

B.Com.III
Human Resource Management

UNIT-07
ORGANISATIONAL DEVELOPMENT
CONCEPT & NEEDS

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BACKGROUND

- During early 1940s Training Programmes have focused on skill development in operational matters-Marketing problems, Financial problems or other technical matters.
- Management experts in mid 1940s have realized that the performance and decision making in an organization can be optimized if the interactional attitude and habits of the individual, who compose the organization, could be changed.
- Management experts termed this change as 'a change in organizational climate'.

- If this change could be brought about, the members of the organization would be in a better position to solve problems, confront conflicts, formulate policies and handle operational matters more effectively.
- Through this change, change in interpersonal interaction could be possible so that the potential of the organization and its individual members may be achieved.
- The trend to emphasise improve interpersonal relations as a mean of organizational optimization has come to be known as Organizational Development (OD).
- OD is a planned change to bring about long term overall effectiveness in the organization.

MAN- A Complex Organism

“The wonder of wonders is MAN, who has infinite capacity to think, to develop, to create, to invent, to feel, to love, to hate, analyze or destroy.” ----

Sophocles

- Man is a complex organism consisting of flesh & bones and psychological features.
- When they (Man) interact with one another in a group, this complexity is multifaceted.

Organization: More Complex Structure

An organization owns two types of resources (Limited)

Human Resources

Having of 'Capacity to work' and 'Will power'

Non-Human Resources

Money, Machines, Material, Methods

Having 'Capacity' only

- In organization, **Works** are performed in **Groups** having control over some resources- Man, money, machine, material, methods etc.
- There may be several groups depending upon the size of organization.
- An organization becomes more complex while they grow due to size of work force (MAN) and non-human resources.

Organisation & Development

- Organisation is a harmonious adjustment of various specialised part (**Input**) to help in achieving objectives (**Output**).
- Development is the process of bringing positive change over a long period of time.

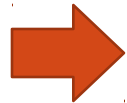
Change (positive & negative)

Development

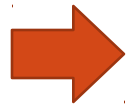
Growth.....

Concept of Organization Development

Approaches to Planned Changes in Organization



Structural Changes



Technological changes



People changes

Approaches to People Change is OD

- ❖ OD is a plan for **comprehensive changes**, where the organisation moves to **higher level of functioning** with **improved workers' performance and satisfaction**.
- ❖ The aim of OD is to improve **organisation's self renewal process** so that managers adopt a management style appropriate to the new problems they face.
- ❖ It is an approach to introduce changes in the business organisation.
- ❖ OD is a planned and systematic attempt to change the organisation, typically to more behavioral environment.

Management Expert's Views

“Organisation development is planned, organisation -wide, managed from top to bottom; it increases organisational effectiveness and health through a planned intervention in an organisation process, using knowledge of the behavioural science.”

Richard Beckhard

“Organisation development is a response to change, a complex educational strategy intended to change the beliefs, attitudes, values and structures of organisations so that they can better adopt themselves to new technologies, market and challenges and dizzying rate of change itself. It aims at developing the organisation into an ‘organic’ system as contrasted to the ‘mechanical’ systems.”

Warren G. Bennis

OD: Summarised as

Organisation development can be defined as a change effort that is

- A. Planned
- B. Managed from the top
- C. Focused on the entire organisation or a large sub system
- D. Aimed at enhancing organisational health and effectiveness
- E. Based on planned interventions made with the help of **Change Agent.**

In another word, Organisation development is the systematic application of behavioural science knowledge at various levels- group, intergroup and total organisation, to bring about planned change.

Features of OD

- It aims to bring Planned and Systematic changes in the organisation.
- It aims to change the ***whole organisation*** or its ***major part; a functional area or a department.***
- The change is initiated by top level through members at other levels also participate in the process.
- It aims at improving long run performance of organization.
- It is a broad concept and aim that bringing comprehensive changes in the organization.

- It is a dynamic concept-it recognizes change in environmental variables.
- It is a gradual movement-simple to complex.
- It is a measure departure from old to new style of management .
- It is under taken with the help of Change Agent.
- It is an educational strategy.
- It is research based activity.

Goals of OD

Two main objectives are :

- Higher quality of work life in the organisation.
- Higher productivity, adoptability and effectiveness in the organisation

According to **French Wendell**, some of the common goals of OD programmes are :

1. To develop a self renewing, viable system .
2. To increase the level of trust and support among organisation's members.
3. To increase the openness and authenticity of communications laterally, vertically and diagonally.

4. To increase the level of self and group responsibility in planning and implementation.
5. To create an environment in which authority-assigned role is augmented by authority based on knowledge and skills.
6. To move toward high collaboration and low competition between inter dependent units.
7. To create conditions in which conflict is effectively managed.
8. To assist managers in setting challenging but realistic goals for themselves.
9. To enhance the identification of members and groups with the organisation as a whole.
10. To optimize the effectiveness of both the stable and temporary systems.

Values of OD

OD is a way of seeing human side of organisational life.

The values on which OD process relied are as follows:

- ❑ Respect for People
- ❑ Trust and support
- ❑ Power equalisation
- ❑ Confrontation and settlement
- ❑ Participation

WHO IS CHANGE AGENT

- CA is a person or group of person who insures planned change is effectively implemented in the organisation.
- CAs have knowledge of the OD technologies which they uses introduce planned changes in the organization.

CHANGE AGENT

Consultant/Internal or external

OD specialist

Employees or managers

OD PROCESS

- **Identification and Diagnosis of the problems**
Observation and recognition of problem
- **Planning Strategy for change**
Selection and ownership of solution
- **Collection of Data**
- **Action Planning and Problem Solving**
Problem as their own/ Solution as their own
Implementation
- **Evaluation**

OD PROCESS

Skills of OD Practitioners

- **Inter-personal skills-**

 - People in change process

 - Verbal- Non-verbal communication and understanding behavior

 - Gestures and facial recognition

- **Problem solving skills**

- **Group Dynamics** - Common Thought and feelings

- **Political skills**

 - Environment of Trust, confidence, openness

 - Environment of openness, confrontation, settlement, peace and development

 - Ability to assess the situation and make decision

 - What to speak?

 - Whom to speak?

 - When to speak?

 - Where to speak?

Benefits of OD

- **Increase in employee's morale**
- **Increase in efficiency and effectiveness of organization**
- **Decrease in Labour Turnover and absenteeism**
- **Improved Employer- Employee relationship**
- **Improved relationship of organization with external world**
- **Positive changes in the internal environment in which people work**
- **Increase in trust, confidence, openness and mutual support amongst people at work**
- **Increase in individual and group satisfaction**

Techniques of OD / OD Interventions

- **DIAGNOSTIC TECHNIQUES**

- ✓ Survey Feedback – questionnaire is given to members
- ✓ Nominal Group Techniques
- ✓ Force Field Analysis

- **INTERACTION- FACILITATING TECHNIQUES**

- Team Building
- Process Consultation
- Grid Orientation Development- based on Blake & Mouton's managerial grid.

-----Thank You