
- 13.12 Sensitivity Training Laboratory (T-Group)
- 13.13 Transactional Analysis
- 13.14 Survey Feedback
- 13.15 Management by Objectives (MBO)
- 13.16 Grid OD
- 13.17 Third-party Peace-making
- 13.18 Confrontation Meeting
- 13.19 Organisational Mirror
- 13.20 Factors Influencing Choice of OD Intervention
- 13.21 Summary
- 13.22 Further Readings

13.1 INTRODUCTION

During the course of an OD programme there are several occasions in the organisation to collect data, initiate action, observe processes and provide feedback. All these activities are planned and carried out jointly between the change agent and client organisation; and in OD language are called interventions. Interventions are the action thrust of OD and collectively comprise the OD strategy in a programme of organisational renewal. A strategy is basically aimed at developing organisational climate, ways of work and relationships that will be congruent with the future needs. Needless to say, specific interventions are designed only after the overall strategy, has been decided based upon a systematic diagnosis.

13.2 DEFINITIONS

An OD intervention can therefore be defined as "the set of structured activities in which selected organisational units (target groups or individuals) engage with a task or a sequence of tasks where the task goals are related directly or indirectly to organisational improvement."

The OD strategy can be defined as an overall plan for relating and integrating different organisational improvement activities over a period of time to accomplish objectives.

13.3 DIFFERENCE BETWEEN OD INTERVENTIONS AND TRADITIONAL INTERVENTIONS

In the traditional sense, an organisation faced with a problem of say, high absenteeism or high turnover, may invite consultancy help to examine the problem. After due study, the consultant's recommendations may be implemented to solve the problem. In an OD intervention, by contrast, the entire process of diagnosis, alternative generation and making action choices, are jointly conducted, and OD will also examine the process of such diagnosis, action planning and implementation. Additionally, by examining various interfaces of the problem, it may lead to examination of management style in the organisation on one hand and selection process on the other.

Thus three basic differences characterise an OD intervention. Firstly, an OD intervention almost invariably will focus on the organisational processes apart from the substantive content of an activity. A traditional intervention would almost exclusively focus on the content. Secondly, an OD intervention would generally focus on a work team as the unit of analysis and change towards effective behaviour. Thirdly, OD would normally view change as an on-going process and would rely on a collaborative management of work culture.

13.4 CLASSIFICATION OF OD INTERVENTIONS

While a wide range of OD interventions is available to a practitioner and a change agent, presenting them all would only lead to an avoidable confusion. Nor can all interventions be used in any one OD programme. Most authors have therefore developed a typology to comprehend the range and applicability of OD interventions. Analysis of these typologies indicates that they are centred around one or more of the following dimensions:

- A. **Target** What organisational segment is planned to be examined and changed?
- B. **Focus** What is planned to be changed? Is it the task system or behaviour etc.?
- C. **Strategy** How is the change planned to be brought about?

13.5 CLASSIFICATION BY 'TARGET' OF INTERVENTION

Change in an organisation can be initiated both at the individual and the group level. Psychologically, there is a basic divide between individual and group behavioural processes. However, advances in psychological research have shown that behavioural processes also differ significantly for a two person group, called a dyad, a three person group, called the triad, a small group of about 12 persons where face to face interaction is possible between all members of a group, and a large group where face to face interaction breaks down. A significant dyad in an organisation is the boss-subordinates two-some. The interaction among colleagues generally exhibits characteristics of a small group, which is also relevant for studying a section or a department. In an organisation, however another aspect assumes importance, that is the study of intra-group and inter-group dynamics. Although all large groups become divided into smaller sub-groups; and an informal inter-group dynamics

emerges, organisations also face a formal inter-group dynamics. The traditional 'love' between marketing and production or production and quality control is known all over. Thus, an OD consultant needs to make a choice as to where he would initiate the activities. Thus organisational segmentation based upon the behavioural processes from individual to large group provide the first basis for classification of OD interventions. While 'Stranger T-Group' focuses on individual behaviour, Family T-Group focuses on organisational group. Figure-1 below presents the organisational segmentation based upon the psychological processes of individual versus group.

Figure 1 : Target dimension of OD Interventions

An Employee	Boss-Subordinate two-some	A section, A department.	Two departments interaction	Total organisation
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Different interventions are available for working with different segments. Role analysis, for example, starts with the individual and moves on to two-some groups for role negotiation. Analysis of objectives can be carried out at any level starting from the individual. While third party peace-making is an example of inter-group intervention, a confrontation meeting is generally at the total organisation level.

It may be noted here that traditionally the focus of OD is generally at the group level, although activities at individual level are also initiated to suit specific needs of a situation.

13.6 CLASSIFICATION BY 'FOCUS' OF INTERVENTION

Just as change can be aimed at a specific organisational segment, it can also be aimed at different aspects of organisational functioning. These aspects include objectives, structures, systems etc. Each organisation has a 'mission' which describes the impact that an organisation wishes to make on its environment and the society. This mission, in a way, provides an organisation the reason for its existence. A mission then gets translated into objectives, tasks and structures. Organisations also set up systems to coordinate and control activities of their members. However, there always remains a gap between organisational requirements and individual needs. Members, therefore, make behavioural adjustments to fulfil their needs. These behavioural patterns of interaction among organisational members are called processes, and are another aspect of organisational analysis. Once again, a variety of interventions are available for each of these aspects of organisational functioning.

Activity A

List down various groups of which you are a member. Note the number of members in the group and its leader.

Group	No. of members	Leader
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

Select one group which is large. Identify its various sub-groups by observing which members generally stay together and act similarly. Identify their characteristics. Observe over time, how they decide on issues.

Figure-2 below presents examples of interventions for various aspects of organisational functioning.

Figure II: Focus of OD Interventions

Aspects of organisational functioning	Interventions
Objectives	Management By Objectives (M.B.O)
Structure	Job Redesign
Systems	Appraisal feedback
Processes	T-Group Team Building

Once again it may be noted that all aspects of organisational functioning are interconnected. Thus intervention in any one aspect will invariably lead to questions about other aspects of organisational functioning just as an intervention in one segment of an organisation is likely to raise questions about the other segments. In OD, these interconnected issues must then be followed up with appropriate analysis and action planning. It is for this reason that OD is considered as an on-going process spread over time.

Activity B

Interview five managers of an organisation. List below the organisation's objectives in as much detail as possible. Identify activities which directly relate to these objectives. Also identify activities, which appear to be non-supportive of these objectives.

.....

.....

.....

.....

13.7 TARGET BY FOCUS INTERACTION

When we put the target and focus of OD interventions together, we get, in a way, a mapping of an entire organisation. As an example, let us take 'objectives' as the aspect of organisational functioning. The objectives which derive from the mission of an organisation can also be defined at the individual, sectional, departmental and divisional levels, thus bringing into play various organisational segments. Similar combinations operate for other aspects of organisational functioning, like structure systems etc. Table 1 below presents the resultant mapping of an organisation using target and focus dimensions combination.

Table 1 Target by Focus Continuations

FOCUS (ORGANISATIONAL FUNCTIONING)	TARGET (ORGANISATIONAL SEGMENT)		
	INDIVIDUAL	GROUP	ORGANISATION
OBJECTIVES	JOB OBJECTIVES	SECTIONAL DEPARTMENT OBJECTIVES	ORGANISATIONAL OBJECTIVES
STRUCTURE	ROLE ANALYSIS JOB DESIGN	ROLE NEGOTIATION WORK REDESIGN	ORGANISATIONAL ROLE REDEFINITION NEW FORMS OF WORK ORGANISATION
SYSTEMS	PERFORMANCE APPRAISAL CAREER PLANNING	WORK PLANNING SYSTEMS	INTER DEPARTMENTAL SYSTEMS MIS COMMUNICATION
PROCESSES	FEEDBACK COUNSELLING	TEAM BUILDING	ORGANISATIONAL DIAGNOSIS

A look at the above table makes it obvious that an organisation's choice of action-points is very wide. A simple four-point division of both these dimensions will yield 16 options or "windows" to the organisation. Any one of these 16 windows can be used to initiate the change process in an organisation. The decision regarding choice of a window to initiate change process, obviously, must follow appropriate diagnosis and will lead to an agreement regarding the scope of future work between the change agent and the client system.

13.8 CLASSIFICATION BY 'STRATEGY' OF OD INTERVENTION

Having defined the scope, we are now ready to develop a strategy for an OD programme. This brings us to the third dimension of analysis, namely design of an intervention. By design is meant the manner in which a change is sought to be brought about in the organisation. Traditional wisdom has it that change can be brought about through rewards and punishment. This, in OD language is called the **power coercive strategy**. However, traditional wisdom also states that people willingly change when they know that change is in their own interest. One constantly encounters examples of people not only agreeing to change, but also seeking change actively. Examples range from a clerk learning computer programming or a manager pursuing an M.B.A. programme. This strategy of introducing change in the organisation is called the **Empirical-Rational strategy**. A third change design aims at the attitudinal and value aspect of human behaviour. Although it admits that human beings are rational, it also recognises that human behaviour is as much a product of his attitudes, values and socio-cultural norms, as it is of rational thinking and cognition. This third strategy therefore aims at examining these behavioural aspects and is called the **Normative-Re-educative strategy**. It may be noted that the third strategy is the distinctive contribution of behavioural scientists and OD specialists. Over time, this third strategy has acquired two distinct foci, These are:

- i) improving problem solving capabilities of the system
- ii) fostering growth of the individuals who make the system.

It may also be noted that an OD programme may use a combination of interventions using different strategies for various facets of a programme. However, the power coercive strategy of punishment is not a favoured strategy for change in OD.

By further extending our analogy of opening a window to peep inside the organisation and bring about change, we can now say that there may be more than one way of bringing in the light. We may, for example, rely on electricity, or just plainly clean the window-glass. To relate the example to OD interventions, let us consider the focus to be on interpersonal behaviour (process focus) of a boss-subordinate team (dyad target) in an OD programme. The change in behavioural processes can occur through rational analysis, using for example, transactional analysis technique, by sensitivity training (a normative-re-educative strategy) or by using behaviour-modification technique (a power-coercive strategy). Figure i.e., 3 below presents this combination of Target, Focus and Strategy dimensions.

Figure III: Target, Focus & Strategy Combination
Target (Dyad)

	Inter-personal behaviour		
Focus (Behavioural Processes)	Behaviour Modification (Power-Coercive Strategy)	Transactional Analysis (Empirical-Rational Strategy)	Sensitivity Training (Normative-Re-educative Strategy)
	Inter-personal behaviour		

On the top side is the target dimension indicating the dyad of boss-subordinate segment of the organisation. On the left side is the focus dimension indicating the behavioural processes in the organisation. The three slots in the window indicate the three choices of strategy outlined above.

Similar analysis can be made for each combination of target by focus window, although not all change strategies may be applicable for each and every window. The point to remember, before we initiate any programme, is that a change in organisation is highly interconnected, and a change or action in any one slot is likely to result in a change in other aspects of organisational functioning.

13.9 SELECTED INTERVENTIONS

A brief description of a few selected interventions is presented.

13.10 LIFE AND CAREER PLANNING

Here an analysis is carried out by each individual of his/her own life and professional career in the context of the organisation in which he/she works. It is designed to help members to control their destinies and life. The process involves examining the past, present and future. The data generated by individuals is discussed in a group.

13.11 ROLE ANALYSIS TECHNIQUE

Designed to clarify role expectations and obligations of individuals carrying out organisational tasks. In the presence of a facilitator, the individuals expectations and obligations relative to others are discussed in a group to arrive at a consensus. Once this exercise is carried out for each member of the group, it is expected that it will lead to reduced conflicts, greater cohesiveness and higher productivity. A related intervention is the *Role Negotiation Technique* whose aim is to reduce conflicts among members arising out of role definitions. Periodic reviews are conducted to take care of deviations and discrepancies.

Standard exercises are available to generate information

A Descriptive Note On Role Analysis : Experience Of Indian Oil Corporation Ltd.

In Indian Oil Corporation Ltd., it was found that role erosions and development of role ambiguity at various levels in the organisation are due to extensive growth in size and intensive change in technology. Then it was found that role analysis is necessary for the change process.

Role analysis provides variety of possibilities. It is used for role clarity, identification of key performance areas, team building, conflict resolutions & behavioural changes. It is also used for systems development and systems integration.

The following exercise was attempted in this company, for the purpose of role analysis:

- 1 Identification of roles.
- 2 Finalisation of role set members for each focal role.

- 3 Bringing the focal role and the role members together in a behavioural skills workshop.
- 4 Asking the focal roles to write down a list of descriptions, what he offers to each role set member, while performing the given role in the organisation.
- 5 Each role member was asked to write down a set of description as to what each one of them expected from the focal role, there by giving shape to a detailed role description.
- 6 They were asked to sit together and come to an understanding between each role set members and the focal role, there by giving shape to a detailed role description.
- 7 The focal person and his boss were asked to sit down together and asked to identify the agreed key performance areas for the focal role, from the role descriptions as emerged out of the discussions between the focal role and the role set members.
- 8 Each role set member and the focal role were asked also to write down a list of critical attributes in the area of knowledge, attitude, skills and habits required for effective performance of any role occupant in a given focal role.
- 9 Attempts were made through discussions to draw a common list of critical attributes for each focal role.
- 10 Each focal role member was asked to set goals for himself on the basis of the identified key performance areas (For the period of action research project).
- 11 The boss, of the focal role member, was also asked to suggest goals for the focal roles, on the basis of the identified KPAs (for the period of the action research project).
- 12 Both, the focal role and his boss, were asked to sit down and discuss to set agreed goals, for the focal role (for action research project).
- 13 The performance, of each focal role, was reviewed every month. At the end, of the action research project, for six months period total review of the performance of each focal role was done.
- 14 Each member was asked to share the experience and learning from this effort.
- 15 A new appraisal format, was used for the purpose of appraisal of the performance of each focal role, for the action research project. The appraisal format was tested for its qualitative dimensions. Each member, of the action research project, was asked to share his experience about the new appraisal system.
- 16 To facilitate the supervisors subordinate relationship and create mutual concern for development, introduced "significant events diary" to be maintained by the supervisor and "self-development diary" to be maintained by the subordinate, on significant events at the work place, to be discussed between the supervisor and the subordinate, for mutual learning, irrespective of whether it was an event of success or failure.

Once the role set member and the focal roles were identified they were brought together for a behavioural skills workshops where issues like communication, motivation, self-development and personal growth, inter-personal relations, group dynamics, inter-group relations, general organisational theories, organisation and environment interface were the subjects of discussions. This was basically aimed at giving our Managers a refresher course to enable them to have a meaningful discussion between themselves in a stress-free manner.

Workshops were conducted and a list of expectations and offerings were written down. After this, role discussions were held. Some members demonstrated exemplary cooperation, adjustment and came to an agreement very quickly. Role analysis, leading to role descriptions and identification of critical attributes and also finalisation of key performance areas and formation of role directories have taken place but in all cases goal setting and appraisal have not kept pace. Therefore a new effort is being taken now for the purpose of goal setting. If the role analysis does not lead to goal clarity actual benefit of role clarity will not be achieved.

Starting from the action research site wherever the role analysis have been done appropriately, substantial improvement in role clarity have been achieved. There is

generally a greater appreciation of each others needs and difficulties. The role of the supervisor as a developer and role of individual to take charge of self-development is getting further emphasised. An element of participation both in goal setting and appraisal system is gradually emerging.

Detailed role directories are being prepared for variety of functions which will facilitate in future for strengthening our other sub-systems for matching persons to role and the role occupants having certain data to start with the moments of transfers and postings.

Though at the present moment main attention is on the processes, as soon as the data generation will be completed the same will be used for selection, induction and placement for career planning and succession planning, for rotation and placement planning, goal setting, appraisal, feedback, counselling and training as well. This will definitely lead to individual growth and development and organisation effectiveness.

Source: P.K. Sarangi: "A descriptive not on Role Analysis : Experience of Indian Oil Corporation Ltd.," Alternative Approaches and strategies of HRD, P. 264-274.

Activity C

Life=Goals Exercise

1 First Phase:

- a) Draw a straight horizontal line from left to right to represent your life span. The length should represent the totality of your experience and future expectations.
- b) Indicate where you are now.
- c) Prepare a life inventory of important 'happenings' for you, including the following:
 - i) Any peak experiences you have had
 - ii) Things which you do well
 - iii) Things which you do poorly
 - iv) Things you would like to stop doing
 - v) Things you would like to learn to do well
 - vi) Peak experiences you would like to have
 - vii) Values (e.g., power, money, etc.) you want to achieve
 - viii) Things you would like to start doing now.
- d) Discussions in subgroups.

2 Second Phase:

- a) Take 20 minutes to write your own obituary
- b) From pairs, take 20 minutes to write an eulogy for your partner
- c) Discussions in subgroups.

13.12 SENSITIVITY TRAINING LABORATORY (T-GROUP)

Also called laboratory training, a T-Group is designed to make participants more aware of themselves, their capacities, and the way they effect others. The group has no pre-planned task or agenda. An expert, often called facilitator, is present who intervenes in the process only to help solve problems which the group is unable to solve. The group can be constituted in many different ways. People coming from different organisations constitute a "stranger" group while a "family" group consists of natural work teams in an organisation.

The desired result of T-Group is effective relationships and resultant benefit to the organisation. A T-Group is an educational intervention and not a therapeutic

13.13 TRANSACTIONAL ANALYSIS

Originally developed as a tool for analysing interpersonal behaviour in therapeutical setting. Transactional analysis became more popular for use in normal day-to-day interactions and organisational settings. Its popularity arises out of its being a non-threatening, practical and an enjoyable way of learning about self and people. T.A. is basically a conceptual model for analysing interpersonal behaviour. Development of self-knowledge comes through analysis of own behaviour with the help of this model. The intervention requires explanation of concepts through instructions, individual self-analysis and exercises for group discussion. An innovative use of T.A. is its application to analysis of "organisational scripts", which make it an OD intervention for use at the total organisational level.

13.14 SURVEY FEEDBACK

A questionnaire based analysis of organisation, to develop an understanding of problems within the organisation and to identify areas or opportunities for change, the survey feedback is one of the earliest interventions of OD. It differs significantly from a usual survey of an organisation as it relies on a larger participation by the client system. The data generated is perceptual and attitudinal in nature. A summary of the results is prepared for group discussions. Generally "feedback" of results is given only to the group which generated the data. Once diagnosis is available, steps are taken to devise measures for resolution of organisational problems. Sometimes additional information is needed in selected areas, which may be further generated. A second survey, after some time, provides a measurement of improvement in the situation.

OD Effort in BHEL, Bhopal

Organisation Development adopted in this company is through phases:

1) Phase I : September, 1976 to December, 1977

Problem identification workshop for senior executives was held and the issues identified were:

- i) Site problems due to failure of our equipment.
- ii) Fall in labour productivity due to withdrawal of the incentive scheme
- iii) Communication gap between Management and Employees Action Steps were to hold training programmes.
 - a) To update engineering knowledge of engineers:
 - b) To improve quality and to develop quality awareness among various levels of our employees.
 - c) To acquaint and familiarise customer's operative and maintenance staff with our products their manufacture, their maintenance problem etc.

2) Phase II : January, 1978 To March, 1980

15 interactions of various levels of our employees with an outside—Consultant was brought by a second type of diagnostic interventions.

The problems identified were:

- i) Communication gap between employees and management.
- ii) Lack of human concern and recognition.
- iii) Faulty personnel policies and dysfunctional role of personnel department.
- iv) Poor and slow decision-making characterised by adhocism.

Lack of team work and cooperation and interpersonal and interdepartmental conflict were also seen as major hurdles to effective functioning of the organisation.

3) This Led to the Following Action Steps Rather Than Training Interventions

- i) Management Employee Communication Meetings for bridging the communication gap and developing better understanding.
- ii) Behavioural science oriented programmes for heads of divisions and supervisors for creating awareness and social skills for effective interpersonal relationships.
- iii) Programme for personnel executives to change the attitude and their perceived dysfunctional role.
- iv) Change of cadre programme for all promotees.
- v) Development of faculty resources in the training department to cope with the increasing emphasis on training in behavioural science-oriented programmes.

4) Perceived Benefits of the Effort

As a result of intensive training and multi-dimensional interventions, a vague sense of change for the better was experienced.

It was at this time that a decision to conduct a survey to find out the effectiveness of the OD effort so far was conceived and implemented through a questionnaire.

5) Phase III : April, 80 to Date

The survey revealed the following strengths and weaknesses of the organisation:

- i) Employees perceived a positive change in the organisation.
- ii) Employees have high sense of belonging and commitment to the unit.

Weaknesses perceived were:

- i) Poor decision-making
- ii) Lack of appreciation and recognition
- iii) Lack of opportunities for growth and development
- iv) Lack of team work
- v) "Affiliation & Control" being the dominant motivational climate prevailing in the organisation.

This phase was initiated by sharing the findings of the survey, initially the HODs and later with all levels of employees through MECOM. The purpose was to focus their attention on the negative and positive aspects of the organisational health and thus create an awareness at all levels.

The major interventions during the second phase were:

- a) Five Team Building Programmes
- b) Six workshops for the Top Management group to review the OD effort
- c) Appointment of Task forces
- d) OD effort in Departments
- e) Development of Internal Resource Persons (IRPs)
- f) Achievement Motivation Programme

Encouraging OD effort had made distinct progress in the areas of:

- i) Openness in interpersonal relations at senior levels.
- ii) Bridging the communication gap by direct interaction of all levels with the top management.
- iii) Mutual trust and confidence.
- iv) Faith in the management's sense of fairness and justice.
- v) Team work, cooperation and understanding.
- vi) Lot of improvement in welfare amenities like schools, roads, housing facilities etc.
- vii) Customer satisfaction—improvement in sequential supplies, supply of shortages/spares.
- viii) General discipline and punctuality.

6) Phase IV : April, 1984 onwards

On the basis of the finding of the April, 1984 workshop the following actions seems to be emerging for the current year.

- i) Intensifying diversification activities etc.
- ii) Development of IRPs
- iii) Feedback survey

The new feedback survey at the organisational level will comprise three aspects:

- i) To measure the changes during the last four years and assess future directions.
- ii) Certain new dimensions will also be added in the proposed new feedback survey.
- iii) In view of the recent structural changes and also to percolate the OD awareness down the line, it is felt necessary to conduct programme for HODs.

In addition to the above activities, a number of new activities will emerge on the basis of findings of proposed feedback survey, which will cover cultural, managerial and administrative aspects. A set of new interventions will be designed accordingly.

Source: V.K. Jain, OD effort in BHEL, Bhopal: Recent experiences in Human Resources Development, T.V. Rao and D.F. Pereira, p. 183-192.

13.15 MANAGEMENT BY OBJECTIVES (MBO)

Designed as a management system of planning and problem solving, MBO is a process of integrating individual and organisational goals. The superior and the subordinate team jointly defines its goals, specify major areas of responsibility, indicate specific results expected in each area, and use these agreements as a guide for assessment and appraisal of results. Viewed as an OD intervention, it provides a

framework for resolving interpersonal and intergroup problems. The goals of MBO approach to OD are: an improved level of performance, meaningful communication and increased participation in decision-making

MBO in Madura Coats A Case Study

Madura mills had all the traditional virtues and some of the usual problems of an old establishment control was highly centralised, sales and distribution systems were inadequate and the information system had become out moded. Introduction of several departments took place owing to its growing needs. These were:

- Quality control
- Production planning and control
- Industrial engineering
- Waste investigation
- Process control
- Standard costing
- Budgetary control
- Data processing

In spite of steps taken to strengthen the management team, the people wanted to know what was expected out of them. 'Management by objectives' seemed to offer a solution to the problems through its principle of involvement of the individual manager in the setting and achievement of his objectives in harmony with corporate objectives—certain benefits from the system were direct answers to the company's needs:

- It was realised that the principal cause of frustration was lack of delegation of authority. MBO provided a vehicle for the disciplined delegation of authority.
- MBO helped clarify and codify the short and medium term objectives of the company, thereby improving planning.
- The control information necessary to monitor the achievement of objectives generated a MIS suited to the company's needs.
- MBO also clarified the lines of authority in the company and eliminated overlapping in the structure. The clarification led to improved communication within the organisation.
- It helped in identifying the problems and difficulties that hindered good performance of both the company and the individual, and also in finding solutions.

Therefore, it was felt that MBO would lead to improved executive performance and ensure a much greater sense of achievement and satisfaction for the individual manager. It was found that an adviser is necessary for the implementation of MBO. The adviser's responsibilities are:

- to communicate effectively MBO knowledge and methods to new incumbents.
- to monitor the progress and improve the quality of the system
- to help the job-holder in drafting objectives
- to integrate objectives within the organisation.

It was decided to implement MBO throughout Madura Mills and proceed from the top down words because:

- the organisation was functionally divided
- the corporate objectives embraced the activities of all functional divisions
- the achievement of objectives of one division, to a very large extent, depended upon the services rendered by other divisions and

- the executive committee did not want to give differential treatment to any particular division.

The first attempt at ascertaining the general reaction to MBO in the organisation and deciding on a plan of action for the continuance and development of MBO practice was made in December 1972 in a two-day review conference.

The following recommendations were made which have since been integrated into the practice of MBO

- The job-holder has all the control information available in his office, Hence, Review Meeting should be held in the job-holder's office to emphasise the fact that it is the job-holder rather than the Boss who is reviewing his performance.
- The job-holder should not only be ready with all the details for the review, but should also be in a position to make suggestions for improving his performance in the future.
- The Boss, for his part, must arrange to provide the job-holder with additional resources as agreed to.
- Action plans need more detailed preparation and more frequent updating.
- It is important that Review Meetings are constructive and forward-looking rather than remaining sessions for recrimination over past failures.

During the fourth quarter of 1976, a review of MBO Practice in the company was taken up. It was found that while identification of objectives was done quite well, the analysis of "How to Achieve the Objectives" was not done effectively.

Work Group Practice

In the second quarter of 1977, yet another review of MBO practice was made, to identify areas for improvement and to take decisions to enhance the impact of the approach. The following major issues emerged:

- Major job descriptions of some sub-managers showed a tendency to describe routine functions and duties rather than objectives. In certain instances, objectives tended to be repeated at various levels.
- Paper work had increased considerably.
- In effect, some of the objectives become operative after 3 to 4 months of the year were over.
- People generally work in groups and have a lot to contribute to one another's performance.

The Surveys conducted in 1978 and 1979, is in the improvement of the quality of analysis in objective-setting and action planning and improvement in inter-group, intra-group cooperation.

The tangible improvements by introducing MBO are:

- improvement in the quality of products
- reduction in waste
- reduction in stocks of raw materials, work in process and finished goods as well as items of stores, spares, dyes and chemicals
- reduction in unfavourable labour variance over standards
- quicker discounting of bills
- improved individual contribution
- improvement in the efficiency of machines, especially critical ones
- improvement in commission charges paid to the banks through more accurate forecasting of overdraft requirements
- Control of cost against budget/standards.

Benefits

- Managers are clear about the purpose of their jobs and the major contributions expected of them.
- Improvement in management information systems.
- Identification of gaps and overlaps leading to changes in organisational structure.
- Improved planning and wide-based participation in the planning exercise.
- Application of task force approach to find solutions to problems which need to be tackled by persons from different disciplines.
- Improvement in inter and intra-group cooperation.

The implementation of MBO has led to a remarkable change in attitude, amounting almost to a 'Cultural Revolution'. The system has been developed to meet the changing needs of the organisation by a process of continuous evaluation and experiment. As a result, MBO has become to a large extent, institutionalised.

Source: Recent Experiences in Human Resources Development, T.V. Rao and D.F. Pereira (1986) P. 401-421

13.16 GRID O.D.

Based upon the 'Managerial Grid' of Blake & Mouton, Grid OD aims to achieve an "ideal" style of management. The ideal style, it is assumed, is the one that integrates task completion and maintenance of good interpersonal relations. The Grid is used to clarify many complex roles and styles in the organisation. A programme starts with the focus on individual behaviour and then moves through a series of sequential steps involving work teams, relationships between groups and subunits, and the total organisational management. The Grid OD programme consists of six phases. These are: Grid seminar, Team development, Inter-group development, Development of ideal strategic model, Implementing the ideal strategy and Systematic critique. Although the technique is a structured approach to OD, it lets the client system take all the decisions. In the words of Blake, "the pathway between the starting point and the goal's completely open. The team is confronted with resolving its own problems of leadership, creating or changing its own norms and standards, testing ways of dealing with conflict, dealing with attitudes towards the deviant, etc." Grid intervention has been reported to improve productivity and organisational effectiveness.

13.17 THIRD PARTY PEACE MAKING

Designed as an inter-group intervention, in Third Party Peace making, the OD consultant acts as a mediator in a conflict situation. The groups in conflict remain separated in the initial phase. The facilitator obtains information from both parties and transmits it to the other party in a manner that he deems suitable. The groups or their representatives come together in the end phase to finally resolve the inter-group problems. The facilitator's intervention to correctly diagnose the situation is important. The actual form that the peace-making process takes depends upon the nature and source of the conflict.

13.18 CONFRONTATION MEETING

Designed as a short-duration intervention, confrontation meeting generally lasts one full day. It involves a series of meetings of managerial level aimed at measuring

health and effectiveness of the organisation. Information is generated with regard to the major problems and their underlying causes. Action plans are also developed for future implementation. The intervention is best used in the face of a crisis.

13.19 ORGANISATIONAL MIRROR

Designed to give feedback to work groups regarding how other sub-units in the organisation view them, Organisational Mirror consists of a series of activities involving a central group called the host or the focal group, which receives feedback and other groups which provide feedback. The aim of this intervention is to improve inter-group relations and increase organisational effectiveness.

Process Consultation (P-C)

Designed to work with individuals and groups to help them learn about human and social processes and to learn to solve problems that stem from such processes in an organisation. Among important processes are: communication, leadership, decision making, roles, norms and intergroup cooperation, and competition. The primary goal of process consultation is to help an organisation solve its problems by making it *aware of organisational processes*, their consequences and the mechanisms by which they can be changed. In a way, all OD interventions use process consultation. However, in PC the primary focus is on processes whereas in other interventions process focus is supplementary to the other foci.

Improving Quality of Working Life (QWL)

Originally designed as an intervention aimed at the modification of the task and work organisation to improve productivity and the quality of working life, the term QWL today is used for describing an approach whose objective is to improve conditions of work and climate in work situations. It, therefore, encompasses all efforts aimed at this objective, while the original intervention is more popularly designated as work redesign and to develop new forms of work organisation. The distinguishing feature of work redesign is its use of participative processes in developing alternative forms of work and organisation.

13.20 FACTORS INFLUENCING CHOICE OF AN OD INTERVENTION

Basically there are three factors that influence the choice of an OD intervention. These are:

- a) Applicability
- b) Feasibility
- c) Acceptability

Applicability

By applicability is meant the potential of an intervention to yield desired results. The minimal requirement would be that it addresses to the basic problem and has a promise of solving it. Beyond this one needs to examine any likely positive or negative consequences of the intervention. Sensitivity training, for example, is known to have had negative individual consequences in few cases. One therefore needs to evaluate the client system very carefully before launching such a programme. Most OD interventions run the risk of heightening skepticism in the organisation, if proper follow-up is not made.

Feasibility

By feasibility is meant the practicality of an intervention in a given situation. Organisations managed and run by joint family systems in the Indian context often lay constraints that tax the ingenuity of an OD consultant.

Acceptability

By acceptability is meant the acceptability of an intervention to the client system. In an organisation where everything has a rule, it is often very difficult for its members to accept an ambiguous situation. Thus any intervention that appears to be bordering on the unknown will be low in acceptability unless enough preparatory work has been done before introducing it.

It must be emphasized here that the actual choice of an intervention is often based upon the intuitive decision of the OD consultant. This is the reason why it is often advocated that a young professional must work as an understudy and a support consultant to a senior consultant for three to five years before he can start OD work on his own.

Human Resource Development in BHEL

In order to develop & improve the effectiveness of the human resources in the Organisation, a committee called 'Human Resources Committee' was first constituted by BHEL in Bhopal in 1976. The committee is the central body and plays the central role in implementation of all OD efforts. With the help of external and internal resource persons, a number of programmes/workshops have been Organised for the development of the members of this committee improving their problem solving capabilities and decision making. The range of OD interventions are described below:

Job Redesign and Work commitment as an OD intervention

In one of the BHEL units (Hardwar) Job redesign was taken up and as an OD intervention in 1975. This experiment was pursued for around 4 years and very encouraging results were obtained:

- i) A more satisfying job, due to increased variety and relief from boredom and monotony
- ii) Personal growth for all, by learning additional skills of other trends and acquiring leadership Qualities
- iii) Reduction in health/safety hazards
- iv) An atmosphere with less tension and jealousy
- v) An improved team spirit and morale resulting in improved communication and human relationship
- vi) Increased self esteem and pride among the workers.

Workshops were conducted and it was found to be very useful and threw up more questions for wider debate and discussions. By using **survey method**, a list of programmes or subjects or themes is sent to various. H.O.Ds who respond by ticking the appropriate ones for their executives. As a result of various diagnostic exercises some critical needs of training and development are identified. The workshops on various themes also give valuable idea of the areas requiring more thrust by way of training and development and specific training and development needs are thus identified.

Based on **role analysis** a draft system with the following objectives has been circulated by the Corporate Personnel for the comments of Personnel/Training (HRD)/Divisional Heads:

- Helping the executives to become more effective in their present and future jobs.
- Enabling the executives to perform at optimum level by determining and meeting their growth needs.
- Helping the executives to visualise their roles more clearly.
- Preventing the obsolescence of their technical and managerial skills.
- Optimising the utilisation of training resources by providing appropriate inputs.
- Facilitating the design of need based programmes and identify the training and development needs.
- Preparing data bank of capabilities required for various positions.
- Facilitating job rotation, career and succession planning.

Once implemented, it will provide a valuable data base for planning, training and development activities and identifying appropriate candidates for programmes.

Performance Appraisal and Potential Appraisal

In BHEL it has remained so far that the role of superior was limited to evaluator or judge and the role of the appraisee was passive. Now the superiors role is being conceived as helper and counsellor and the appraisee is encouraged to become more involved and committed in achieving the objectives.

Performance feedback and Counselling

The need and importance of performance feedback and counselling has been realised. Attempts are being made to cover maximum number of executives in various programme/workshops on performance feedback and counselling to enable them to practice it as an important tool for Human Resource Development. The supervisors also will be covered in such efforts.

Career Planning and Development

Time-cum-merit based promotion was practiced which is able to satisfy the individuals and organisational needs to a great extent. The employees are encouraged and helped to plan a career path. They are liberally sponsored to higher educational programmes in IIMS/IITS. Study leaves are also granted to needy employees and coaching classes are arranged for professional courses.

Job Rotation is being encouraged.

Salient points of the OD efforts at Bhopal are briefly listed as below: Phase I.II.II. & its summary of Efforts Till phase-III 1976-84

- i) Increased openness in international relationships (Senior Level).
- ii) Bridging the Communication gaps by direct interaction of all levels with top management.
- iii) Mutual trust and confidence.
- iv) Increased faith in the managements sense of fairness and justice.
- v) Increased team-work, cooperation and understanding.
- vi) A lot of improvement in welfare and amenities—School, roads, housing etc.
- vii) Improved customer satisfaction (Sequential supplies, spares, shortages etc.)
- viii) Improvement general discipline and publicity.

Phase IV: April, 1984 to January 1986

- i) Feedback Survey

- Top Management W/S with new head (April 84)
- Preparation of feedback survey
- Evolving dimensions of organisational excellence.
- ii) Review of process, following dimensions emerged as prime concern:
 - a) Diversification and new products
 - b) Development and absorption of new technology.
 - c) Marketing strategy at unit level.
 - d) Strengthening the existing products and technology.
 - e) Percolate the OD efforts down below.
 - f) Need of a fresh feedback survey to assess the changes and deciding future directions.
 - g) Continued thrust on development of IRPs.
- iii) Feedback survey
- iv) Series of interactions between the Head of the unit and product groups (May-Aug 1984).
- v) Conducting Survey (Jan-April 1985)
- vi) Workshop on Achievement motivation – Sr. Executives.
- vii) PG labs of IRPs
- viii) Meeting of HRC (April 1985).
- ix) PG labs of IRPs—May 1985.
- x) Top management workshop
- xi) Sharing of data on feedback—Sept. 1985.
- xii) Sharing of data with other—Jan. 1986.
- xiii) Workshop—role of IRPs (Sept. 1985).
- xiv) Implementing OD at department level.

Phase V—1986-87

- i) Top management OD workshop (2 nos.) on product managers concept.
- ii) Sr. Manager's OD workshop (1 no.) on organisational excellence through achievement motivation.
- iii) IRD development programmes (2 nos.)—Personnel growth.
- iv) Achievement motivation programme for E3-E4-organisational excellence through achievement motivation.
- v) MECOMS 7 nos. theme. Excellence through Human Development.
- vi) Sharing Survey findings at deptt. level (20 nos.).
- vii) OD in medical department formation of task forces.
- viii) Publishing (draft) handbook on Managerial Practices.

Organisation development is achieving new heights in BHEL, Bhopal. Some of the striking features have been implemented, are being implemented in other units also. Development of all aspects of the organisational systems has been achieved and the managerial effectiveness has increased many fold. This has been approved at a number of critical occasions. The units, in which OD activities are strong, it has become a continuous process, in other also it has become a common activity. Important objectives in this regard as outlined in the 'Manpower Planning Manual' are:

- 1) Develop/update Human resource information system to provide necessary information for policy making, reviewing, reporting and decision-making on various issues related to Human resources.
- 2) Periodically conduct manpower audit exercise for improving utilisation and effectiveness of Human resources.
- 3) Identify research projects for assessing organisational health, changes in the environment, effectiveness of some interventions or policy decision already implemented and anticipating future problems etc.

13.21 SUMMARY

In this unit we have been mainly concerned with understanding alternative interventions that an OD consultant uses. An OD intervention has been defined as the set of structured activities in which selected organisational units (target groups or individuals) engage with a task or sequence of tasks where the goals are related directly or indirectly to organisational improvement. We also distinguished between an OD intervention and a traditional intervention. The interventions were classified by target, focus and strategy. Brief descriptions of twelve selected interventions were presented and factors that influence the choice of an intervention were discussed.

13.22 FURTHER READINGS

- French, Wendell L. & Cecil H. Bell, 1983. *Organisation Development*. Prentice Hall of India: New Delhi.
- Singh, J.P. 1984. *Organisation Development: Concepts and Strategies*. Indian Institute of Management: Ahmedabad.

UNIT 14 CHANGE AGENTS : SKILLS

Objectives

After reading this unit, you are introduced to the skills required for a change agent and you will be able to understand:

- What a change in an Organisation.
- Who a change agent is.
- How to bring about change in an Organisation.
- Skills required for a change agent.

Structure

- 14.1 Introduction
- 14.2 What is Change?
- 14.3 The Change Agent
- 14.4 Role of a Change Agent
- 14.5 General relations of the Client System to the Change Process
- 14.6 Change Approaches
- 14.7 Change Process : Types of decisions
- 14.8 Success of Change
- 14.9 Skill of a Change Agent
- 14.10 Summary
- 14.11 Self-Assessment Test
- 14.12 Further Readings

14.1 INTRODUCTION

Change is inevitable in the history of any organisations. Organisations that do not change or keep pace with the changing environment suffer from entropy and soon become defunct. Organisations have an internal environment, but exist in an external environment. The internal environment is in terms of the task, structure, technology, social (people) and economic variables, while the external environment is in terms of the larger social, political, economic and cultural factors. To function effectively, organisations have to achieve an equilibrium within the internal variables in active interaction with each other and also with the external environment. However this equilibrium is not static but dynamic. Hence organisations have to modify and change to adapt to the changing internal and external environment. Thus no organisation can stand still and "tread water" for very long.

14.2 WHAT IS CHANGE?

The internal and external environments can be best represented as field of forces operating within and external to the organisation. *Change is an alteration in the existing field of forces which tends to affect the equilibrium.* Modifications in the way certain jobs are performed, changes in rules and procedures, bringing in new technology, alterations in the organisational structure, change in leadership etc., do affect the internal equilibrium. Similarly, stiff competition from competitors, modifications in government rules and regulations, political changes, economic fluctuations etc., affect the organisations' equilibrium with the external environment.

Organisations can deal with these changes effectively by bringing about an alteration or change among these forces (internal-external) so as to reduce tension. This is

possible by understanding the total array of forces operating on a particular equilibrium. Diagnosis and manipulations of the relevant forces is to be in terms of obtaining as much participation and commitment as possible from those directly and indirectly affected by the change. Finally organisational culture must be changed to reinforce and maintain the new equilibrium achieved by manipulating or modifying the forces.

Activity A

What is change? Why should organisations plan for and seek change?

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14.3 THE CHANGE AGENT

To help the organisation adjust to variations in its external or internal environment, change may be brought about by a professional consultant outside the organisation or by managers within. The change agent, hence may be defined as "a professional person who influences innovation-decisions in a direction deemed desirable by a change agency" (Rogers & Shoemaker (1971)). It is the manager's job to introduce and implement a change so that the desired innovation-decisions are effected in the organisation.

Selecting an internal or external change agent is a matter of choice. However certain advantages as well as disadvantages are associated with both the external and internal change agents.

The internal change agent possesses intimate knowledge of the organisation and also managerial powers to legitimise decisions. He may not generate suspicion and mistrust as an external agent does. He might be accepted to a greater degree and have credibility due to his organisational status. However, being an insider he might be biased in his outlook and may not perceive problems in an objective way. On the other hand, an external consultant may be more objective in problem-analysis. He might bring with him more of professionalism. Generally, he derives power from his expertise. Less of polarisation is likely to arise among executives to his ideas and hence confronting cliques or groups are less likely to form. The clients may be more open and less diffident. However, an external agent may not have a comprehensive understanding of the organisations, its people and culture. Some of the external change agents may be more interested in the change itself than in the existing social system—thus leading to some blind spots. Moreover, it is possible that sometimes they may be viewed with suspicion and they may find it difficult to gain acceptance. Hence the external consultant must be able to establish his credibility in the organisation. Initially a low risk venture with a high probability of success gives visibility to the change agent. He should be able to sell the organisation development concepts and also oneself (i.e. his acceptability) by analysing the existing problems in which he could be of help. Gaining entry into the client group depends upon his

ability to interact positively and convince individuals or groups with significant influence within the organisation about the relevance of OD effort.

Selection of an external consultant depends upon the above factors. In addition, the external consultant should be perceived to have (and also have) skills appropriate to the needs of the organisation. The change initiated by him should be maintained by members within the organisation. Hence he should maintain high compatibility with these internal change agents. At the same time he should not develop or foster unhealthy dependencies on the part of the internal agents or the client system. More important, he should not feather his own cap at the expense of the organisation.

Activity B

What is a change agent? It is advisable to have an internal or external change/agent? Discuss

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14.4 ROLE OF A CHANGE AGENT

The change agents come from a wide variety of backgrounds. Personality differences in the agents and wide variations in the client organisations in terms of goals, products, norms, culture and problems make it difficult to delineate what exactly the functions of a change agent are. The role of change agent depends upon the people involved, the organisation and the problem or crisis at hand.

However the change agent is generally said to fill seven roles in the change process (Rogers and Shoemaker, 1971).

- 1 He develops a need for change on the part of his clients. The client system is made to realise the importance and benefits of the intended change.
- 2 He establishes a change relationship with them. The clients feel that the change can be effectively brought about with the help and support of the change agent.
- 3 The change agent is able to identify the problem faced by the client after he diagnoses their problems. He may list them down. Also he is able to anticipate problems likely to be faced by the client during and after the change process and think of ways and means of minimising and remedying them.
- 4 The client is made to feel the need for change. The change is not thrust on him. The client understands the relevance and necessity of change and is willing and supportive of the change.
- 5 A blue print of action for implementing the change is prepared. The support of the client system is enlisted in translating the planned change into action process. Thereby resistance to change effort is minimised.

- 6 Stabilises change and prevents discontinuance. Any change is moving the organisation towards a newer equilibrium from the earlier one. If the new equilibrium is not maintained, the organisation is likely to revert to the earlier equilibrium and the change effort will be a failure, however well planned and executed the change effort is. The client system should be made to realise the importance of this and the new patterns of behaviour have to be stabilised.
- 7 Achieves a terminal relationship with his clients. No change agent can continue to be associated with a change effort too long. At some time, during the change process, the client should feel confident to take over and maintain the change effort. That would be opportune time for the change agent to terminate relations with the client system. There is no undue dependence on the change agent and the client system will carry on the on going activity with confidence.

Activity C

What are the various roles played by a change agent? Discuss.

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14.5 GENERAL REACTIONS OF THE CLIENT SYSTEM TO THE CHANGE PROCESS

Organisations may react in varied ways to a change process. These are:

- 1 The client system may ignore or prefer not to take notice of the change. The managers may feel that the existing system is O.K. They have been managing things in terms of the existing order and hope to do so even in the future. Tradition is respected.
- 2 The client system may resist any change attempt. It prefers the existing system to anything new. This is due to fear that change may give rise to uncertainty, ambiguity and insecurity. Perhaps, the adage that a "Known devil is better than an unknown angel" or "A bird in hand is better than two in the bush" seems to characterise the attitude of the client system.
- 3 A belief in the inevitability of change. Hence adopt to the change with a hope that things would be better.
- 4 A desire to plan for change and to be proactive. Calculated risk and planned change help the organisation to deal with change positively and effectively. If the organisation has to maintain a healthy and dynamic equilibrium in the context of both it's internal and external environment, it must be actively engaged in change efforts directed towards the material, social, economic and cultural environments.

- a simpler technology.
- internal environment characterised by status quo. Personal relationships among members are generally highly valued as ends in themselves.
- a closed system with a minimum of interaction or liaison with outside organisations or people.
- stereotyped roles with more or less rigid patterns of inter and intra-role behaviours. Hence individual members lack ability to empathise or see themselves in other roles.
- a stabler environment or have a greater control over their external environment.
- greater degree of horizontal and/or vertical specialisation of jobs and formalisation.
- lack of favourable orientation to change.

On the other hand, organisations prone for change are characterised by

- Technology that is complex and likely to change or improve from time to time.
- rather unstable or relatively less stable external and internal environment.
- an open system with a greater degree of interaction with external organisations, people or customers.
- social relationships among individuals being more business like or purpose-oriented rather than emotional and affective.
- less of formalisation and horizontal and vertical job specialisation.
- individual members high on empathy and can see themselves from the roles of others.
- basically proactive with a positive orientation towards change.

14.6 CHANGE APPROACHES

The change approaches are varied. A suitable approach is used upon the problems faced, factors internal and external to the organisation and to certain extent on the skills possessed by the change agent. The most commonly used change approaches as identified by Griener (1965) are :

The Decree approach: The boss decides. It is a unilateral authoritative announcement of the required behaviour or change issued by a person with formal authority.

The replacement approach: It is removing the stumbling block. Organisational personnel in significant positions who directly or indirectly resist the intended change are replaced with new people who believe in the desired change.

The structural approach: Certain desirable changes are brought in the organization. Consequently the degree of responsibility and role-set relationships of certain focal persons change and may lead to better resolution of problems.

In *collective-innovation decisions*, intended change decisions are arrived at in terms of participation and group consensus. Because of employee involvement in decision making and since decisions are viewed in the context of individual differences in outlook, problem analysis etc., participants are morally bound to execute plans they have agreed upon.

Most often, the decision making body in an organisation is different from the implementation body. Those who make decisions tend to be in the strategic apex or the superordinate power position in the organisation while those who implement the change decisions are at the middle or lower levels. Because of less authority and power, the latter group conforms to the change decision. Decisions of this nature are termed as *authority-innovative decisions*.

The Change Process

Any change is an innovation (decision) process involving the individual and the social systems. This process includes four phases:

- 1 Knowledge
- 2 Persuasion
- 3 Decision
- 4 Action

The first phase relates to organisational members becoming aware of the desired change. What is perceived as a desirable change, the members should be willing to adopt. Persuasion is the second phase. It is essentially an attitudinal change affected in terms of any of the following strategies:

Empirical-rational: The change is proposed in a way that satisfies their own rational self interest i.e., they stand to benefit by the change in some or the other way.

Normative-re-education: Individual behaviour is based on existing social and cultural norms and the extent to which one has commitment to these norms. Any change necessarily entails change in the normative orientations in tune with the change efforts.

Power : Personal and positional: The internal change agents may use their positional power to induce commitment to intended change through either their reward power or coercive power. The external consultants and also the internal agent may bring a change in the desired direction by either their personal charisma or expertise.

Following the persuasion stage, decision is made on action to be taken. Consequent upon the action and depending upon its outcomes, decision is made either to continue or reject the earlier course of action (refer Figure 2.)

Any decision for change is evaluated against certain parameters. Firstly, what is the advantage of the change over the existing state? Secondly, is it congruent with individual expectations and norms and values of the organisational culture? Thirdly, is it simple or complex to comprehend and implement? fourthly, can it be tried in a limited way to have a first hand experience of its utility? And lastly to what extent the outcomes or benefits of the change is observable by others?

Any management strategy for change must take into account all the above aspects.

14.8 SUCCESS OF CHANGE

The success of change efforts depend upon (Judson, 1966)

- skill in identifying and analysing the objectives of change and those problems requiring solutions.

- skill in devising successful methods to accomplish the objectives and solve problems.
- skill in enlisting the support of people involved and affected by change for the objectives and also the methods of change.

A change effort makes a lot of demands on the change agent. More so if the change has to be successful. What skills should a change agent possess? Basically, he should possess cognitive skills-conceptualisation, evaluation and appraisal. He should have action skills to play successfully the roles of a change agent such as consultant, trainer, counsellor, facilitator etc. He should be able to establish effective liaison between the change agency and the client system (Figure 1). In addition, he must have the ability to understand people in terms of their explicit and implicit communications.

To be successful the change agent should be able to:

- have confidence in the intervention process,
- trust his own skills and experience of reality,
- deal with ambiguity and situations of conflict in a proactive manner,
- tackle any resultant stress appropriately,
- reduce discrepancy between his ideals and actual behaviour,
- decrease his need for, and dependence on formal power,
- cognisant of his impact on the client system,
- generate trust in the client system.

Figure 1: Change agent as a linkage between change agency and client system

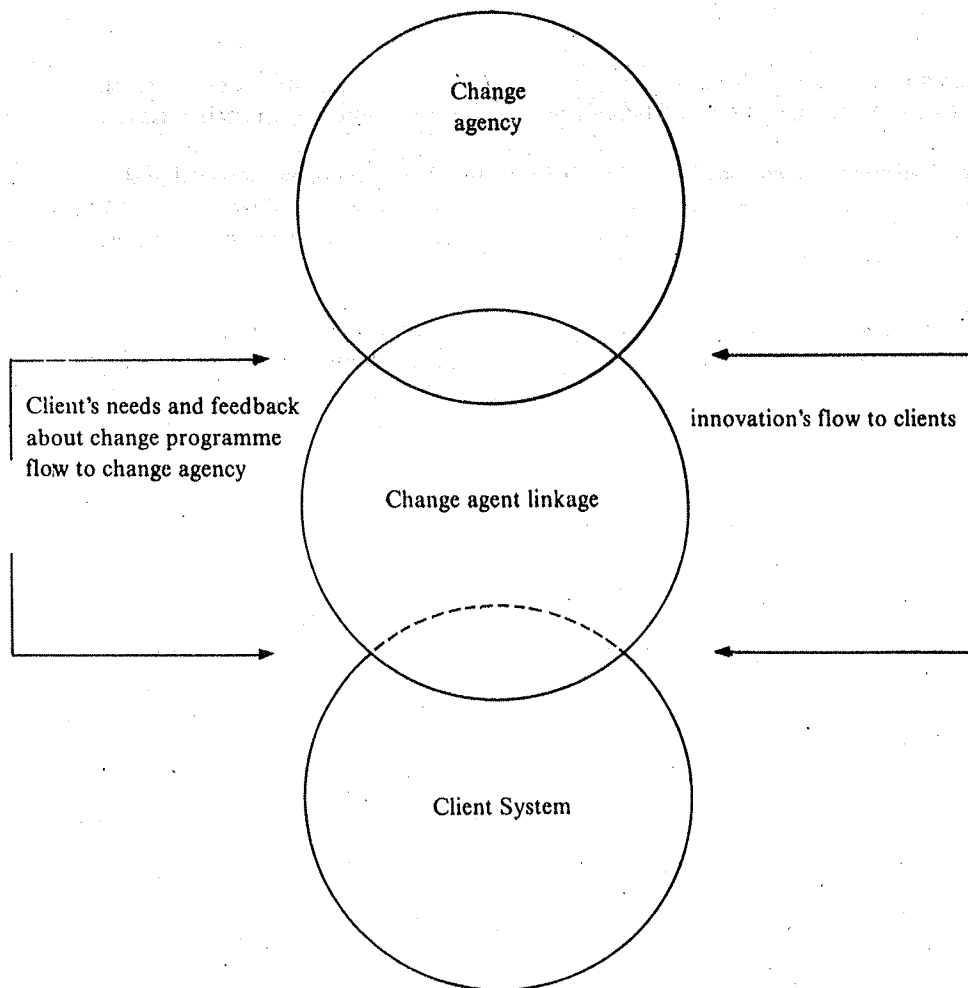
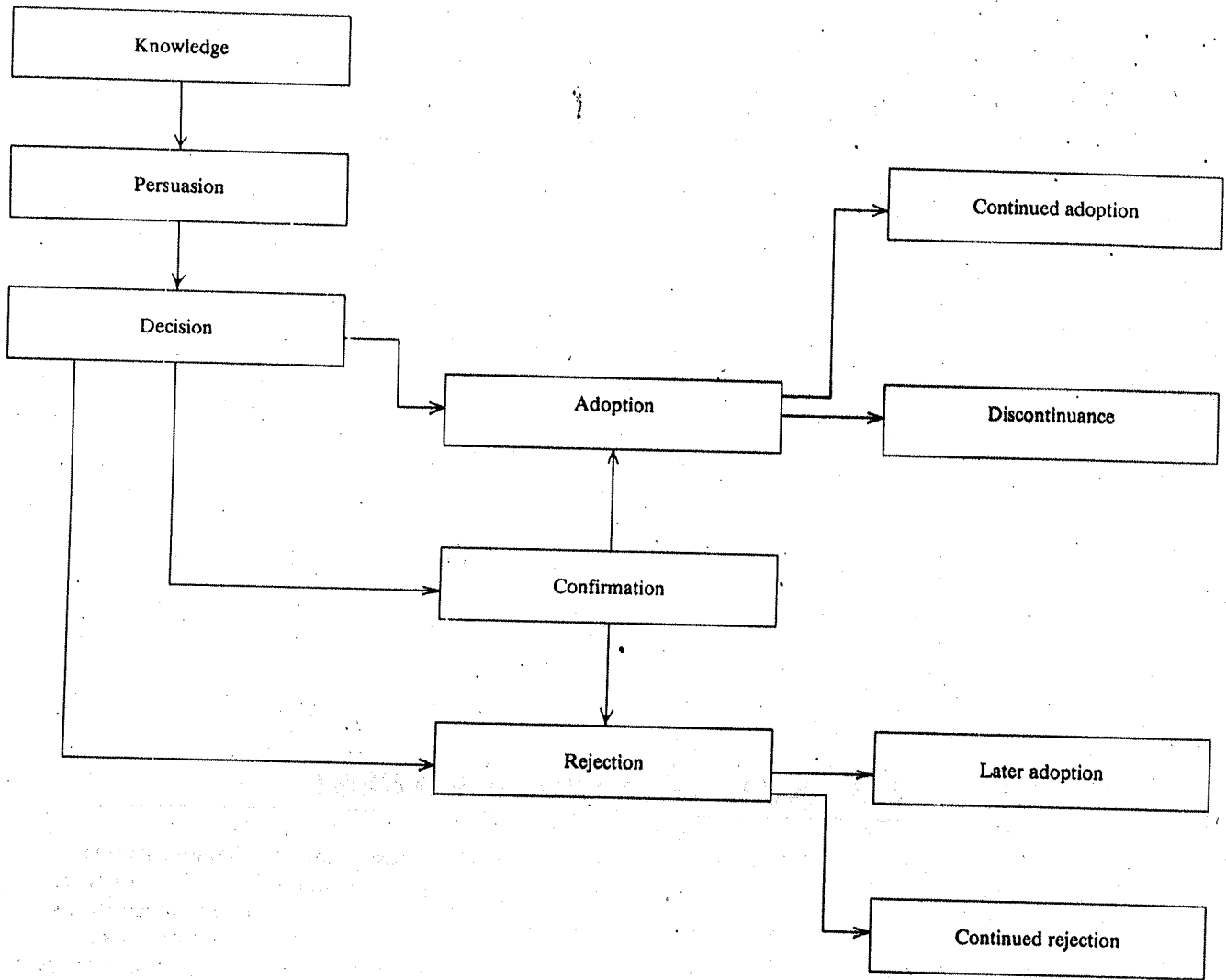


Figure II: Innovation-Decision Process



Source: Rogers, M.E. & Shoemaker F.F. *Communication of Innovation : A Cross-Cultural approach*, New York. Free Press 1971.

Activity E

Discuss the different phases of the innovation decision change process.

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- He must be able to anticipate the degree of willingness among clients to the intended changes.

Evaluation

The change agent should possess skills of assessment or evaluation. He should be able to assess the client group in terms of its nature, expectations and internal dynamics. He should be able to use the appropriate methodology to obtain feedback about the client's problems, expectations and felt need for change as well as the utility of the evaluative measures. Specifically the required skills of evaluations are

- determining the size, character, structural make up of the client group.
- determining the degree or extent of felt need for change.
- skill in using diagnostic instruments appropriate to the problem, such as: surveys, rating scales, observation etc.
- evaluation of the problem, causes etc., on an objective basis and not in terms of one's own likes and dislikes.
- diagnose of causes of failure and perhaps success also.
- identify the methods of change the clients believe as appropriate.

Action Skills

The change agent plays the roles of a consultant, counsellor, facilitator, trainer etc.

As a *Counsellor*, he should possess skills, such as:

- making catharsis possible if it is to be a starting point for a change process (catharsis refers to giving an opportunity to the client to give vent to his feelings, in other words 'unburden his heart').
- helping the clients examine their attitudes, expectations and motivations.
- dealing with the client's ideology, myths, values etc., wisely and effectively. Any intended change should be in consonance with the client's expectations, value system etc. Otherwise resistance will develop to change efforts. The change agent should orient the change effort in such a way that it fits with the client's frame of reference.
- clarifying the nature of relationship and inter-dependence between the client and the change agent.

The change agent, as a *facilitator*:

- raises the level of aspiration of the clients. These aspirations however, should be realistic. The change effort should be perceived to have a reinforcing value to the client's increased aspirations.
- develops an awareness of the potentialities of the change, thereby developing positive expectations towards change.
- creates willingness and a sense of responsibility to engage in the change, thereby enlist their active participation.
- encourage them to use a step-wise plan and also have patience in its execution.
- develops an awareness of possible sources of help in the change activity.

The change agent, as a *consultant* is required to:

- make a step-wise plan. The change is in terms of a number of stages or steps, one leading to another than something that is sudden or drastic.
- make use of appropriate techniques or methods to arrive at group consensus.
- examine decisions in terms of their 'pros and cons'.
- evaluate the progress made at each of the stages and determine what has been achieved and what yet to be achieved etc.

- build and maintain morale and team-spirit of the clients during the change efforts.

The change agent, as a communicator is concerned with the spread of change information and the ultimate adoption of the change by the 'client's' system. He should have the necessary persuasive skills to enable the client system realise the need for change and the importance of the change to organisational effectiveness. Since spreading change information is in terms of a multi-step information flow, the consultant should be able to positively influence the opinion leaders at the different organisational levels. His ability to communicate effectively can be gauged in terms of the extent to which he is able to enlist the 'client's' support for the intended change and create in them the responsibility to participate and implement the change effort. To be a successful communicator the change agent should:

- be clear as to what are the goals and objectives of each of his communication attempts.
- develop his communication plan so that it is consonant with the clients needs, attitudes and belief system.
- be persuasive to minimise rejection without giving the feeling of forcing or driving one's ideas on the clients.
- obtain feedback to determine the effectiveness of communication from time to time.
- make strategic use of informal communication networks so that the formal change efforts are supported and not resisted.

Activity G

Discuss the skills that a change agent should possess under the following categories:

- Cognitive skills
- Action skills
- Communication skills

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14.10 SUMMARY

In this unit, it has been stated that change is possible internally and externally in an organisation. As such, an organisation requires a change agent. The role of a change agent is to make people aware of and adapt to the changes. Different change approaches and processes a change agent should possess have been described. We have also explained the skills required for a change agent.

14.11 SELF-ASSESSMENT TEST

1 If any change attempts have been made recently in your organisation (within the last five years), collect detailed information on the following aspects:

- the change agent involved. Is it an external change agent or a member within the organisation?

- where the change has been attempted? Is it with reference to the task, structure: technology people or procedural variables?
 - the change process as such.
 - resistance to change, if any and how it was overcome?
 - the result of change effort for organisation effectiveness.
 - could the change have been carried out in a better way?
- 2 Keeping in view the needed skills by a change agent, suggest a suitable training programme, with regard to the content, methodology etc. for employees within the organisation.

14.12 FURTHER READINGS

Bennis, W.G. Benne, K.D. & Chin, R. (eds.), 1969. *The Planning of Change*. Holt, Rinehart and Winston : New York.

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UNIT 15 CONSOLIDATION AND FOLLOW UP

After studying this unit you should be able to understand:

- change Implementation
- factors influencing change Implementation
- restraining forces affecting Change Implementation
- inducing forces of Change Implementation
- follow up of change effort
- consolidation

Structure

- 15.1 Introduction
- 15.2 What is the implementation?
- 15.3 Process of Change Implementation
- 15.4 Change Implementation: restraining forces
- 15.5 Change Implementation: building up inducing forces
- 15.6 Implementation process: stages
- 15.7 Follow up
- 15.8 Consolidation and Standardisation
- 15.9 Summary
- 15.10 Self-Assessment Test
- 15.11 Further Readings

15.1 INTRODUCTION

We have earlier discussed in units that organisational change may be brought about in terms of an attempted change in any of the organisational components, such as structure, task, technology and people. The models and methods of bringing organisational change and the role to be played by the change agent have also been discussed in the preceding chapters. The focus of the present chapter is on how to implement the intended change, follow-up of the change effort and consolidating the change.

Once a formal decision is made concerning the intended change and the series of actions associated with it, the next concern is how to implement the change.

15.2 WHAT IS IMPLEMENTATION?

Implementation is a sub-process of the change effort. It concerns with establishing or adopting certain policies, programme and procedures to facilitate the achievement of certain goals which are the expected outcomes of change effort. However, implementation is not an easy process. It can be complex and also there could be obstacles depending upon the nature and type of change.

Factors that affect the effective implementation of 'change' are:

- The sub-system:** Where change is attempted. That is to say whether the intended change is with regard to the 'task', or structure or technology or people sub-systems. Implementing change in technology is more complex and difficult than change in how a given task is performed.
- The nature of change:** Is the change concerned with a specific issue or general issues. Does the change involve an element of the sub-system or the total sub-system itself? eg. Where the intended change is with regard any of the activities performed of a given task such as change in a procedural aspect, implementation is simple and employee resistance will be less. However, change

in the total task itself, as in the case of enriching a job, tends to be relatively complex and difficult.

- c) **Commitment to change:** Are people convinced about the intended change and the change process both at the planning and execution levels. A well conceived change may end up in failure if people are not fully convinced about it. Those at the top may consider the change as relevant and needed but that alone is not sufficient, until those who implement it are also convinced about it.
- d) **Adequate resources and support systems for change implementation:** Sometimes a well planned change may not be successful due to failure to plan for contingencies and resources, and consequences for related sub-systems. Moreover, there may be certain pitfalls, lacunas consequent upon the methods used to actualise the change.

Activity A

Define the concept of change and change implementation.

15.3 THE PROCESS OF CHANGE IMPLEMENTATION

Implementation of change is facilitated if the involved sub-system or the total system is geared up for the change effort. The system tends to be conducive to such an effort, when the change is perceived as:

- beneficial to the employees in the unit and they are involved in the change process.
- not having negative consequences for the other sub-system and does not affect inter-unit or interdepartmental coordination and cooperation.
- resulting in improvement in unit's performance in terms of a better product, or a procedure, or a better design etc.
- improving one's own performance without undue demands.
- contributing to one's own development whereby one is able to acquire more knowledge, better job skills etc.

The change implementation process would be effective, if the restraining forces are weakened (refer to Lewin's model in the unit 12 on organisational development) or eliminated and inducing forces are increased. The benefits that the employees are able to perceive as either the direct or indirect outcomes of the change (as referred above) act as inducing or driving forces. What are then the restraining forces that hinder the implementation process.

Activity B

Examine the process underlying change implementation

15.4 CHANGE IMPLEMENTATION: RESTRAINING FORCES

Where the change effort is simple and specific as in a procedural modification, not much of employee resistance is involved. However, if the modification is perceived as eroding his authority or autonomy he may be averse to the change. This discontent may not find support with his role set, if they find the change conducive to unit's functioning and not affecting their own work. In a particular organisation a marketing manager had discretionary powers to spend certain amount of money which was reduced following certain procedural changes. Though this made the manager rather unhappy, his role set members, however found it quite necessary as an 'economy' measure. The manager's discontent did not find support with others and after sometime he realised the change was an organisational necessity and not an affront to his authority.

When change goal is general or complex, it is prone for various interpretations. At the planning stage, the goal may be clear and acceptable. But when it is being implemented and as the plan unfolds itself at each of the stages of the action process, people come to know of it more specifically and new problems are likely to arise which were unanticipated hitherto. More so, when a change goal is complex, details of implementation and how people perceive the stages of implementation in terms of consequences for their work or interpersonal behaviour cannot be sufficiently worked out in advance.

In a particular department, the faculty felt that the students were not involved in the classroom instruction. There was high absenteeism in some of the classes. It was felt almost unanimously that the syllabus should be made more challenging and demanding by loading the syllabus, implementing the case study method in a heavy way and redesigning the question papers both in structure and in the choice of answering. However, the whole programme failed in its implementation stage. There was resistance among some of the faculty members. They resisted as revamping the syllabus would mean more work load to them, which they did not realise earlier. The old syllabus was easy to teach as they had been teaching the same topics for quite a number of years and revamping would mean more demands on their time and extra work. Others opposed the additional inputs by case study method on grounds such as; cases developed in our country were few, there were not sufficient number of cases in all the course subjects, teachers were not trained in the case method, it is not the only best method of teaching and so on. Curtailing the choice of answering in examinations, was felt by some others to open up a Pandora box. Students may not accept as they had enjoyed the privilege of having more than 50% choice for many years, and they may make a hue and cry about it which may not be palatable to higher-ups in the administration, until the latter are prepared to handle the problem.

Though every faculty member and even some of the students realised there is a genuine need to bring about changes in curriculum, however at the implementation stage the programme failed. It is almost more than 5 years since the change programme was initiated but yet hardly any change has occurred in the intended direction.

Any effective change needs adequate organisational support. Implementation of change in any one sub-system i.e. task or structure or technology or people has repercussions or implications to the other sub-systems. The implications may be direct or indirect. For example, bringing in new technology has implications for the task, where the task may be redesigned or undergoes modifications in the way it is presently performed. People who perform the task have to be trained to acquire certain new skills or those with required skills may have to be recruited. The existing work groups may have to be reshuffled or new work groups may have to be formed which are likely to disturb the formal and informal relationships among the existing work groups. Existing departments may have to be modified or new departments set up, resulting in redefining and redesigning the present organisational structure.

15.5 HOW TO FACILITATE CHANGE IMPLEMENTATION: BUILDING UP INDUCING FORCES

A strong supportive force for change implementation is the felt desire for change among those who implement it and those who are likely to be affected by the change and secondly agreement as to the objectives, plan and programme of the change process. A participative approach, needless to say, is best to obtain the commitment of the critical and other important actors for the implementation and maintenance of change. The goals and objectives are more likely to be understood clearly and endorsed by the critical actors and the others, when discussed together. Resistance to change will be less and the group morale is likely to be better. Unexpected turn of events during implementation may not unduly discourage the actors and in fact participative approach may prepare them to tackle such events.

Hence, we might as well consider that when implementators understand the importance of change, the change plan and process and what is expected of them, we have strong supportive forces for change to occur. But that is not all. The implementors have to be trained in the implementation process. In the earlier instance, though the faculty members felt the need to use cases, yet the case method could not be implemented as some of them were not trained to write cases and handle cases as a method of instruction.

Activities in the direction of implementation have to be positively reinforced. This is where suitable incentives either monetary or non-monetary may be used. Successful activities have to be brought to the focus of others and they may serve as models for others and preserve the zeal and enthusiasm during the entire period of change. Reinforcement of expected behaviours are necessary as commitment is likely to shift from time to time due to changing forces and pressures.

Providing supportive leadership is yet another inducing force. The manager should be equally considerate and have initiative. Depending upon the maturity level of the subordinate he should be able to plan, define and organise the work of his subordinates regarding change implementation. Also he should be considerate, understanding and able to recognise problems from the view point of the implementors. He should be able to motivate them to accomplish their tasks and help them overcome any frustrations experienced in change implementation. In other words, he should be perceived by others as a positive force and as one committed for the change. He should be a team builder and arouse participation among members thereby ensuring their commitment to change implementation. As a leader he is expected to play the following roles:

a) **Change advocate:** i.e. persuade others to accept the change idea. This he may do by bringing a change in the cognitive or affective dimensions of the employee's behaviour. Change in the cognitive dimension can be brought about by logical analysis or rational presentation of the benefits of change. Affective change is possible by involving the person in the change process or by providing opportunities to experience initial benefits from the change. Since cognitive and affective dimensions are closely related, a change in any one in the desired direction brings change in the other also.

b) **Change interpreter:** The leader should be able to interpret the change and its consequence to those who work with him. He should not only be proactive but also able to influence others to perceive the change positively. He should provide an objective measure of change and its benefits.

c) **Trouble shooter:** The manager should be able to anticipate the problems likely to arise in change implementation. Where problems arise, suitable assistance and supportive leadership has to be provided. Certain barriers are likely to arise from time to time. They may arise from objective factors or subjective factors. The objective factors are in the external environment in organisational practices, procedures, interdepartmental cooperation etc. The subjective factors are in the

member's perceptions of events, outcomes of change effort and personal biases. The subjective barriers may be overcome in terms of educating the employee about the change effort, involving him in the change process and providing supportive leadership wherever required. The organisational snags may be minimised by certain structural modifications, procedural changes and developing interdepartmental collaboration.

Feedback from time to time concerning progress towards the intended change, acts as an inducing force. There is enough psychological evidence that knowledge of results is a motivator of behaviour and incomplete tasks are better remembered than completed tasks. The change effort is to be monitored from time to time by utilising formal mechanisms to chart and oversee the progress of the change. Network techniques such as PERT, CPM can be employed for monitoring change implementation. An MBO approach to change implementation, wherein each role incumbent plans his role in consultation with his superiors and colleagues, and prepares a blue print of his activities, helps him to understand the relevance of his role to the total change effort and also to monitor his own progress periodically. By such an approach the individual's responsibility and accountability is clearly fixed, apart from, being involved in the change effort.

Organisational concern and effort to reduce stress arising out of change process is always perceived as a positive force by the implementators.

As the change programme is often gradual and in phases, implementing earlier phases might result in stress at the latter stages. The implementators should be able to cope with the stress, otherwise frustration may build up and interest may slacken. The superior should possess the skills of a counsellor and facilitator. Disagreement among the implementors should be sorted out and conflicts should be managed in a collaborative atmosphere. Where conflicts are of a serious nature between any two role incumbents, demarcation and creation of sharper role boundaries will help to minimise the incidence of conflicts.

Another supportive force for change implementation is effective communication. More often than not, a change is not properly implemented, as the implementor is not clearly aware of what he is expected to do. Rapport has to be built with and among those involved in the change process and one should be made to be clearly aware of one's own duties.

Adequate functioning of the existing communication network has to be initially analysed. A number of methods are available for this purpose such as residential analysis, participant analysis, duty study, cross section analysis and ECCO. They have been already discussed in the unit 12 on organisational development and the student is advised to refer to that unit.

Distortion in communication arises when there is 'noise' in any of the links in the communication chain. Noise can be minimised when what is to be communicated is determined beforehand, the message or information is clear and specific, appropriate channels are used and the receiver is already turned to the message that he is expected to receive.

Frequent interaction among those engaged in the change process, use of both formal and informal channels and periodic feedback help in managing the implementation of change. High level of feedback reduces noise or distortion and immediate feedback contributes to increased clarity and better control of the ongoing process.

Formal communication may be facilitated by regular reporting procedures, frequent meetings within and among specific task groups.

To support the change implementation, necessary organisational structural changes have to be made. The changes may be in terms of decentralisation, setting up task groups or committees, formalisation, standardisation etc., contingent to the situational necessity.

While we have discussed some of the relevant inducing forces for change implementation, the list is suggestive and not exhaustive.

Activity D

Think of a change which may have been introduced in your organisation. How was it implemented? Did the implementation process follow some of the ideas mentioned above?

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15.6 IMPLEMENTATION PROCESS: STAGES

Any change implementation has to be gradual and drawn over time in gradual and sequential phases. Change cannot be hurried upon. Swift action poses problems of being pressed too far too fast, and implementors may complain of work overload, work stress etc. However, this does not mean that change should be slow. There are certain phases and situations where swift action is perhaps necessary but it should be balanced against the cost of appearing to jump the process and causing stress or work overload.

There seem to be certain stages in the implementation process in terms of the attitudes and behaviours of the implementors. The first is *Honeymoon period*, where the necessity of change is felt and the change plan is considered desirable and there is zeal and enthusiasm among people for the change effort.

As the change plan gets implemented, the implementor gets to know the real demands made upon him and his work, reactions of others with whom he has to interact and comments and criticism from those who do not tolerate deviation from their habitual work patterns. This is the *reconsideration stage*. Negative forces gather around and the implementor has to deal with them before they gain momentum and stall the change. Faith in the change effort is essential for the implementor to withstand these negative forces.

Persuasion is the third stage where the implementor has to win over the confidence of the others. This is possible in terms of persuasive communication, focussing on the attractive aspects of change, building up expectations about the likely problems to be encountered and how they can be overcome, and developing resistance to negative forces by inoculating against them.

The fourth stage is ensuring more **commitment** to change. Behaviours in the direction of intended change effort have to be positively reinforced. Those involved in the change activity have to be clear in their mind that gains or benefits are not immediate but delayed. While negative forces crop up early, employees should have the patience to wait for the desired results. It is also necessary to monitor the change effort at each of the stages by setting up a time table for evaluation and taking corrective action whenever required.

The change effort that is implemented has to be consolidated, otherwise advantages of change may be vitiated. When a change is to be introduced, the unit or the organisation has to be tuned to it. Once the change is introduced it has to be frozen or consolidated, failing which the organisation may return back to the pre-change equilibrium. However, before the beginning of freezing or consolidation process, it has to be checked whether change has realised its original purpose or has caused any negative consequences.

Activity E

Examine the ways and means of building up supportive forces for change implementation.

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15.7 FOLLOW UP

The follow up of change is usually in terms of employees' opinions and attitudes about the change, and differences in performance and work-related behaviours. Attitudes may be measured in terms of formal interview or informal discussions or specifically constructed attitude scales. Indirect objective measures could be: absenteeism, tardiness at work, punctuality, performance etc.

15.8 CONSOLIDATION AND STANDARDISATION

Any change activity inspite of its positive advantages may have certain disadvantages or negative consequences. Consolidation of change requires minimising if not eliminating the disadvantages and sometimes even learning to live with certain difficulties. Change process should be ingrained in the organisation fabric. This may be done by ensuring that the change is perceived as contributing to both the employees and organisational needs. Not only the change should be visible but also its benefits. Where it is not felt, perhaps, the need for change should be created.

Consolidation of the change makes certain demands on the change agents or those who implement the change. Their behaviours should not be inconsistent with the change activity. As aspects of new operations become fixed, rules and regulations are specified, job requirements are made clear they have to be focussed upon and highlighted.

Consolidation of change can be achieved in terms of formalisation and standardisation-formalisation of rules and procedures and standardisation of work process and the individual. Standardisation of the individual is in terms of training the individual so that the new behaviours are internalised and become a part of his behaviour.

In standardisation of the work process the new work relationships or work patterns are made a part of the existing patterns. Consolidation is much easier if change is perceived as a part of the existing order.

Standardisation should not be premature. If premature it may boomerang. Once distrust or negative attitude is built, it is very hard to consolidate the change. If change is delayed, the expected benefits or outcomes may not accrue or accrue partially alone. Some amount of trial and error is necessary, but the intention should be to maximise the potential of change.

Activity F

Examine some of the methods and techniques available for a follow up study of change implementation.

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15.9 SUMMARY

The change process, thus involves.

- identifying the need for change
- designing an appropriate solution
- preparing a blue print of the change process that can best achieve the desired results.
- seeking and winning its acceptability and adoption
- implementing the change
- follow up of the change process, and
- consolidation of the change and standardising the change process.

Activity G

Discuss how a implemented change can be consolidated?

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15.10 SELF-ASSESSMENT TEST

- 1 Keeping in mind the organisation in which you are working at present, have you noticed any of the changes implemented either with regard to the task, structure, technology or people variables, if so, analyse how the changes were implemented and was the change effort successful in achieving it's goal.
- 2 What changes or modifications do you think can be brought about in your job to make it more interesting and to better your performance?

- 3 In terms of the procedures and rules that are existing in your organisation with relation to your job, do not think these can be modified to facilitate your work. If so what modification do you suggest.
- 4 In terms of your awareness can you list down what generally are the reactions of people to any change in their job. What are your plans to overcome the negative reactions when you feel that a given job has to be modified in certain circumstances.

15.11 FURTHER READINGS

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UNIT 16 INSTITUTION BUILDING

Objectives

After studying this unit, you should be able to understand:

- the concept of 'organisation', 'institution', 'institution building' and the characteristics of institution
- the factors which influence institution building
- the process aspects of institution building
- significant dimensions of institute building: self-renewal and innovation
- the role of the chief executive in institutional building.

Structure

- 16.1 Organisation
- 16.2 Institution and Institution Building
- 16.3 Factors Influencing Institution Building
- 16.4 The Process Aspects of Institution Building
- 16.5 Two Significant Dimensions of Institution Building: Self-renewal and Innovation
- 16.6 The Role of Chief Executive in Institution Building
- 16.7 Summary
- 16.8 Self-Assessment Test
- 16.9 Further Readings

16.1 ORGANISATION Vs. INSTITUTION

An organisation comes into existence in order to achieve a goal or a set of goals. Since no one individual can achieve the goal or set of goals by himself, a number of individuals come together. Hence there tends to be a division of work where in the overall goal or objective is broken down into sub-goals and they in turn into activities to be performed by each of the individuals thus, giving rise to differentiation in power, authority, role and responsibilities. These differentiated functions are coordinated, in terms of rationally conceived role relationships, and a normative order.

This rationally conceived hierarchisation has to be maintained over time to achieve the overall objective. Hence maintenance of the normative order is an important sub-goal of the organisation.

As goals have to be achieved economically and efficiently, optimum utilisation of resources such as men, material and money is yet another important sub-goal of the organisation.

While organisations aim at maintenance of internal order and efficiency in goal realisation, institutions extend beyond these goals. Institutions have relatively more permanence than organisations. Organisations are organic, they have a birth, growth and finally, decay. Institutions are more enduring, have capacity of continuous growth, ability to cope and adopt under diverse pressures and pulls to make thrust into the future, in addition to having an impact on the society or community in which they exist. They perform services and functions which are valued in the community or society and also play the roles of a change inducing, a change-protecting agent within the community. While all institutions basically start as organisations, it is only a few organisations that can survive, grow and adopt to achieve finally an institution status.

16.2 WHAT IS AN INSTITUTION?

Institution may be defined as a responsive, adaptive organisation which is a product of social needs and pressures. It is a part of the larger system i.e. the community or the society and is a forward looking, adaptive and proactive part of the community. Esman and Blaise (1966) define Institutions 'as organisations which incorporate, foster and protect normative relationships and action patterns and perform functions and services which are valued in the environment'.

What characterises an institution?

- 1 An institution is an organisation which is relatively more enduring and is perceived as an indispensable part of the community.
- 2 Its functions and services are related to society's commonly agreed requirements.
- 3 It has the ability to adopt overtime to changing needs and values in the society and contribute to the community needs.
- 4 Its internal structures embody and protect commonly held norms and values of the society.
- 5 Its achievements overtime include influencing the environment in positive ways through the values it creates, (where such necessity arises).
- 6 Its influence extends to other similar institutions which are linked to it.
- 7 It is a change protecting and change inducing formal organisation. It tends to protect positive values within the community or create new beliefs and values that are necessary for the sustenance of the community or to bring social order at times where negative forces are likely to affect the community.
- 8 It has permanence that extends beyond the role incumbents who may come and go.

Activity A

Define the concepts 'organisation', 'institution'.

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Activity B

What are the characteristics of an institution? Can we differentiate between the terms 'organisation' and 'institution'?

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What is institution building?

Institution building refers to transforming an organisation into an integrated organic part of the community, so that the organisation can effectively play the role of projecting new values and become an agent of change in the community. Hence institution building refers to the process aspects of:

- a) establishing or transforming an organisation
- b) making an organisation an integrated or organic part of the community
- c) the maintenance role of adopting or adjusting to the existing values
- d) projecting new values through its own efforts of self growth and organisational renewal, and thus
- e) the proactive role of bringing change contributing to change in the existing values of needs of the society.

Activity C

What is Institution Building? Explain

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16.3 FACTORS INFLUENCING INSTITUTION BUILDING

There are several factors that influence institutional building:

1 Goals or objectives: Clarity or specificity of the goals is basic to institution building. The goals should also be perceived as important and justify the need for the organisation both with respect to expectations of the members within and society outside the organisation. When the goals are seen as challenging and interesting and widely accepted among members of the organisation and the activities of the members are focused around these goals, institution building is possible. Superordinate goals like commitment, loyalty and patriotic fervour among employees generally tend to facilitate institution building.

2 A second variable that contributes to institutional building is the 'people'. Selection of the people for positions in the organisation should be in terms of a right fit between the individual and the job. Two aspects are important in this context: task maturity and psychological maturity. Task maturity refers to the extent to which the role incumbent has the necessary job knowledge and skills required on the job. Psychological maturity refers to zeal and enthusiasm to work, commitment to the job and the organisation, confidence in ones' own abilities to accomplish tasks and responsibility for ones' job. It is the people, who finally make an institution. Developing trust among one another, generating team spirit and positive interaction among the role set members and providing sufficient autonomy which is commensurate with responsibilities on the job, are essential for institution building. Trust is an important dimension for effective interpersonal relationship and it is often said that trust begets more trust.

Organisations should provide opportunities for upward growth and development for those who are competent and have potentialities for growth and development. Otherwise, institutional development is jeopardised.

3 A third variable of importance is organisational structure and design. Organisation is basically a system of input process and output sub-systems. Men, money, raw-material and machinery form the inputs. The process aspect is concerned with the optimum utilisation of these inputs to produce certain outputs. The output can be the goods produced or services rendered that serve the needs and interests of the society.

The organisation design and structure is the basic frame work around with formal interactions take place within and in between the different sub-systems (departments). The structure influences

- the extent to which the different resources may be optimally utilised.
- the work culture that is created and sustained within the institution
- the relations with systems outside the institution
- the ability to adopt to changing demands and requirements arising from the external environment.

Too rigid structure stifles individual autonomy, creativity and ability of the organisation to meet changing demands. At the same time, too loose a structure results in sub-optimisation of resources, lack of appropriate direction and work culture. In such an environment organisations may soon become defunct.

The structure should not be static but dynamic and have the necessary mechanisms to foster and stabilise appropriate traditions and work culture and also establish linkages with its customers and major client systems. It should be able to provide a leadership role to similar organisations. Such a structure forms the basis for institution building.

4 A fourth aspect that fosters institution building is the organisational culture. Organisations should strive at developing greater cooperation among the members. This can be achieved by better integration of departmental functions and developing homogeneity of thinking among the members. Commonality in the goals of the organisation and those of the employees, and recognition and understanding of the symbiotic relationship that exist between one employee and the other, or one department and another result in better accommodation and cooperation. Conflicts are to be viewed positively as providing opportunities for innovativeness and understanding other's position in addition to one's own. Mechanisms of establishing a balance between the autonomy of individual members and coordination for common goals help in institution building. In its relationship with outside organisation, the institution should seek collaborative relationships at the same time maintaining its own identity.

5 A fifth factor contributing to institutional building is leadership at the top management level. The leadership style should be an amalgamation of the roles of a 'developer's and an 'executive'. A developer places trust in his subordinates, provides them opportunities to take up responsibilities, motivates them to the peak of their performance and provides a creative work atmosphere. He is supportive in his relationships with others and provides opportunities for growth, self-direction and self-control for his subordinates. An executive as a team-builder, inspires participation among the members and thereby ensures their commitment to organisational goals, builds loyalty among his subordinates and also a keen sense of self-respect, and resolves conflicts strategically and creatively.

The leader ought to devote his full attention and time for institution building and take pride in the development of his people. He has to establish effective linkage with outside organisations and project the image of the institution as a competent entity to serve the needs of the society. He needs to gear up the organisation to meet changing needs and demands effectively. At the same time he is not enamoured of his position, but is willing to develop others to step into his shoes whenever required.

6 Ability to establish effective, operative linkages with external environment is

necessary for institution building. Such a liaison helps in understanding the needs and expectations of the external sub-systems such as clients, customers, suppliers, other organisations etc., to which the institution has to finally cater to carve a niche for itself in the environment. The linkages are:

- enabling linkages with other organisations or social groups which are likely to control the allocation of resources and authority (for e.g. the government) needed the organisation to function.
- functional linkage with those external sub-systems that provide the inputs for the organisation and utilise the product or service outputs of the organisation (eg. suppliers, customers or client group).
- associative linkages with other institutions of a similar nature for possible collaborative relationships (eg. sister institutions).
- contingent linkages, depending upon the situational necessities with certain other sub-systems that may become relevant or important at a given time. (for e.g. a legal system, a consultancy unit).

Activity D

How the following factors influence institution building:

- organisational goals.
- organisational structure and design.
- organisation culture.
- relationship with external environment.

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16.4 INSTITUTION BUILDING—THE PROCESS

Institution building refers to two aspects:

- 1 Development of an institution by an outside expert (which may be an individual or an organisation) including development of relevant norms and values, and
- 2 Internal development of an institute to be able to play its role effectively (i.e. the self-renewal process).

In terms of either of these definitions, institution building refers to the process of birth, development, renewal and institutionalisation.

All organisations are organic i.e. they have birth, development, growth and finally, decay if the organisation does not invigorate and renew itself. Invigoration and renewal extend the longevity and performance of the organisation where it stabilises as an institution. While many organisations die aborning, it is only a few that seem to live forever.

Warren Schmidt (1967) has suggested that organisations have stages of potential growth in their life cycles. At each of the stages, the organisation is subject to certain crises that make demands on the managerial or organisational activities. If the organisation is able to cope effectively with the crisis it will enter the next stage of growth. The crisis is generated either because of internal factors or external factors in the environment or both. The stage of development at which an organisation is, is more in terms of the crisis factors rather than its financial status or number of employees or its share in the market etc.

The first stage is birth of an organisation. Organisations originate at first, in the minds of individuals, as an idea. An operative model with necessary resources and support mobilisation characterises the earliest stage.

The second stage is survival and sacrifice. An organisation is born in a climate of a new idea, hope and excitement, but has to struggle to survive in the world of competition and challenge. The need to survive, makes heavy demands on the entrepreneur's money, confidence, commitment, effort, personal time and even family life. If this crisis is adequately resolved the organisation gains a firm foot-hold, accepts realities and learns from experience. If unable to meet the challenges, demands and competition, the organisation may become defunct or exist marginally with still heavier demands made on the entrepreneur.

If the organisation survives, then it should seek for stability which is the third stage. Organisation should strive for an efficient work culture based on discipline, reorganisation or role relationships, adequate employee compensation structure, team-spirit and appropriate balance between short-term and long-term perspectives. It should also strive to stabilise its resources, customers, clientele etc. Resolving the crisis of achieving stability makes the organisation efficient, strong and flexible; while inability to do so results in the organisation returning back to the survival stage and stagnation.

The fourth stage is self-examination regarding where the organisation stands in the eyes of the public, customers, competitors and others. The organisation should be prepared to look critically at its products and services and its internal and external operations. Thus it should be open to criticism and strive to monitor, review, evaluate and improve its performance from time to time. Resolving crisis at this stage successfully enhances the reputation of the organisation and results in the improvement of its quality of goods and services. Failure to resolve the crisis leads to living on past laurels and 'image-creation' or 'image-boosting' which may be at variance with its actual performance the greater the variance the greater is the likelihood of returning to instability.

The next issue that concerns the organisation is to actualise its potentialities and to achieve uniqueness (characteristic of its activities). Such a goal can not be realised until the organisation is willing to bring the necessary changes that involve certain amount of risk. Successfully overcoming a crisis provides opportunities for growth and development to its personnel. Unsuccessful resolution leads to specialisation in a narrow field, conservatism and resistance that inhabits further development. The organisation may not be able to realise its uniqueness.

The sixth issue of concern involves the organisation's responsibility to society, a desire to gain society's respect and appreciation and to improve the quality of life of its own employees. The crisis generated by efforts to be respected and appreciated depends upon the felt-needs for such an endeavour, organisation's financial status, investment opportunities elsewhere and the present self-image. By resolving this crisis correctly the organisation gains public respect and appreciation for itself as an institution contributing to society. Incorrect resolution leads to castigation by the public as 'heedless barons' or 'heedless tycoons'.

The different crisis discussed so far need not operate in the same consecutive order. Depending upon the environmental forces acting on the organisation, a mature

organisation may revert back to crisis of the earlier stages. When the nature of the crisis is not correctly understood, organisations are unable to resolve it adequately resulting in confusion and intolerance. However, by resolving the crisis at each of the stages successfully, an organisation grows from strength to strength. Resolution of crisis makes demands on the management's knowledge, skills, experience and attitudes and it is quite possible that at different stages of growth, the managerial and leadership skills required are different.

Activity E

What are the different stages of growth of institutions?

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16.5 SIGNIFICANT DIMENSIONS OF INSTITUTION-BUILDING: SELF-RENEWAL AND INNOVATION

Earlier we have described the growth stages and crises experienced in institution building. Two of the significant dimensions of institution building are self-renewal and innovation.

Self-renewal refers to concentrated and continuing efforts on the part of the organisation to relate its technology, structure and people to problems confronting it from political, economic and social changes. The act of self-examination from time to time forms the basis of organisation renewal. The different stage in self-renewal process are:

- 1) Sensing of change: Organisations should be aware of changes in their internal and external environment. Unable to perceive these changes, the organisation fails to cope adequately with its environment.
- 2) Identification of the implication of these changes. The question is how these changing forces are going to affect the ongoing system.
- 3) Deciding an appropriate plan of action. A suitable course of action is conceived on the basis of
 - obtaining necessary information with regard to 1 and 2 based on surveys, reports, statistical data and such other fact-finding methods.
 - accurate evaluation of the obtained information.
 - deciding at what sub-system level (i.e. organisational structure or task or technology or individual/group) the necessary changes are to be brought about.
 - implications of change in a sub-system for the other sub-systems.
 - weighing the different alternatives for their probabilities for effectively coping with external forces.
- 4) Introducing the change. The intended changes are implemented. Timely action is important.

- 5) Stabilising the change, enough system support is to be given to freeze the change i.e. consolidate the new equilibrium.
- 6) Obtaining feedback on the outcome of change for further sensing of the state of the external environment and the degree of integration of the internal environment.

Failure at any of these stages results in unsuccessful resolution. Successful resolution also depends upon certain conditions within the organisation such as:

- effective information processing and communication.
- flexibility within the sub-system for introducing relevant changes or remedial measures.
- willingness to change among the people and commitment to organisational goals.
- supportive climate at the top management level. Involvement of top-policy making group gives legitimacy to the change process.

The present day organisations are at a nexus of various external and internal forces. Organisational renewal, hence, is of high priority so that organisations can do a self-analysis of their growth and their problems. The organisational leadership should look for new paths, new methods and innovative approaches so that the organisation can cope with changing demands and forces.

Innovation

Innovation may be defined as a new-idea or practice or approach that helps the system or the individual to deal effectively with a problem or change. Innovation is possible if the organisation has a conducive environment for it to occur such as openness flexibility, decentralisation etc. Some characteristic features of innovation are:

- It does not function in isolation or vacuum. Innovative changes should be thought of in a system perspective i.e. the likely changes in the internal sub-systems.
- It thrives in a collaborative rather than a competitive environment.
- Acceptability of innovative change depends upon:
 - 1 . Its relative advantage over the existing ideas or approaches or other suggested ideas or approaches.
 - 2 . Compatibility with existing norms, values and work behaviours.
 - 3 . Simplicity both in concept and practice.
 - 4 . Utilitarian value for either coping with external demands or obtaining the desired results and the stakes involved.
 - 5 . Compatibility with existing skills. If innovative changes require new skills, people should be trained sufficiently in advance. Otherwise, resistance may be built in spite of the functional value.
- Innovative planning is an organisational necessity for self-renewal and institutional building.

16.6 INSTITUTIONAL BUILDING : THE ROLE THE CHIEF EXECUTIVE

Certainly the chief executive is a crucial figure in institutional building. Probably, it may be in your experience that a sinking organisation not only comes out of the red but also stabilises and makes considerable amount of profit because of change at the top management level. There are certain chief executives who have been very successful despite the nature of the organisation they were asked to manage. The role of chief executive involves:

- optimum utilisation of resources which is a basic ingredient of organisational success.
- creation of team spirit and work commitment, thus providing a synergic effect for optimum utilisation of human resources (where the contribution of the group is much more than a summation of the efforts of each of the individuals, it refers to synergy).
- achieving a positive balance between individual expectations and organisational goals and demands. For example, there is absolute necessity for formalisation (i.e. rules, regulations and procedures determining work behaviour) but at the same time the individual should have autonomy and flexibility in work behaviour. Centralisation in decision making is important but at the same time people at lower levels should be involved in decision making.

An institutional image is in terms of not only how it perceives its own status but also how it is perceived by similar organisations in the environment. A chief executive is not only a spokesman for his organisation but also a liaison builder. It is in terms of his efforts that the institution can play the role of a leader, trend-setter and a collaborator.

The chief executive should have the basic discipline, devotion and commitment to work, a sense of vision, a futuristic perspective and above all a determination to build the organisation to reach its maximum potentiality.

He should allow others to grow and should not be threatened by the achievements of his colleagues. When the time comes he should give way for his successor without being highly possessive about the organisation.

INSTITUTION BUILDING : LESSONS FROM VIKRAM SARABHAI'S LEADERSHIP

Institutions are social areas where unique strategies are pursued for inducing and maintaining values which satisfy societal needs. Organisations are formal, social mechanisms which facilitate constant transmission of values, for example, a business enterprise or the church. Leaders are key actors in these arenas embodying the values. The process of institution building is the energizing of people so that not only they internalize values that transcend narrow self-interests but they also become infused with a sense of mission in their total life. What distinguishes an economic organisation from an institutional organisation is the intensity and the depth with which individual members of an institutional organisation hold the core values which seem to suffuse their total being.

Leaders and Institution Building

Peters and Waterman (14) in their recent research on "excellent organisations" focus on the role of leadership in institution building. They emphasise the role of leadership in shaping the values of organisational members as well as in developing distinctive organisational cultures.

Sarabhai was a prolific institution builder. He set up an institution every year beginning from 1947 till his death in 1971.

List of Institutions with which Vikram Sarabhai was associated

Scientific Research	:	Physical Research Laboratory, Ahmedabad
Communications	:	Vikram Earth Station, Arvi, Poona
Atomic Energy	:	Fast Breeder Reactor, Kalpakkam

- Nuclear Centre for Agriculture, New Delhi.
Variable Energy Cyclotron
Project, Calcutta
- Electronics** : Electronics Corporation of India Ltd.
Hyderabad
Electronics Prototype Engineering Laboratory.
Bombay
- Space Research** : Thumba Equatorial Rocket Launching
Station, Trivandrum
Vikram Sarabhai Space Centre,
Trivandrum
Space Applications Centre, Ahmedabad
Sriharikota Range, Sriharikota
ISRO Satellite Instructional Television
Experiment
- Textile Research** : Ahmedabad Textile Industries Research
Association, Ahmedabad
- Development and
Educational Research** : Nehru Foundation for Development,
Ahmedabad
Vikram A. Sarabhai Community Science
Centre, Ahmedabad
- Management and
Operations Research** : Indian Institute of Management,
Ahmedabad
Operations Research Group, Baroda
- Performing Arts** : Darpana Academy for performing Arts,
Ahmedabad
- He was also associated
with** : Indian National Committee for Space
Research Indian Space Research,
Organisation, Atomic Energy,
Commission, Electronics Committee.
Department of Atomic Energy,
International Atomic Energy Agency,
and
Committee for Space Research of the
United Nations

One of the ways of understanding the impact of leadership actions on institution building is by presenting the three guiding strategies he had intuitively used. These three strategies rest on a single pivotal value which is the 'primacy and centrality of an individual'.

The three guiding 'strategies' he used to build institutions are:

'Networking strategy' or creating interacting and overlapping clusters internally as well as externally both to produce a vision for the institution and to translate the vision into actions in terms of research programmes and projects.

'Trusting strategy' or creating a climate of trust providing freedom of action to the individuals, ensuring autonomy, and emphasising horizontal control; and caring strategy or creating a climate of caring by the leader remaining approachable through open channels of communication and emphasising the role of administration as a support system to the core tasks of the institution.

The lessons that emerge from the study of Sarabhai as an Institution builder can be summed up as follows:

- In order to develop institutions it is important to place an individual at the centre of institution building efforts. The task of a transforming and transactional leadership is to present a vision which will inspire many and to provide meaningful exchange relationships.

- Leadership actions have to nurture trust constantly, creating inter-acting and overlapping clusters both within and outside the organisation. Failure to do so is likely to lead to the breakdown of the 'institutional' aspects of the organisation resulting in its decline and decay.
- It is important for an institution builder to identify and play multiple (formal and Psycho-Social) roles within and without the institution. Decline in the performance of institutions could be traced to inadequate roles (both formal and Psycho-Social) to translate externally oriented, interface, and internally oriented leadership strategies for institution building.
- While the criticality of organisational culture to the development of institutions has always been emphasised, the importance of building in trust and caring has not been adequately emphasised in the literature.

Source: Adapted from 'Institution building': Less from Vikram Sarabhai's Leadership, S.R. Ganesh & Padmanath Joshi, Vikalpa vol. 10, No. 4, Oct-Dec. 1985. p. 399-414.

Activity F

What is the role of the Chief Executive in institution building? Describe.

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16.7 SUMMARY

In this unit, we have seen that an organisation, over a period of time, depending on its stability becomes an institution. The factors which influence institution building, process and dimensions of institution building have been discussed. The role of the Chief Executive in institution building has also been dealt with.

16.8 SELF-ASSESSMENT TEST

- 1) Keeping in view, a number of organisations that you know, can you identify at what stages of development they are?
- 2) Identify an organisation that is regarded as an institution. Collect information about various aspects such as : its objectives, internal culture and leadership style at the top management.
- 3) Interview any of the chief executive who is regarded to have built up an organisation. Based on his experiences prepare a case study on institution building.
- 4) Analyse in terms of your own experiences whether organisational demands are effecting your need satisfaction, suggest what changes you expect to make in your work situation so that both organisational and your personal goals can be satisfied.
- 5) To what extent you think there is team spirit in your work-group? What steps would you suggest to enhance the team spirit?
- 6) In your environment there might be an organisation which is labelled as 'sinking' or 'losing'. Interview some of the managers and describe its internal environment. Make a list of the reasons that have caused the failure.

16.9 FURTHER READINGS

Lawrence, P.R. & J.W. Lorsch 1967. *Organisation and Environment : Managing differentiation and integration*, Harvard Business Review 1967.

Lippit, G.L. 1969. Appleton. *Organisation Renewal. Achieving Viability in a Changing World Century*—Crafts Educational Division, Meredith Corporation: New York.

Pareek, Udai, 1981. *Beyond Management. Essays on the-Process of Institution Building*. Oxford & IBH Publishing Co.: New Delhi.

Appendix-1

Organisation crises and outcomes

Stage	Critical Issue
Birth	Creation
Development	Survival Stability
Renewal	Pride and Reputation
Institutionalisation	Uniqueness and adaptability Contribution

Organisational Crisis and Outcomes
Outcome if issue is correctly resolved

New Organisation comes into being and starts functioning
Organisation becomes viable. Learns from experiences. Understands reality.
Organisation is strong, efficient and flexible enough to respond to changes
Reputation motivates to improve quality of goods and services.
Takes advantage of its unique capability and provides growth opportunities to its people
Gains appreciation as an institution contributing to society.

Outcome if issue is incorrectly resolved

Idea remains abstract. Organisation cannot adequately develop.
Organisation fails or exists marginally as it fails to adjust to realities of the situation
Organisation is likely to return back to survival stage or becomes inflexible for changes.
Organisations more bothered about building its' image than improve performance. Greater discrepancy likely to arise between projected image and actual performance.
Fails to develop its uniqueness, concentrates on narrow areas for better security. Develops a paternalistic stance which inhibits growth.
Organisation may be accused of lack of any social responsibility and bothered about its profits and nothing else.

Source: Lippit, G.L. and Schmidt, W.H. Crisis in a developing organisation, Harvard Business Review, 45 (6), 1967, p. 109.

Appendix-2

Checks to measure the extent of institutionality

- 1 Has the institution grown beyond the needs of survival and stability?
- 2 To what extent it can be considered replete with regard to goals, tasks, missions, resources etc.?
- 3 How effectively does it relate to the external environment? Has it linkages with relevant external sub-systems to an adequate degree?
- 4 Does it stand by its intrinsic value? In other words, how is it rated for its functional value in the society: excellent, average or poor?
- 5 How pervasive is its influence on other systems? Is it a trend setter or just one among the rest? Can it generate a new need or positive values in the community or suggest novel methods for the resolution of current problems?

NOTES