AN OVERVIEW OF ORGANIZATIONAL DEVELOPMENT

When an individual develops, organization develops automatically. OD refers to development of following elements of the organization:

1. Developments of individuals, teams and the organizations.
2. Development can only take place when an appropriate knowledge is achieved and passed on to subordinates. Hence it is necessary to study various fields of studies that contribute heavily to the field of OD. In this context, study of psychology, social and industrial psychology, economics, politics, commerce, medical, and sociology is important. These fields of study are already rich. OD envisages acquiring skills through already proved models and applying the same for improvement based on situations on hand.
3. As part from the above, OD is related to study of organization structures, organization designs, job analysis and management of change if required.

4. Organizations are dependent on each other for their very survival. It is therefore necessary to study other organizations with particular reference to their culture, perception, attitude and the climate they have established and enjoy. Quality of work life is an important factor in this respect.

5. As per Wendill L. French and Cícilo H. Bell, Jr.1 “Organization development offers a prescription for improving the ‘fit’ between the individuals and the organization, between the organization and the environment, and among the organizational components such as strategy, structure and process. The prescription is implemented through inventions and activities that address specific problematic conditions.”

6. Organizational development can be achieved by carrying out research to identify problem areas and by applying various interventions to resolve the same. It is about bringing change in the organization. The areas of change may include anything under the sun. To name a few it may relate to implementing strategies to bring about positive change in employee morale, improvement in quality of product and productivity itself. It may include issues relating to personal behaviour of employees and may deal with management of work stress, conflict management between individuals and groups. Scant attention paid to environment protection and social issues that may have direct or indirect impact on the individual and group performance.

7. To achieve organization effectiveness and bring changes in human resource, various processes and systems.

8. Organizational development is a continuous process. The programmes are implemented on short-term as well as long-term basis.

9. The responsibility to implement programmes lies with leaders and OD practitioners. They are also called facilitators. They are consultants trained in theory and practice of OD. They may be members of the organization they are working or outsiders. The basic aim of OD is: (1) To improve functioning of individuals, teams and affect overall improvement in the organization. (2) To impart necessary skills and knowledge so that the organization efficiency is achieved. Consultants assist in incorporating required changes.

10. Leaders identify blocks, problems in the organization and seek its solution in consultation with OD practitioners. OD is a people’s movement, central theme being, get as much people as possible to participate in a planned change. OD programmes are planned in details implemented and results evaluated for desired outcome. Modifications are carried out while programmes are in process of implementation with an aim of meeting changed environment.

11. Due to introduction of latest technology, computers, information technology and resultant social change, the importance of OD has increased many folds. Communication has made a total revolution in the organization. Individual expectations have increased. It has therefore become mandatory to handle situations in time so that problems are averted.
Organization Development (OD) is applied behavioural science. It is a strategy to develop people in the organization. It aims at improving the people side of the organization by planned change. It focuses on people, relationship, policies, procedures, processes, norms, organizational structure and improving the very culture of the organizations. It is a mission initiated by the top managers and practiced down the line in the organizational hierarchy. Total involvement makes OD efforts successful. It must be remembered that organizations are made up of human systems aimed at achieving individual and organizational goals, priority being given to the latter. In the present era of information technology and knowledge management, it has added a new dimension to the study of OD. Organization Transformation (OT) may be called as the second generation OD as suggested by Porras and Silvers. They suggest that the “planned change interventions can be divided into two parts. The first comprises the more traditional approach, Organizational Development (OD), which until recently synonymous with term planned change. The second generation as OT. Cummings an Worley describe OT as follows”:

“Organization transformation can occur in response to or in anticipation of major changes in the organization’s environment or technology. In addition these changes are often associated with significant alterations in the firm’s business strategy, which, in turn, may require modifying corporate culture as well as internal structures and processes to support the new direction. Such fundamental change entails new paradigm for organizing and managing organizations. It involves qualitatively different ways of perceiving, thinking, and behaving in the organizations”.

It involves culture change, strategic change and self-designing organizations. It also involves development of behavioural science theories, models, practices and interventions to facilitate organizational transformation.

**DEFINITIONS**

Several definitions of OD exist. We will examine a few of them.

Beckhard (1969), has defined organization development as an effort (1) planned, (2) organization wide, (3) managed from the top, (4) increase organization effectiveness and health through (5) planned interventions in the organization’s “processes,” using behavioural science knowledge.

Bennis (1969), OD is a response to change, a complex education strategy intended to change the beliefs, attitudes, values, and structure of organizations so that they can better adapt to new technologies, markets and challenges, and the dizzying rate of change itself.

Beer (1980), the aim of OD are (1) enhancing congruence between organizational structure, processes, strategy, people, and culture; (2) developing new and creative organizational solutions; and (3) developing the organization’s self-renewing capacity.

Organizational development is a set of behavioural science based theories, values, strategies and techniques aimed at the planned change of the organizational work setting for the purpose of enhancing individual development and improving, organizational performance, through the alteration of organizational members’ on the job behaviours (Porras and Robertson, 1992).
OD is a system wide application of behavioural science knowledge to the planned development and re-enforcement of organizational strategies, structures, and processes for improving an organization’s effectiveness (Cummings and Worley, 1993).

OD is a planned process of change in an organization’s culture through the utilization of behavioural science technologies, research and theory (Burke, 1994).

From the above definitions following points emerge:

(a) OD is a field of applied behaviour science technologies.
(b) It is related to planned change.
(c) The study of OD is concerned with the total organizational systems and processes.
(d) OD is related to achieving congruence among organizational components like structure, culture and processes.
(e) OD is a long-term strategy intended to change beliefs, attitudes, values and organizational structures. It is carried out to achieve organizational effectiveness and meet the challenges of changed environmental factors.
(f) The study of OD is aimed at developing overall organization with particular reference to development of organizations renewing capacity.
(g) It involves initiating actions so that organization’s are transformed into Learning Organisations.

The author suggests the following definition of organizational development:

“Organizational Development is a long-term behavioural philosophy initiated by the top management. It relates to use of latest technologies and organizational processes to affect planned change by establishing cultural framework based on vision, empowerment and employee well being leading to attainment of quality of work life and organizational effectiveness thus creating a learned organization.”

Dynamics of OD

OD is a continuous process where problem areas are identified, alternative solutions are sought and evaluated and workable solution is identified for implementation. It is a long-term process because development takes time to be of some value. It relates to permanent change of individual and group behaviour. It is a continuous improvement phenomenon that is never ending. Organization sets goal for itself. Once the goal is achieved, a new and higher goal is set for achievement. OD is required to be initiated and led by top management. It is a hard and sustained effort. Whenever any programme fails, it is generally because of the lack of management commitment. Achieving change in various organizational processes is a serious affair and it should be treated so throughout. Vision is a process of visualising in advance as to how a product or service will look and what would go into make it happen. It is related to sustained efforts on the part of all members of the organization to put in the best foot forward. It is possible by empowerment process. All the members should have self-confidence and an ability to build a vision, develop a suitable strategy and implement the same so that the organization is transformed. OD takes place by evolving various processes. Individual must develop
and so should the teams, with suitable modification to job design, organizational structure and appropriately analyzing the environment, a solution can be sought to resolve current problem. An organization should be a learning organization where development is unending. Culture plays a vital role in organizational development.

**Organizational Culture**

In OD, there is a reciprocal influence between culture, strategy, structure and processes; each is important and each influences the other. But culture is of primary importance. Edgar Schein defines culture as “(a) a pattern of basic assumptions, (b) discovered or developed by a given group, (c) as it learns to cope with its problems of external adaptation and internal integration, (d) that has worked well enough to be considered valid and, therefore (e) is to be taught to new members as the (f) correct way to perceive, think, and feel in relation to those problems.”

Basic assumptions relate to values, and norms of behaviour, which organizations can invent, discover or develop over a period of time. These values and norms are considered to be valid overtime and therefore practiced by the members of the organization. Teams are basic bricks of an organization over which an organization is built. Teams are assigned a specific work and they work under the guidance of superior—subordinate relationship, that is required to be built on the basic norms of the organization. Therefore, all OD programmes are generally directed towards team building. In some organizations teams may manage themselves. These may be self-directed and assume responsibility of planning and executing a work. In organizations members have to be trained in quality control, MIS, improvement of skills, management of time and have to undertake behaviour modification when required. These are generally implemented by carrying out organization development programmes. Before a programme is undertaken, need is identified, a suitable consultant is made responsible to implement change in a given area and OD programme is conducted. In the present scenario, it is necessary to scan the environment, bench mark the organization, and re-engineer various processes and systems. This is required to be undertaken on a continuous basis so that organization growth is achieved and maintained.

**PROFILE OF ORGANIZATION CULTURE**

Octapace is the first letter indicating eight values. Apart from an acronym for these values, OCTAPACE is a term indicating the eight (OCTA) steps (PACE) needed to create a functional ethos (Pareek, 2000). The eight important values relevant to any organization are: (1) Openness, (2) Confrontation, (3) Trust, (4) Authenticity, (5) Proactivity, (6) Autonomy, (7) Collaboration, and (8) Experimentation. The above eight important values are discussed below briefly.

1. **Openness**

   Openness can be defined as a spontaneous expression of feelings and thoughts and the sharing of these without defensiveness. It applies both receiving and giving directions without any resistance/ hesitation. Individual should be open to criticism, aim being to correct oneself. Recent trend in
organisations of sharing meals, accommodation in the offices irrespective of the rank and status is an example of openness.

2. **Confrontation**

*Confrontation can be defined as facing rather than shying away from problems.* It also implies a deeper analysis of interpersonal problems. It involves taking challenge to do the work. The outcome of the confrontation can be better role clarity, improved problem solving and willingness to work under adverse conditions.

3. **Trust**

Trust in the organisation is referred to maintaining confidentiality and mutual understanding. It is also reflected in a sense of assurance and that others will help when the need arises. Trust is accepting what other person is saying at the face value and not searching for the ulterior motives. The outcome of the trust is high empathy, support and simplification of office procedure. Trust is required for smooth functioning of the organization with reduced stress and negligible conflict environment.

4. **Authenticity**

Authenticity is the congruence between what one feels, says and does. It is reflected in owning up to one’s mistakes and sharing of feelings without any reservations. It reduces dissonance between members of the organisation.

5. **Proactivity**

Proactivity means taking initiative, preplanning, taking preventive actions and calculating payoffs of an alternative course of action. Proactivity gives a person initiative to start a new process or a set of modified behaviour. A person showing proactivity functions at the following three levels:

- **Feeling:** The person transcends logic and reasoning and reaches to the feeling of other person. In the process he crosses role boundary and ensure things happen leading to empathy.

- **Thinking:** A person may transcend his immediate feelings, emotions and reasoning. He may think of future plans and visualize the things to happen, he may even give suitable directions and evolve his own concepts/theory.

- **Action:** Looking at the problem, searching various alternatives and initiating a new process are the gist of action part of proactivity. Proactive individual does not fall in the trap but makes a move of his own in critical situation and puts opponent in the defensive situation. He shows a high level of maturity and displays adult-adult transactions.

6. **Autonomy**

Autonomy relates to wider degree of delegation. It refers to releasing power that the employees already possess. Individual enjoys freedom of action in his own area of responsibility. He sets for himself the way a particular works to be undertaken and lays down priority. Autonomy promotes initiative, greater degree of acceptance of responsibility and derives greater level of job satisfaction.
7. Collaboration

Collaboration refers to working together for mutual benefits. It develops team spirit. Collaboration promotes mutual trust, timely help in terms of sharing resources, experiences, leading to higher productivity and better interpersonal/group communication and behaviour in the organizations/groups.

8. Experimentation

Experimentation refers promoting creativity and innovation in the organizations. It uses feedback and reports to initiate corrective actions. It is a way of doing things differently away from the routine processes that springs added energy among the workers. In experimentation, the leader should promote mistakes of employees and should not snub them. He should initiate rewards liberally. He should promote organization learning.

Based on data, observation and discussion, following four organization profiles are discussed in Figure 1.1 below (Pareek, 2004).

**Autocratic/Feudal Culture**

An autocratic or feudal culture is primarily concerned with following proper protocol and is dominated by dependency (‘de’) a climate with affiliation (‘af’) as its secondary. People are recruited on the basis of relationship, and they are trusted. In ‘deaf’ (dependency-affiliation) climate, as already indicated, the top managers control the organization and employ their own ingroup members, who are extremely loyal to these leaders. The ethos of such a culture is closed, mistrustful, and self-seeking.

**Profile of Organization Culture**

<table>
<thead>
<tr>
<th>Cultures</th>
<th>Focus</th>
<th>Climate</th>
<th>Ethos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autocratic/Feudal</td>
<td>Proper protocol</td>
<td>Deaf (dependency-affiliation)</td>
<td>Rammassic (all opposite values of OCTAPACE)</td>
</tr>
<tr>
<td>Bureaucratic</td>
<td>Rules and regulations</td>
<td>Code (control-dependency)</td>
<td>Sick (playing safe, inertia, conflict, and closeness)</td>
</tr>
<tr>
<td>Entrepreneurial/Democratic/Organic</td>
<td>Results and customers</td>
<td>Ace (achievement-extension)</td>
<td>OCTAPACE (all eight values)</td>
</tr>
<tr>
<td>Technocratic</td>
<td>Perfection</td>
<td>Expex (expert power-extension)</td>
<td>Pace (proactivity, autonomy collaboration and experimentation)</td>
</tr>
</tbody>
</table>

*Figure 1.1 Profile of organization culture*  
*(Source: Organization Behaviour by Udai Pareek, Oxford University Press, 2004)*

**Bureaucratic Culture**

A bureaucratic culture is concerned with following proper rules and regulations. Its climate is dominated by control (‘co’), backed up by dependency (‘de’). Such a climate (‘code’) shows that bureaucracy and a rigid hierarchy dominate the organization. Because actions are generally referred to the higher
levels for approval, decisions are usually delayed. It is more important to follow rules and regulations here than to achieve results. Senior employees protect those subordinates who do not make any procedural mistakes. The ethos of a bureaucratic organization is characterized by playing it safe, inertia, lack of collaboration, and being closed.

**Entrepreneurial Culture**

An entrepreneurial culture (also called organic or democratic) is primarily concerned with results and customers. Its climate (‘ace’) is generally that of achievement (‘ac’), or concern for excellence, and extension (‘e’), or concern for larger groups and issues. In such a climate, employees work on challenging tasks and devote equal attention to the social relevance of these tasks. The organization has a highly developed sense of social responsibility as well as a strong sense of its responsibility to fulfill employee needs. The ethos is positive and characterized by the eight values OCTAPACE.

**Technocratic Culture**

A technocratic culture generally has an ‘expex’ climate expert power (exp) being dominant, with a back up climate of extension (‘ex’). Specialists play the major roles in the organization, working in a planned way on socially relevant matters. The organization pays attention to the employees’ needs and welfare. The ethos is positive, featuring proactivity (initiative), autonomy, collaboration and experimentation.

**HISTORY OF ORGANIZATIONAL DEVELOPMENT**

Organizational development is a very young and recent field of study. OD is being carried out systematically. French (1996) has identified four “trunk stems” (as he calls it) under which the study of OD is carried out. The four trunk stems are as under:

(a) Innovations are carried out to solve complex organizational problems through laboratory training.

(b) Survey research and feedback methodology.

(c) Action research.

(d) Socio-technical and socio-clinical approach to organizational development.

Kurt Lewin had established a research center called Research Center for Group Dynamics (RCGDs) at MIT in 1945. Laboratory training methodology was practiced in the center to develop organization. Study of group dynamics, change process and action research was jointly carried out by distinguish people like Marian Radke, Leon Festinger, Ronald Lippitt and Dorwin Cartwright. A leader carried out sessions and “feedback” at the end of the day was practiced. That is how “T Group” emerged. Lewin who was pioneer in T Group died in 1947. Berne Bradford and Lippitt at National Training Laboratory undertook the work later. Organizational development included training into applied behaviour science, role-playing, concept in learning and change, transactional analysis and studies of environment. In 1940s intensive training was being carried out on performance of
teams in organizations. It was largely a practical application of T Group laboratory experience. Later Chris Angyris was one of the first persons to carry out team building sessions at Yale University and subsequently at Harvard. Douglas McGregor was influenced by the work done by Kurt Lewin, Angryris and others. Two significant innovations were carried out during this period. (1) Managerial Grid and, (2) Team development, consultation and conflict resolution concepts by Blake and Mouton. “It was learning to reject T Group stranger type labs that permitted OD into focus” and it was inter group projects, in particular that “triggered real OD” states Robert Blake⁴ During World War II Blake served in the Psychological Research Unit of Army, Air Force where he interacted with large number of behavioral scientists. During this period Systems Theory and OD was evolved. The people involved in development of OD processes were Jane Mouton, Robert Blake, and McGregor. Richard Beckhard and Herbert Shepard during the period of 1940–50s, Beckhard quotes. We clearly did not want to call it management development because it was total organization wide, nor, was it human relations training although there was a component of that in it, we did not want to call it organization improvement because that is a static term, so we labeled the programme “Organization Development”, meaning system wide change efforts⁵.

Second generation OD efforts revolved around the following lines:

(a) Change is a continuous phenomenon: Organizations are required to study external and internal environmental factors, identification of drawbacks, obsolescence and carry out change. The change may take place in organizational structure, work design, processes and various operational systems. Change is required to be undertaken for organizational growth. There are two basic strategies of change namely (1) Fundamental change strategy and (2) Incremental change strategy.

(b) Organizational transformation: It refers to carrying out fundamental change in the organization. It is a commitment made by high-level managerial staff to carry out modification to existing systems. It is a systems approach. Organizational culture is required to be changed to adjust to the external environment.

(c) Learning organization: An all out effort is required on the part of managers to keep its employees educated on the latest technology, systems, knowhow and processes. It is a part and parcel of the OD requirement. More on learning organizations has been separately dwelt with in the separate chapter later in the book.

(d) Total quality management: Edward Deming and Crosby have done pioneering work on Total Quality Management (TQM). TQM involves employee involvement, teamwork, decision-making, problem-solving, high level involvement, adopting a work culture aimed at growth and quality of product and services. TQM requires total commitment, removing fear psychosis caused due to failure at lower levels, development of successful work culture and continuous improvement.

(e) Visioning: Visioning envisages as to what the organization would look like in the future. It is related to the shape in terms of HR facilities, the growth and the needs of people it is likely to fulfill. Based on the vision, database is required to be built, leading to interpretation of information, arriving at suitable decisions and setting a course of action leading to growth. Visioning refers to looking at the organization in “totality”.
Virtual organizations: Getting whole system in one room, evolving action plan and implementation.

Structural Changes

Structural changes are initiated to carry out organizational development. This includes research, use of change agent for implementation. The process involves identification of problem; courses open, selecting the best course of action and implementation. Services of OD consultant are central to implement change.

OBJECTIVES OF ORGANIZATIONAL DEVELOPMENT PROGRAMME

1. Individual and group development.
2. Development of organization culture and processes by constant interaction between members irrespective of levels of hierarchy.
3. Inculcating team spirit.
4. Empowerment of social side of employees.
5. Focus of value development.
6. Employee participation, problem-solving and decision-making at various levels.
7. Evaluate present systems and introduction of new systems thereby achieving total system change if required.
8. Transformation and achievement of competitive edge of the organization.
9. Achieve organization growth by total human inputs by way of research and development, innovations, creativity and exploiting human talent.
10. Behaviour modification and self managed team as the basic unit of an organization.

OD CHARACTERISTICS/COMPETENCIES

1. OD focuses on development of organizational culture.
2. OD focuses on overall development of organization and individuals with win-win strategy.
3. It relies heavily on action research.
4. It deals with improvement of on going processes.
5. OD focuses on total system change and views organization as complex social system.
6. Delegation of authority, empowerment, and quality of work life a sense of autonomy are the hallmark of OD programme.
7. OD practitioners are facilitators and collaborators. Their assistance in identification of problem areas, arriving at a solution, implementation and feedback is necessary. Their services are valuable.
8. OD is characterized by study and development of multiethnic culture that is supportive of work ethics. People with diverse value system, culture, and interests should be able to work effectively under one roof and achieve cordial relationship with fellow employees. It should be able to help achieve organizational effectiveness.

9. Organizational development is a joint responsibility of owners, employees, investors’ society, government agencies and consumers. It must be understood that the organizations exist for all of them.

**SUMMARY**

Organization development offers a prescription for improving the “fit” between the individuals and the organization, between the organization and the environment, and among the organizational components such as strategy, structure and process. The prescription is implemented through inventions and activities that address specific problematic conditions. Organizational development is a continuous process. The programmes are implemented on short-term as well as long-term basis. Organization Transformation (OT) may be called as the second generation OD as suggested by Porras and Silvers. Organizational development is a set of behavioural science based theories, values, strategies and techniques aimed at the planned change of the organizational work setting for the purpose of enhancing individual development and improving organizational performance through the alteration of organizational members on the job behaviours.

In OD, there is a reciprocal influence between culture, strategy, structure and processes; each is important and each influences the other. When we study the profile of organization culture, it is identified as autocratic/feudal culture, bureaucratic, entrepreneurial, and technocratic.

Innovations are carried out to solve complex organizational problems through laboratory training, survey research and feedback methodology, action research and socio-technical and socio-clinical approach to organizational development.

Second generation OD efforts revolved around organizational transformation, learning organization, total quality management, visioning and virtual organizations. We should understand what are various objectives of organizational development programme before a beginning is made.

**TEXT QUESTIONS**

1. Define OD.
2. Explain in details the concept of organizational development.
3. What are the characteristics of an OD programme?
4. What objectives are being prompted by the OD programme?
5. Write a brief history of evolution of OD.
6. Define culture. What is its profile?
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5. Beckhard correspondence.

CASE STUDY

ACTION PLAN FOR CSR*

There are several areas of action plan for undertaking corporate social responsibility. These are given in the succeeding paragraph.

1. **Environments and Ecology**
   
   (a) Reduced consumption of energy, water and other natural resources and emission of hazardous substance, environment management systems have to be established.
   
   (b) Recycled and recyclable products to be used.
   
   (c) Durability of the products to be increased.
   
   (d) Staff to be trained in environmental issues.

2. **Health and Well-being**
   
   (a) Policies to ensure health and the safety of all employees.
   
   (b) Involvement of employees in business decisions that affect men.
   
   (c) Open-book policies of the corporate.
   
   (d) Training for life management, retirement planning and dependents care.

3. **Diversity and Human Rights**
   
   (a) Charitable job centers to redesign jobs to make them accessible to disadvantaged.
   
   (b) Organization that promote fair trades and human rights compliance.
   
   (c) Awareness among staff members about explicit policies against discrimination hiring, promotion, training, or termination of any employee on the basis of gender, race, age, ethnicity, disability and the like.
4. Community
   (a) Surplus product and redundant equipment to be made available to local schools, charities and community organizations.
   (b) Quality work experience for school children and students to be offered.

Emerging Areas of Corporate Social Responsibility

1. Social Responsibility
   (a) Respecting human rights.
   (b) Contributing to socio-economic development.
   (c) Employee welfare: this includes right to organize, elimination of child labour, non-discrimination, living wages and social security, training, safety, health and empowerment of employees, etc.

2. Business Responsibility
   (a) Compliance with tax laws and other regulations.
   (b) Investing in developing in science and technology.
   (c) Regulating suppliers and distributors CSR practices an transparent financial reporting.

3. Environmental Responsibility
   (a) Respect for environment and environment friendly technologies.
   (b) Conservation and discharge of energy material and water in eco-friendly manner.
       Adopting preventive and precautionary measure for environmental damage at source.
   (c) Treating waste before disposing it.
   (d) Preservation of biodiversity.

4. Stakeholders Involvement
   Extension of principle and ethical values enshrined in organization to all the stakeholders such as authorities, customer groups, business partners and external influences. There are varying practices, and approaches on CSR in different economies due to the differences in social, cultural, and ethical systems in which different companies operate. In any developed country the issues of CSR relate to governance, business ethics, regulatory frameworks, cultural practices, public needs etc. However in a fast developing country like India, the issues primarily focus on the processes of nation building and socio-economic development in the areas like health, education, employment and rural development. Hence Indian corporate sector is fully aware and is striving to improve its public image. Undertaking social responsibility through upliftment and community development programme has become a common norm.

*Archana Nema and Hema Chura*