Organization Development

Block

1

INTRODUCTION TO ORGANIZATION DEVELOPMENT

COURSE INTRODUCTION

Organization Development (OD) has gained tremendous momentum in recent years as it tries to improve the overall organizational efficiency through planned change in light of the threats and challenges in the external environment. This course is designed to familiarize students with OD theories, practices, strategies and interventions that are used in bringing about organizational development.

Today the business environment is marked by rapid changes. Factors such as globalization and advancement in technology have brought about many changes in the way organizations do business and manage their resources. There is a huge need for the organizations to adapt quickly with the dynamic changes of the environment coupled with technological developments. In a time of unprecedented change, the perspectives on how and when planned change occurs, who is the one that leads and controls the same and what contributes to the attainment are all changing. Exchanges among OD practitioners and scholars about the current OD practices and where it is heading towards have become more vigorous. The drive to understand and do something about change continues unabated.

The course content is meaningfully distributed in five blocks.

The first block, *Introduction to Organization Development*, deals with the important concepts and theories of organization development. It is important to understand the historical overview of OD and the rich contributions of several behavioral scientists and OD practitioners so as to understand the nature of OD. Understanding the role of values, assumptions and beliefs of OD would help the organization in motivating and retaining employees who, in turn, contribute to the growth and success of the organization.

The second block, *Foundations and Process of Organization Development*, describes the models and theories of planned change. Organization development is directed at bringing about planned change to increase organization's effectiveness and capacity to change. Effective diagnosis provides systematic knowledge that is required to design appropriate interventions. Action research involves collection of data for identified problems and taking action after analyzing the alternative courses of action. The same has been discussed in this block.

The third block, *Organization Development Interventions,* deals with an overview of organization development interventions and discusses change programs relating to interpersonal relations and group dynamics in the work groups. Comprehensive interventions including a collaborative effort between the client organization and the consultants help in identifying organizational problems and coming up with suitable solutions.

The fourth block, *Structural and Strategic Interventions*, examines the strategic issues that are critical to organization development in a highly competitive environment. Transformational change interventions bring about the necessary changes by focusing on the strategy, design, elements and culture of the organization. Continuous change interventions are necessary to generate new form of competitive advantage.

Trans-organizational change interventions help the organizations to create and sustain multi-organizational linkages.

The fifth block, *Recent Trends in Organization Development*, illustrates the role and competence of the OD practitioners and the issues involved in consultant-client relationship. It is important to understand the process of OD in the global settings. The field of OD is rapidly growing and new methods and interventions are evolving that contribute to the change process.

This edition has added a large number of contemporary examples and deleted old examples and exhibits. It has simplified the language and text layout to make it more readable.

BLOCK 1: INTRODUCTION TO ORGANIZATION DEVELOPMENT

The first block in the course on *Organization Development* deals with important concepts and theories of OD. It introduces several OD practitioners. It consists of three units. The first unit explains the nature of OD and gives several definitions of OD. The second unit focuses on the historical overview of OD. The third unit deals with the values, assumptions and beliefs of OD.

In Unit One, *Nature and Definition of OD,* first a brief overview of organizations and the challenges faced by them in today's environment are discussed to make students understand the need for organizational development. The dimensions of effective organizations are given later. It is explained how organizations grow through simplification and focus. Several examples from companies illustrate that greatest turnarounds in business history have taken place by simplification and by focusing on strategies, customers, products, organizations and processes and IT. The definitions of OD as given by different scholars are presented so that students understand the various dimensions of OD. Then the characteristics of OD are logically derived from the definitions of OD. This helped us to explain the growing importance of OD. We have also discussed the benefits and limitations of OD in this unit.

In Unit Two, *Historical Overview of OD,* a brief historical overview of OD is given. A brief history on OD would enable readers to know about the important practices and practitioners of OD. The history of OD consists of rich contributions of several behavioral scientists and OD practitioners. In this unit prominent contributions made from the origin of OD are discussed. Systematic OD activities stem from four important trunk stems. They are laboratory-training stem, survey research and feedback stem, action research stem and the socio-technical and socio-clinical stem. All these four stems highlight the importance of OD and tell us how these approaches paved the way to the current trends in OD. The current trends include Learning Organizations, Total Quality Management, Likert's Participative Management, Quality of Work Life and Appreciative Inquiry. In this unit, a detailed discussion on the history and evolution of OD is carried out.

In Unit Three, *Values, Assumptions and Beliefs of OD,* are explained with several examples. Values, assumptions and beliefs play an important role in organization development. Most of these were formulated early in the development of the field by OD professionals. The values and beliefs that have been developed from research and theory by behavioral scientists and OD practitioners form the basis for this unit. The values of organizational development play a vital role in retaining and motivating employees so that they contribute their best efforts for the growth and success of the enterprise. In this unit, earlier assumptions on OD and their implications in dealing with individuals, groups and organizations are being explained.

Unit 1

Nature and Definition of Organization Development

Structure

"You can achieve far more than you believe is possible, if you help others to become the heroes."

- Ruth Tearle

1.1 Introduction

As has been popularized by Ruth Tearle, every organization should facilitate the development of its employees who would, in turn, contribute to the accomplishment of the organizational goals. Organization Development (OD) is an applied behavioral science that was popularized by many theorists and came into lime light in 1950-60s. Organization development is a set of planned change techniques or interventions designed to improve organizational effectiveness and employee well-being (Balzac, 2011). OD emerged as panacea for solving organizational problems in scientific way.

In this unit, various definitions of OD, as has been advocated by different scholars, its nature and characteristics along with its benefits as well as limitations are discussed.

1.2 Objectives

After studying this unit, you should be able to:

- Define organization development
- Explain the nature of organization development
- Enumerate the characteristics and objectives of organization development
- Analyze the benefits and limitations of organization development

1.3 Effective Organizations and Definitions of Organization Development

To understand OD, it is essential to examine effective organizations and their dimensions. Today's organizations face multiple challenges and threats.

Some of the challenges faced by today's organizations are:

- Threats to effectiveness, efficiency and profitability
- Challenges from turbulent external environment
- Increased competition
- Need for continuous improvement
- Diversity, equity and inclusion management in the organization
- Maintaining ethical standards
- Corporate restructuring and reorganization
- Meeting changed employee expectations
- Deployment of technology

Effective organizations take note of these challenges and threats and constantly strive to make their organizations healthy and effective. They need to take proactive measures and constantly strive for organizational excellence in order to become effective.

Effective organizations demonstrate strength in five key areas:

- *Leadership:* The leaders of effective organization are successful in converting a captivating vision into explicit goals and priorities. They are good at establishing effective communication and feedback mechanism and foster team-building.

- *Decision-making and structure:* Effective organizations set well-defined goals and outline ways to execute the same. This further helps in designing appropriate organization structures as well as having effective communication pipelines thus contributing to decision making processes.

- *People:* Effective organizations focus on attracting and retention of right kind of talent into the organization.

- *Work processes and systems:* Efficient organizations have streamlined workflows that eliminates process redundancies and improves productivity. This in turn reduces accidents, defects and wastages and improves job satisfaction.

- *Culture*: Effective organizations have a culture that is based on a strongly held and widely shared set of beliefs that are supported by strategy and structure. This improves employees' readiness to change and reinforces the belief that they would be rewarded adequately for complying with the organization's values.

Figure 1.1 depicts the key areas that improve effectiveness in the organization.

Figure 1.1: Key Areas of Effective Organization
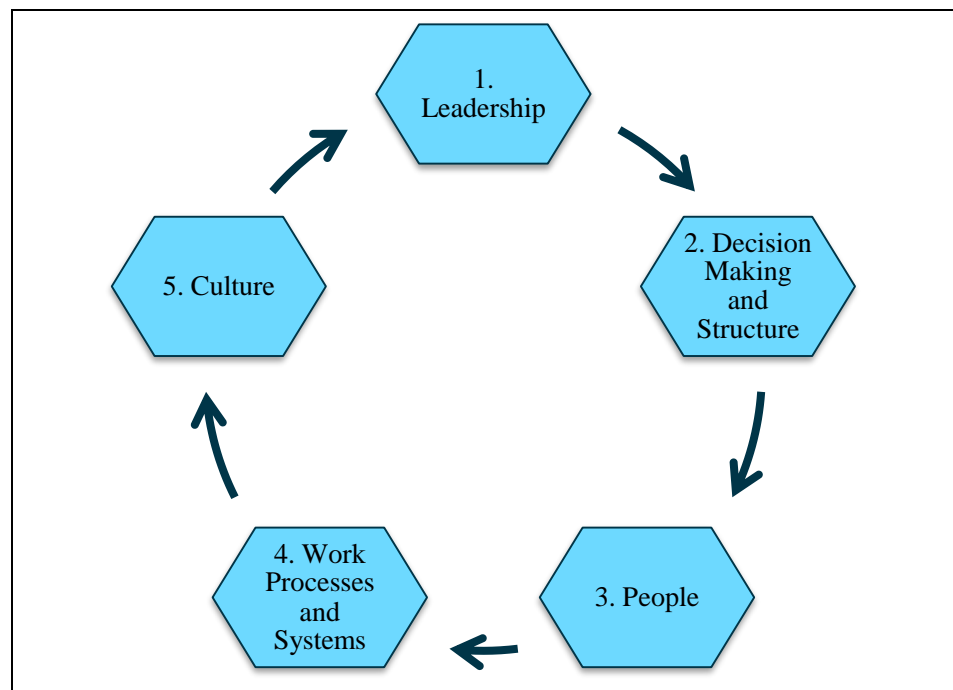
Source: ICFAI Research Center

Example: Leadership Development Program at Microsoft

Digital Transformation Platform Group in Microsoft launched a new leadership development program in 2021 to develop and prepare the next bench of leaders for DTP. This program includes a combination of classroom sessions and hands-on experience solving real-life customer, business, or technical challenges.

For details, check out https://powerapps.microsoft.com/en-us/microsoft-utilizes-power-platform-to-automate-a-leadership-training-program/
(accessed on 10/5/ 2022)

Now let us try to understand organization development in detail. Organization development, as a discipline, emerged to cope up with these challenges faced by organizations and individuals. OD is about improving the efficiency of the individual and the effectiveness of the organization.

1.3.1 Definitions of Organization Development

Organization development encompasses both social action and scientific inquiry. It covers a wide gamut of activities which are interminable. Moreover, organization development provides a comprehensive insight into the rationale for organizational change, the process and the consequences of organizational change. Let us have a look at the various definitions of organization development. (Refer to Table 1.1)

Table 1.1: Definitions of OD[1]

- OD is a planned process of change in an organization's culture through the utilization of behavioral science, technology, research and theory - **Burke**

- OD is an effort which is planned, organization-wide, and managed from the top, to increase organizational effectiveness and health through planned programs in the organizations' processes, using behavioral science knowledge - **Richard Beckhard**

- OD is system wide process of data collection, diagnosis, action planning, intervention and evaluation aimed at 1) enhancing congruence among organizational structure, process, strategy, people and culture 2) developing new and creative organizational solutions, and 3) developing the organization's self-renewing capacity - **Micheal Beer**

- OD is systematic application of behavioral science knowledge to the planned development, improvement and reinforcement of the strategies, structures and processes that lead to organizational effectiveness - **Cummings and Worley**

- OD refers to a long range effort to improve an organization's problem-solving capabilities, and its ability to cope with changes in its external environment with the help of external or internal behavioral scientist consultants or change agents, as they are sometimes called - **Wendell French et al.**

Contd….

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[1] Thomas G. Cummings, Christopher G. Worley, Organization Development and Change, 11th edition, Kindle Cengage Learning, 2020

> • OD is a planned and sustained effort to apply behavioral science for system improvement, using reflexive, self-analytic methods - **Schmuck and Miles**

Source: ICFAI Research Center

We need to understand the important terms used in OD definitions and elsewhere in the unit:

1. *Organization Development*

   • OD is a systematic approach to planned change.

   • OD involves the application of behavioral science theory and research to organizational functioning.

   • OD aims at individual and organizational growth.

   • OD seeks to improve both individual and organizational well-being and effectiveness.

2. *Behavioral Science*

   Behavioral science is the scientific study of human behavior and applies its knowledge in solving practical problems.

3. *Organizational Effectiveness (OE)*

   OE is a concept that seeks to find how effective an organization is in achieving its goals or outcomes that it intends to produce.

4. *Focused Company*

   Focused company is one that applies simplification in business and understands the needs of its core customers. It focuses on its strategies, customers, products, organizations and processes and IT. Here is the case of few companies which adopted simplification and focus leading to organization development.

5. *Intervention*

   A deliberate process by which change is introduced into people's thoughts, feelings and behavior is called intervention.

   Organization Development (OD) interventions/techniques are the methods created by OD professionals and others. Single organization or consultant cannot use all the interventions. They use these interventions depending upon the need or requirement.

6. *Planned Change*

   Change is concerned with making things different. It can be defined as an alteration in the existing field of forces which tends to affect the equilibrium. Any change brought through deliberate actions and efforts is planned change.

Figure 1.2 depicts the model of planned change.

Figure 1.2: Model of Planned Change
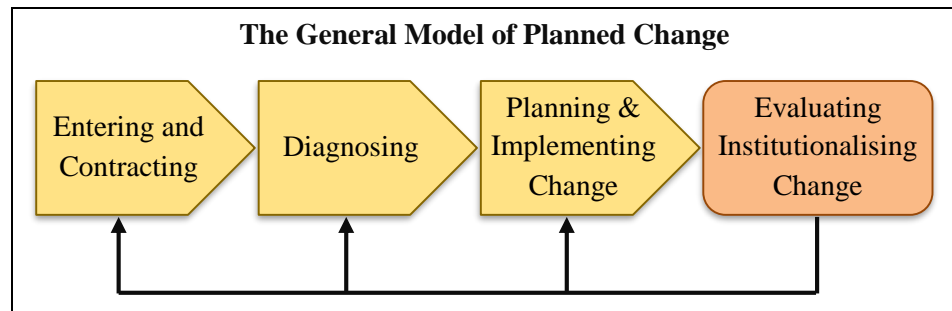
Source: ICFAI Research Center

7. Consultants/specialists/change agents

When the National Training Laboratories' founders were collaborating with the Tavistock Institute in the 1950s, someone from that institute used the term change agent to describe the person who facilitates change by designing and implementing interventions for individuals, groups and organizations. This caught on with others in the institute and it has now become a common phrase in OD.

A change agent is a person (or persons), who acts as a catalyst and assumes the responsibility for managing the change process. Successful change agents have the ability to diagnose problems, build relationships with clients, ensure that the vision is clearly articulated, set leadership agenda and implement interventions to achieve the set goals.

Dave Ulrich[2] who has done extensive research in this area showed that successful change agents had the ability to:

- Diagnose problems: They must focus on understanding organizational problems, their causes and consequences and recognize organization's positive attributes. They must be able to use an appropriate diagnostic model for understanding the organization and gathering, analyzing, giving feedback to managers and organization members about the problems or opportunities that exist.

- Build relationships with clients: As OD is a collaborative process; the change agent needs to build a harmonious relationship with the client and members of client organization.

- Ensure that the vision is articulated: A vision is a statement of – what should be. That is what they need to achieve with this process. The change agent should be able to articulate it so well that the clients are convinced and committed to it.

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[2] Dave Ulrich, 'Human Resources Champion: The Next Agenda for Adding Value and Delivering Results', Boston, Harvard Business School Press, 1997

- Set a Leadership agenda: The change agent should set an outline or a direction for change for the leaders of the organization.

- Recognize and solve problems: Through a thorough diagnosis they identify the problem and then by getting the managers and employees involved, facilitate problem solving and decision making.

- Implement plans to achieve change goals: The change agent along with the organization members jointly plans, designs and implements interventions to achieve the vision and change goals.

1.4   Characteristics of OD

From the definitions, certain important characteristics of OD may be inferred.

- Behavioral science: It focuses essentially on applied science with emphasis on organizational improvement and individual development.

- Planned change: Changes are brought by assessing gaps, analyzing the possible alternatives and determining the suitable actions in a planned way.

- Collaborative effort: All the members work together to bring changes in the desired direction along with the OD consultant.

- Applied to the entire organization: The changes that are brought are applied not just to some parts, but to the whole organization.

- System oriented: OD is concerned with the interactions between the various parts of the organization and the OD interventions stress on intergroup and interpersonal relationships. The objective of OD intervention is to provide a solution to the organization in terms of how each of the subsystems contribute to the effectiveness of the entire organization.

- Action research: OD seeks transformative change through the concurrent progression of taking action and doing research, which are linked together by critical reflection.

- Problem-solving: OD is concerned with diagnosis of problems and collaborative analysis and formulation of interventions for solving the issues and problems connected to organizations.

- Group processes: OD focuses on group processes rather than individual processes. Efforts are made to improve interpersonal relationships, facilitate open communication and foster cooperation and trust. Team building is an important aspect of OD.

- Experiential learning: OD provides experiential learning to help participants learn new behavior patterns through experience.

- Contingency oriented: OD is relatively more flexible and pragmatic as compared to training and follows a situation or contingency approach i.e. it provides solutions based on the problem at hand with adaptive orientation.

- Pragmatic: Increase organizational effectiveness through planned interventions. Actions take place through interventions to make organizations effective.

- Long term: OD interventions are intended to bring about changes that would last for long term.

- Consultants/Specialists/Change agents are involved: The role of consultants/specialists is very important and crucial in bringing changes.

- New and creative solutions evolve: In the process of OD, innovative and creative solutions emerge and corrective actions take place through feedback.

Example: Contributing Towards Organizational Efficiency - The Google Way

In 2021, Google announced that it would make all its product packaging plastic free and 100 percent recyclable by 2025. It ensures to keep the shipping of 'Made by Google' hardware to and from their direct customers 100 percent carbon neutral. This serves as an instance of planned change.

For details, check out https://tech.hindustantimes.com/tech/news/google-to-make-product-packaging-plastic-free-by-2025- (accessed on 10/05/2022)

Check Your Progress - 1

1. Which of the following approaches is effective in managing OD efforts?

   a. Top-bottom

   b. Bottom-top

   c. Horizontal

   d. Vertical

   e. Parallel

2. Which of the following characteristics of OD refer to increased organizational effectiveness through planned interventions?

   a. Action research

   b. Problem solving

   c. System approach

   d. Pragmatic approach

   e. Contingency orientation

3. Which of the following terms is used to refer to a person who acts as a catalyst and assumes the responsibility for managing the change process?

   a. Behavioral scientist

   b. Strategist

   c. Change agent

   d. Supporter

   e. Influencer

4. Which of the following refers to the process of transformative change through the concurrent progression of taking action and doing research?

   a. Action research

   b. Problem solving

   c. System approach

   d. Pragmatic

   e. Contingency orientation

5. Which of the following refers to providing solutions based on the problem at hand with adaptive orientation?

   a. Action research

   b. Problem solving

   c. System approach

   d. Group processes

   e. Contingency orientation

6. Which of the following refers to the interactions between the various parts of the organization and the OD interventions?

   a. Action research

   b. Problem solving

   c. System approach

   d. Group processes

   e. Contingency orientation

7. Which of the following refers to a deliberate process by which change is introduced into people's thoughts, feelings and behavior?

   a. Intervention

   b. System approach

   c. Group processes

   d. Contingency orientation

   e. Pragmatic approach

8. Which of the following refers to the process of helping the participants to learn new behavior patterns through experience?

   a. Experiential learning

   b. System approach

   c. Group processes

   d. Contingency orientation

   e. Pragmatic approach

1.5 Growing Importance of OD

Organizational theory, principles and practices are continually applied to increase organizational effectiveness. OD seeks to change beliefs, attitudes, values, structures and practices so that organizations can better adapt to new technology and cope up with the fast pace of change. Several thinkers have contributed to this field and the strategies, processes and practices evolved by them are discussed in the coming units.

As put by Cummings and Worley, the growing importance of OD is evident from the following points:

1. OD applies to changes in the strategies, structures and/or processes that lead to organizational effectiveness.

2. OD is based on the application and transfer of knowledge and practice, including micro concepts such as leadership, group dynamics and work design and macro concepts such as strategies, organizational design and structural relations.

3. OD is an adaptive process for planning and implementing change.

4. OD involves the design, implementation and the subsequent reinforcement of change. It moves beyond the initial efforts to implement a change program to a long term concern for appropriately institutionalizing new activities within the organization.

5. OD is oriented to improving organizational effectiveness. Worley and Cummings point out that an organization is considered effective if

   a. It is adaptable, able to solve its own problems and focus its attention and resources in achieving key goals.

   b. It helps the members of the organization gain the skills and knowledge necessary to conduct these activities by involving them in change process.

   c. It has high financial and technical performance.

   d. It has satisfied and loyal customers or other stakeholders.

> **Example: 'MITR' at Wipro that Enables Adaptive Approach**
>
> Wipro deserves kudos for tackling mental health in the workplace through its pioneering 'MITR' program that is integrated with Wipro's Workplace-Fit for Life. This is an instance of an employee assistance program that is handled by trained professionals who are empathetic, mature and with high emotional intelligence and are experienced in handling teams. They provide the necessary assistance to their fellow employees to cope up with the challenges.
>
> *For details, check out: https://www.wipro.com/content/dam/nexus/en/investor/annual-reports/2018-2019/annual-report-interactive.pdf (accessed on 09/05/2022)*

1.6   Benefits of OD

Organization development is the ongoing attempt to improve overall company productivity and efficiency by creating a nurturing atmosphere for employees. It can be used to bring about an organizational change, or it can be implemented to improve specific operations.

- OD tries to bring about planned change in the entire organization or in its major unit, thereby helping the organization to achieve its objectives.

- OD promotes interpersonal relationships between team members resulting in improved teamwork. Without which it is difficult to carry out the OD processes as it is a joint effort between different groups in the organization. They work together in diagnosing and solving problems. This promotes interpersonal relationships.

- Improving employee relationships boosts morale and reduces employee turnover. By working as a team in diagnosing and solving problems, the employees feel committed in implementing the change and this improves their commitment to the organization and reduce turnover.

- OD provides opportunities to employees to develop to their full potential. Some of the core values of OD are human potential, participation and development. As they focus on helping employees develop skills and competencies so that they are well equipped for change.

- OD makes organizations effective by supporting them in achieving organizational objectives. OD is focused on making organizations effective by making it adaptable and being able to diagnose and solve problems and direct their resources and energies towards achievement of organizational goals. OD helps organizations achieve high financial and technical performance by using behavioral and social science practices. This also helps in lower costs, improved products and services, and increased productivity.

- OD creates a conducive environment and makes work exciting and challenging.

- Employees become more adaptable to change and resistance to change will be minimal.

- Change is brought throughout the organization.

- OD facilitates team-building and cooperation and helps in avoidance and resolution of conflicts if any.

- Organization development aims to create job satisfaction and enhances employees' motivational levels.

- OD leads to decrease in absenteeism and employee turnover.

- Effective resource utilization is enabled due to OD interventions which contribute to enhanced productivity.

Activity 1.1

Basyx, a telecom company, manufactures and sells high end telecommunication equipment to telecommunication service providers all over the world. It manufactures a range of telecom products at multiple locations. Basyx it feels that the current processes in the organization do not suit their operations. Suggest a suitable OD intervention for Basyx and give reasons for its suitability to Basyx.

Answer:

Example: Team Building during Digital Transformation at Puma Energy

Global energy major, Puma Energy, had embarked on an ambitious transformation program – christened 'ePuma' – that digitalized business processes across finance, sales and supply chain functions, as well as customer relationship management. Leveraging the partnership it has had with Tata Consultancy Services (TCS) over the past few years, Puma Energy was able to deliver this critical, so-called 'Single Landscape Optimization' remotely, and at impressive speed. This was appreciated to be one of the finest pieces of team work achieved while the rest of the world was busy battling with Covid-19.

For details, check out: https://www.tcs.com/puma-energy-it-landscape-optimization -crm-supply-chain (accessed on 09/05/2022)

1.7   Limitations of OD

Resistance is one of the main factors preventing organizational change, so it is important to recognize it and develop strategies for managing resistance.

Apart from its benefits OD has its own limitations. In fact, it is a challenge to maintain an efficient organizational development program as modern organizations are complex. The limitations of OD are enumerated below:

- OD interventions require the services of consultants thus making it expensive.

- The process of OD involves diagnosis, data analysis, action planning, problem-solving, team-building and implementation of interventions, all of them require lot of effort and are time consuming.

- OD requires learning new behaviors which is again a time consuming process and is achieved over a period of time.

- When OD is being implemented sometimes processes can become time-consuming and slow its productivity.

- Inability of the leaders to balance priorities involving people, processes and motivation may lead to the failure of OD intervention.

- OD efforts may not give the desired results if the participants are coerced towards group attitudes and conformity.

- Some of the benefits of OD have long payoff period and the organization finds it difficult to wait for a long period.

- OD process will seem long, expensive and time consuming because the process involves data collection, diagnosis, planning, implementation and evaluation only if management focus is short term. The organizational members along with the management should understand that OD will benefit the organization in the long term and hence they need to be committed and patient.

Exhibit 1.1 illustrates how the inability of the leaders to embrace changes may lead to companies to flounder.

Exhibit 1.1: Blockbuster Story: Concentrating upon Processes at the Cost of Innovation

In 2004, Blockbuster, an American based home-movie and video game rental service provider was bringing in $6 billion in revenue and Netflix was trailing behind as a scrappy start-up. Just six years later, Netflix was a $2.2 billion company and Blockbuster was bankrupt as it failed to recognize how quickly the video rental market was changing due to disruption.

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Back then when Netflix CEO Reed Hasting approached Blockbuster for working together - Netflix running Blockbuster's brand online and Blockbuster promoting Netflix in its stores, the latter declined the offer as it failed to acknowledge and anticipate changes in the way customers preferred to watch movies by streaming them instead of renting. Rather it chose to double on its physical stores and inventory. By the time they waked up to the reality, it was very late. In an attempt to catch up, Blockbuster replicated Netflix's model by making use of its strong customer base and discontinued its late fees so as to match the benefits that Netflix provided to its customers. Despite the strategic decisions, owing to wrong timing, Blockbuster ran into debt.

The lack of vision of its leaders and their failure to acknowledge and embrace changes when new technology was transforming the market and more importantly their competitor was introducing new ways of doing the same can be attributed to the failure of Blockbuster.

Sources: https://www.linkedin.com/2022/5-reasons-why-blockbuster-failed   (accessed   on 10/05/2022)
https://www.business2community.com/business-innovation/3-companies-failed-adapt-went-wrong (accessed on 10/05/2022)

Check Your Progress-2

9. Which of the following factors act as a barrier to organizational change?
    a. Organization development
    b. Resistance to change
    c. Delayed payoffs
    d. Financial expenses
    e. Group processes

10. Which of the following is based on the application and transfer of knowledge and practice, including micro concepts such as leadership, group dynamics and work design?
    a. Organization development
    b. Resistance to change
    c. Delayed payoffs
    d. Financial expenses
    e. Group processes

1.8   Summary

*   Organization development is the applied behavioral science dedicated to improving organizations, and the people in them, through the theory and practice of planned change.

- Organization development provides a comprehensive insight into the rationale for organizational change, the process and the consequences of organizational change.

- OD is concerned with the interactions between the various parts of the organization and the OD interventions stress on intergroup and interpersonal relationships.

- OD is concerned with diagnosis of problems and collaborative analysis and formulation of interventions for solving the issues and problems connected to organizations.

- Action research: OD seeks transformative change through the concurrent progression of taking action and doing research, which are linked together by critical reflection.

- Effective resource utilization is enabled due to OD interventions which contribute to enhanced productivity.

- OD promotes interpersonal relationships between team members resulting in improved teamwork

- OD facilitates team-building and cooperation and helps in avoidance and resolution of conflicts if any.

- OD process is costly in terms of time, effort and money and would be unsuccessful if leaders are not able to balance priorities involving people, processes and motivation.

- Some of the benefits of OD have long payoff period and the organization finds it difficult to wait for a long period.

1.9   Glossary

Behavioral science: Behavioral science applies its knowledge to solve practical problems.

Consultants/Specialists/Change agents: A change agent is a person (or persons), who acts as a catalyst and assumes the responsibility for managing the change process.

Focused company: Focused company is one that applies simplification in business and understands the needs of its core customers. It focuses on its strategies, customers, products, organizations and processes and IT.

Intervention: A deliberate process by which change is introduced into people's thoughts, feelings and behavior. Intervention or the specific action(s) selected for implementation that are intended to bring about the envisioned change

Organization Development: OD is systematic application of behavioral science knowledge to the planned development, improvement and reinforcement of the strategies, structures and processes that lead to organizational effectiveness.

Organizational effectiveness: Organizational effectiveness is a concept that seeks to find how effective an organization is in achieving its goals or outcomes that it intends to produce.

Planned change: Planned change can be defined as an alteration in the existing field of forces which tends to affect the equilibrium. Any change brought through deliberate actions and efforts is planned change.

Productivity: Productivity is the ratio of output to inputs and is a measure of efficiency of production.

1.10 Self-Assessment Exercises

1. Define OD and explain its distinguishing characteristics.

2. Organizational development is an ongoing attempt to improve overall company productivity and efficiency. Analyze.

3. For an organization to develop, it needs to imbibe simplification and focus. Explain this by citing a company of your choice.

4. Enumerate the benefits and limitations of OD.

1.11 Suggested Reading/Reference Material

1. Julie Hodges, Organization Development: How Organizations Change and Develop Effectively, 1st edition, Springer Publisher, 2020

2. Thomas G. Cummings, Christopher G. Worley, Organization Development and Change, 11th edition, Cengage Learning, 2020

3. Donald L Anderson, Organization Development: The Process of Leading Organizational Change, 5th edition, 2021

4. Mee-Yan_Cheung Judge, Linda Holbeche; Organization Development: A Practitioner's Guide for OD and HR, 3rd edition, Kogan Page, 2021

5. Ishwar Dayal, Handbook of Organization Development: Ways to Remain Competitive, 1st Edition, Ane Books Pvt. Ltd, 2021

1.12 Answers to Check Your Progress Questions

1. **(a) Top-bottom**

   OD activities flow from the top to bottom.

2. **(d) Pragmatic**

   Pragmatic approach increases organizational effectiveness through planned interventions

3. **(c) Change agent**

   Change agent intervenes and tries to bring changes into the organization

4. (a) **Action research**

    Action research seeks transformative change through the concurrent progression of taking action and doing research, which are linked together by critical reflection.

5. (e) **Contingency orientation**

    OD is relatively more flexible and pragmatic as compared to training and follows a situation or contingency approach i.e. it provides solutions based on the problem at hand with adaptive orientation.

6. (c) **System approach**

    OD is concerned with the interactions between the various parts of the organization and the OD interventions stress on intergroup and interpersonal relationships.

7. (a) **Intervention**

    A deliberate process by which change is introduced into people's thoughts, feelings and behavior is called intervention.

8. (a) **Experiential learning**

    OD provides experiential learning to help participants learn new behavior patterns through experience.

9. (b) **Resistance to change**

    Resistance is one of the main factors preventing organizational change, so it is important to recognize it and develop strategies for managing resistance.

10. (a) **Organization development**

    Organization development is based on the application and transfer of knowledge and practice, including micro concepts such as leadership, group dynamics and work design.

Unit 2

Historical Overview of Organization Development

Structure

"Growing a culture requires a good storyteller. Changing a culture requires a persuasive editor."

- Ryan Lilly

2.1   Introduction

As has been popularized by Ryan Lilly, OD involves change in culture of the organization and the same is facilitated by OD practitioners. In the previous unit, we have discussed the nature of OD and its characteristics. Further, the unit discussed the importance and limitations of OD.

A brief history on OD would enable us to know about the important practices followed in OD. The history of OD consists of rich contributions of several behavioral scientists and OD practitioners. The first among them was Douglas McGregor. Other significant contributors were Herbert Shepard, Robert Blake and Jane Mouton.

In this unit, prominent contributions made by several behavioral scientists are discussed. Systematic OD activities branch from four important stems. The same have been discussed in detail in this unit.

2.2   Objectives

After studying this unit, you should be able to:

- Explain the evolution of OD
- Enumerate the four important stems of OD activities
- Highlight the contribution and works of behavioral scientists and OD practitioners

2.3   Four Major Stems of OD

The four major stems of OD are: Laboratory training, survey feedback, action research and socio-technical and socio-clinical stem. Now let us understand each of them in detail.

2.3.1 Laboratory Training

Otherwise called as sensitivity training or the T-Group or development groups, laboratory training approach was developed by Kurt Lewin and his associates in 1964 at the Massachusetts Institute of Technology (MIT).

They conducted workshops and had an observer to note the interactions among members. At the end of each day lively discussions were held and feedbacks were given to the participants. These sessions became the most significant learning experiences to the participants.

Later, after the death of Lewin in 1947, Benne, Bradford and Lipitt continued these laboratory training activities at National Training Laboratory (NTL) focusing on group and leadership processes.

Later there was tremendous growth of T-groups in India, initiated by experts like Rolf Lynton, Robert Tannenbaum, Chris Argyris and others. In fact the term 'Organization development' emerged through the works of these scholars like Blake, Mouton, McGregor and Beckhard (French, Bell and others)

To reiterate, the features of T-group are enumerated below:

- The T-group refers to an unstructured small group consisting of 10-12 members.

- The participants in this group learn from their own experiences and interactions on issues such as interpersonal relations, personal growth, leadership and group dynamics.

- Members are drawn either from strange lab i.e. from different organizations or from cousin-lab i.e. from the same organization but different units or from family-lab i.e. from same unit in the same organization.

- Trainers act as facilitators in T-groups.

- It is a group activity where members develop interpersonal relationships with open communication and sensitive feelings towards each other.

Having understood the features of T-group, the objectives of training programs in the T-group have been enumerated below:

- T-group tries to sensitize people about the feelings and reactions of others and make them aware of how they affect others.

- The training programs in the T-group make the members understand how to manage the reactions of others.

- The programs in the T-group focus on group dynamics.

- The objective of the training programs in the T-group is to bring a change in the attitude of the participants towards themselves, their coworkers as well as the organization for which they work.

- Training programs in the T-group orient people towards group activities rather than individual activities so as to attain organizational goals.

2.3.2 Survey Feedback

The second stem is the survey research feedback which is a specialized form of action research. It revolves round the techniques adopted by staff members at the Survey Research Center (SRC) of the University of Michigan.

In 1946, SRC was established and in 1948 it became part of the Institute for Social Research (ISR) along with the Research Center for Group Dynamics. Rensis Likert initiated this method at SRC. It highlighted how a company can use the data from the survey to bring improvement in management and performance.

It includes developing questionnaires and collecting data and after analyzing the data giving feedback to employees for correctional measures. It was found out that feedback will be effective for introducing positive change in a business organization.

The process of survey feedback is explained below:

- In the survey feedback approach, surveys are conducted among people belonging to work groups of a department or an organization.

- Data is collected on the issues and requirements of the organization through validated questionnaires.

- Feedback is given to the participants. It has been used as an instrument to understand and evaluate the perceptions of employees so as to motivate them to improve their performance. This also helps in bringing required organizational changes and improving the organizational climate.

- Follow-up is required to ascertain whether the recommendations provided are implemented.

If OD consultants are competent and management is committed and willing to foster change, survey feedback is a very valuable and effective technique for fostering organizational effectiveness.

2.3.3 Action Research

Action research, conceptualized by Kurt Lewin and John Collier in 1940s forms the basic premise on which the process of OD is established. Later several behavioral scientists elaborated action research.

Collier was to analyze the reasons for prevailing frequent ethnic conflicts and find ways to bring racial harmony between different ethnic groups. Collier felt a type of action research is required to find solutions to such type of problems with the combined efforts of researchers, OD practitioners and the clients.

Action research is otherwise known as collective inquiry, emancipatory research, action learning, and contextual action research, but all are variations on a theme. Put simply, action research is "learning by doing" whereby a group of people identify a problem, plan action to resolve it, analyze the success of their efforts and if dissatisfied, try again (O'Brien).

Action research is a collaborative, client-consultant enquiry. It is 'learning by doing'. The laboratory training stem has a heavy component of action research and the survey feedback stem is the specialized form of action research and the socio-technical and socio-clinical stem have strong action research thrust on them.

French and Bell, in fact define organization development as 'organization improvement through action research'. According to them, 'action research is the process of systematically collecting research data about an ongoing system relative to some objective, goal or need of that system; feeding these data back into the system; taking actions by altering selected variables within the system based both on the data and on hypotheses; and evaluating of actions by collecting more data'.

The above contributions help us in understanding the process of action research. The same has been enumerated below:

- The first step involves gathering of relevant data.
- Then the same is shared with the client and is analyzed and discussed to arrive at the action plan that is jointly agreed by both the parties.
- Upon implementation of the plan, the results are monitored and evaluated so as to understand the impact of the intervention.

Figure 2.1 depicts the action research model.

Figure 2.1: Action Research Model
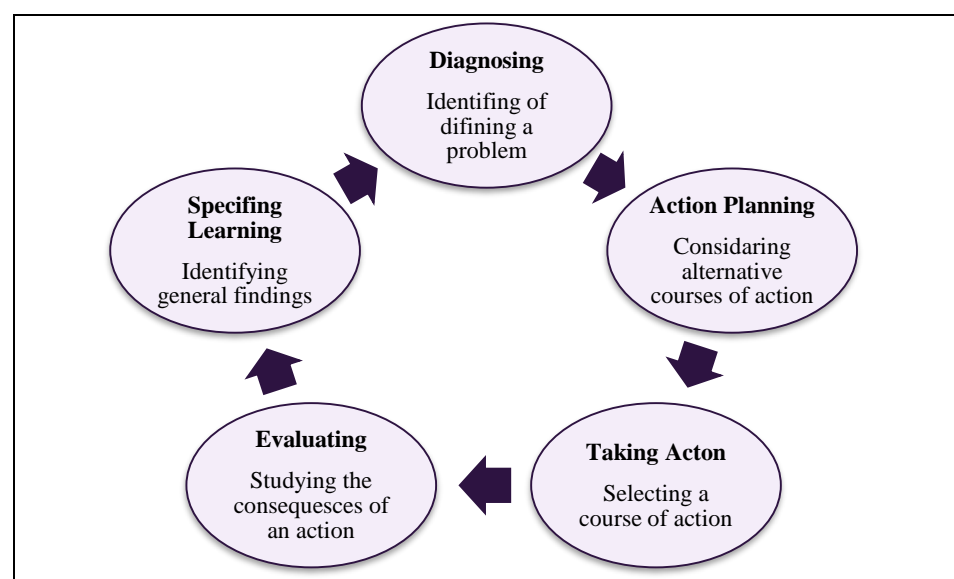
Source: ICFAI Research Center

Types of Action Research

Action Research is collaborative with sharing of knowledge and expertise by the researcher. It requires mutual trust, openness, and willingness to explore into and reach solutions to organizational problems.

There are four types of action research: diagnostic action research, participant action research, empirical action research and experimental action research. Table 2.1 depicts the features of the four types of action research:

Table 2.1: Distinguishing Features of Four Types of Action Research

Type	Distinguishing Features
Diagnostic	This involves diagnosis and choice of intervention that entrusted to action researcher. Little or no involvement of client in these processes because client is either not competent or not interested in being involved.
Participant	Both client and consultant have requisite competence and they collaborate on all aspects thus making the process of participant research more complex and potentially more time-consuming.
Empirical	With systematic observations of earlier interventions and their impact, choice of intervention is derived from practice rather than theory in case of empirical research. This method relies on divergent experiences to draw from.
Experimental	This involves learning by doing under controlled conditions in the client system to identify the most suitable intervention. The method can subordinate action to research.

Source: ICFAI Research Center

Exhibit 2.1 illustrates the launch of Co-Innovation Network (COIN) by TCS which would help us to understand action research.

Exhibit 2.1: TCS COIN- Enabling Disruption Through Collaboration

As digital technologies evacuate and disrupt well-established industries, novel innovation prospects keep evolving at the fast-blurring borders between commercial domains. Leveraged against a strong innovation ecosystem, such opportunities can address the customer challenges.

TCS through its TCS Co-Innovation Network (COIN) identifies such opportunities and gets together a myriad of experts from start-ups, research domain, academicians and the corporates to work on collaborative innovations.

Contd....

The program comprises four components:

- TCS COIN Reference Architecture

- TCS COIN Accelerator

- TCS COIN Certified Start-up Partner Program

- TCS COIN Integration Team

These components identify disruptive technologies and start-ups, and facilitates industry-relevant collaboration with TCS business units and customers. Together, TCS Research and Innovation and TCS COIN™ partners have developed several path-breaking ideas, many of which have been successfully transitioned into customer solutions.

Source: https://www.tcs.com/tcs-cointm (accessed on 10/05/2022)

2.3.4 Model of Adaptive Orientation in Organizations

Approaches to Change: Every organization must have stability to continue to function satisfactorily and still prevent itself from becoming too static or stagnant to adapt to changing conditions. Both stability and adaptation are essential to continued survival and growth. There are four approaches to change (Brown 2013).
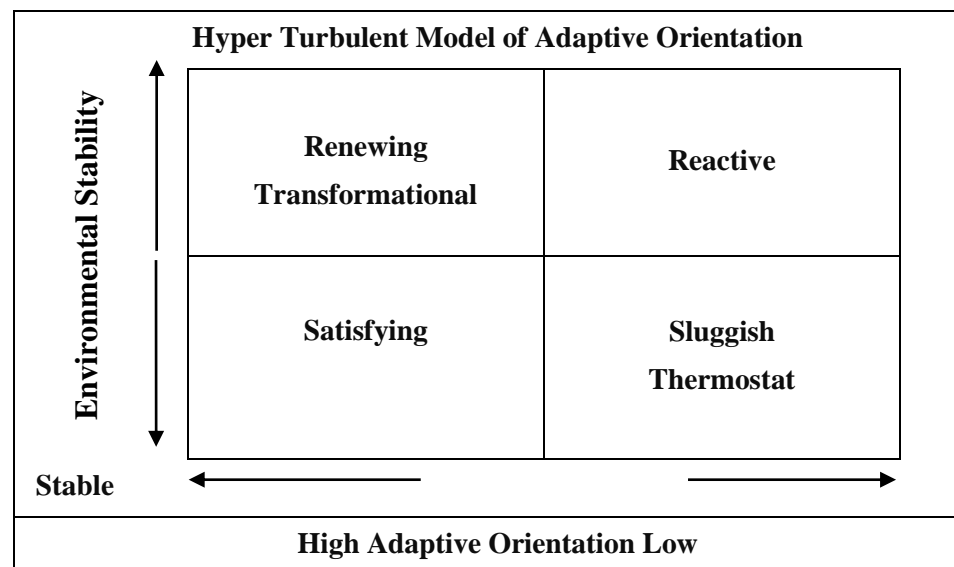
Source: Brown, An Experiential Approach to Organization Development, Eight Edition, Pearson Education India, 2013

Let us understand each of the quadrants in detail:

- *Sluggish approach- thermostat management* - This quadrant is characterized by stable environment and low adaptation.

- *Satisfying management* - This quadrant is characterized by stable environment and high adaptation.

- *Reactive management* - This quadrant is characterized by hyper turbulent environment and low adaptation.

- *Renewing transformational management* - This quadrant is characterized by hyper turbulent environment and high adaptation.

Most modern organizations are increasingly finding the need for renewing transformational management embracing the adaptive orientation, if they are to maintain a competitive edge or even to survive.

2.3.5 Socio-technical and Socio-clinical Approach

A fourth stem in the history of OD is the evolution of socio-technical and socio-clinical approach for helping groups and organizations. In the 1950s Tavistock Clinic in UK under the leadership of Wilfred Bion, John Rickman and others developed the socio-technical system's approach to restructuring work.

The application of principles of group dynamics by Eric Trist to resolve problems in coal mines led to the emergence of socio-technical stem. Trist's experiments showed positive effect of social relationship and autonomy among workers on productivity. This approach integrates social and technical requirements of employees.

The system approach to managing change views the organization as a unified system composed of interrelated units. Managers look at the organization as a part of a larger external environment. According to socio technical systems, organizations are viewed as open systems which coordinate human and technical activities. Integrating social requirements of employees with technical requirements is the core of socio-technical approach.

Check Your Progress - 1

1. In which of the following stems of OD are the positive effect of social relationship and autonomy among workers on productivity is incorporated?
   a. Socio-technical approach
   b. Survey feedback
   c. Action research
   d. Sensitivity training
   e. Laboratory training

2. Which of the following is the other term used for laboratory training?
   a. Sensitivity training
   b. Action research
   c. OD Stem
   d. Survey feedback
   e. Total quality management

3. Which of the following quadrants of adaptive orientation is characterized by stable environment and high adaptation?
   a. Sluggish approach
   b. Satisfying management
   c. Reactive management
   d. Renewing transformational management
   e. Thermostat management

4. Which of the following is the first step in survey research feedback process?
   a. Giving feedback to the participants
   b. Undertaking correctional measures
   c. Follow-up action
   d. Collection of data through questionnaires
   e. Monitoring

5. Which of the following quadrants of adaptive orientation is characterized by hyper turbulent environment and low adaptation?
   a. Sluggish approach
   b. Satisfying management
   c. Reactive management
   d. Renewing transformational management
   e. Thermostat management

6. Which of the following is the first step in action research?
   a. Action planning
   b. Evaluating
   c. Diagnosing
   d. Specifying learning
   e. Survey feedback

2.4 Current Trends

Now that we have understood the first-generation OD practices, let us move on to the current trends in OD. This included learning organizations, total quality management (TQM), human relations approaches of Likert's participative management, quality of work life (QWL) programs and appreciative inquiry method.

2.4.1 Learning Organizations

"One that is continuously expanding its capacity to learn"

- Peter Senge

Peter Senge is the main exponent of the learning organization concept. It emphasizes on how individuals, teams and organizations learn through system thinking which enable people to accomplish major tasks in the organization. Senge defines learning organization as "one that is continuously expanding its capacity to learn".

The learning organization symbolizes a company where its members are constantly learning to reach organizational objectives.

New knowledge is continuously acquired, shared, and applied among organizational members in decision making and work processes. All members take an active role in identifying and resolving work-related issues so that the individual and organizational goals can be accomplished.

Figure 2.2 depicts a diagrammatic representation of Senge's learning organization.

Figure 2.2: Diagrammatic Representation of Senge's Learning Organization
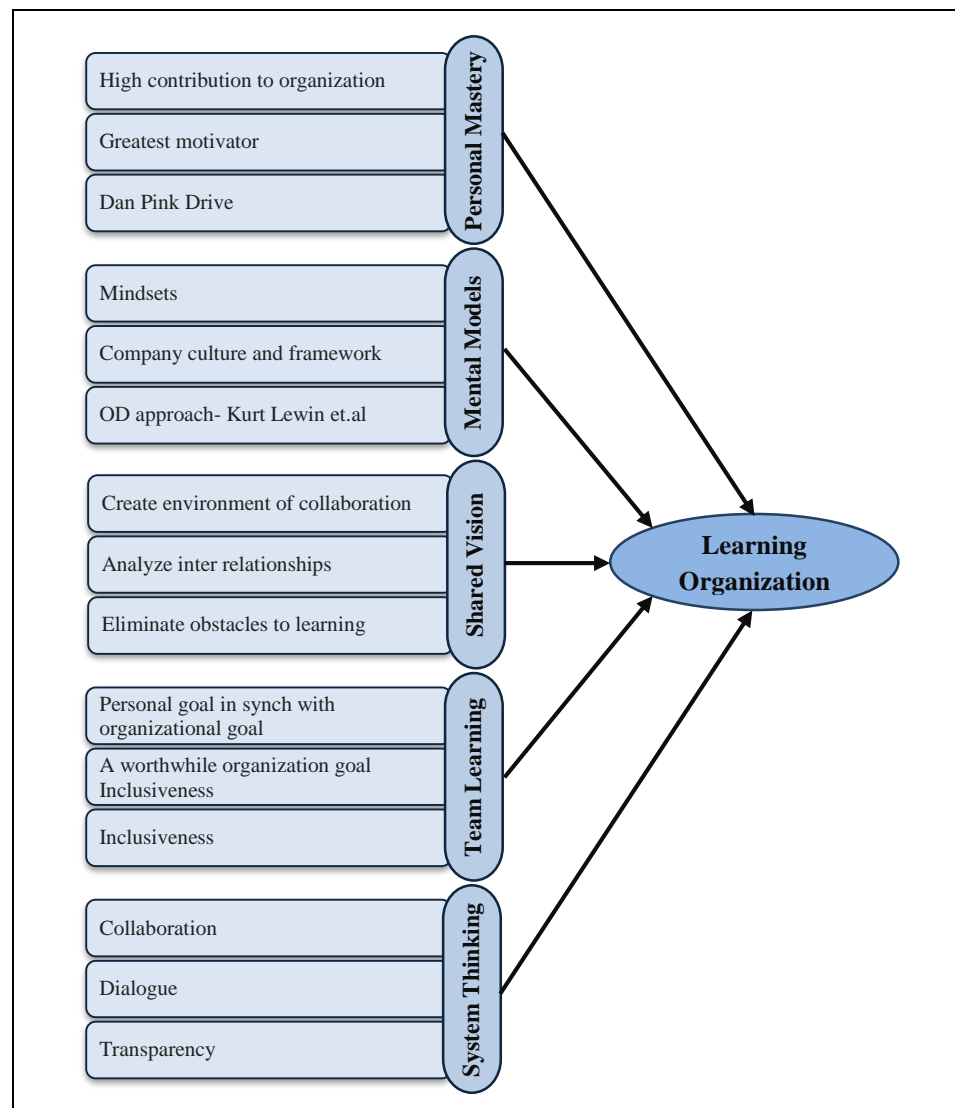
Source: ICFAI Research Center

Now let us understand the five components of learning organizations:

Personal mastery - People with a high level of personal mastery live in a continual learning mode. Sometimes, language, such as the term 'personal mastery' creates a misleading sense of definiteness, of black and white. But personal mastery is not something you possess. It is a process. It is a lifelong discipline. People with a high level of personal mastery are acutely aware of their ignorance, their incompetence, their growth areas. And they are deeply self-confident

Mental models - The discipline of mental models starts with turning the mirror inward; learning to unearth our internal pictures of the world, to bring them to the surface and hold them rigorously to scrutiny. It also includes the ability to carry on learning conversations that balance inquiry and advocacy, where people expose their own thinking effectively and make that thinking open to the influence of others.

Shared vision - When there is a genuine vision, people excel and learn, not because they are told to, but because they want to. But many leaders have personal visions that never get translated into shared visions that galvanize an organization.

The practice of shared vision involves the skills of unearthing shared 'pictures of the future' that foster genuine commitment and enrolment rather than compliance. In mastering this discipline, leaders learn the counter-productiveness of trying to dictate a vision, no matter how heartfelt.

Team learning - The accumulation of individual learning constitutes team learning. The discipline of team learning starts with 'dialogue', the capacity of members of a team to suspend assumptions and enter into a genuine 'thinking together'. It also involves learning how to recognize the patterns of interaction in teams that undermine learning.

System thinking - A great virtue of Peter Senge's work is the way in which he puts systems theory to work. It is the system approach that integrates other components in the internal and external environment and assimilates them into a coherent body of theory and practice. Systems theory's ability to comprehend and address the whole and to examine the interrelationship between the parts provides both the incentive and the means to integrate the disciplines.

2.4.2 Total Quality Management (TQM)

Total quality management refers to the continuous organization-wide improvement which results in the quality of goods and services exceeding customer expectation. TQM efforts encourage true employee involvement, demand team work, push decision-making power to lower levels in the organization and reduce barriers between people.

TQM tries to ensure that the product and services conform to the needs, requirement and satisfaction of the customers. TQM model includes people, processes and systems in the organization; developing people and teams, improving processes, tools and techniques and continually improve the

effectiveness and efficiency of performance of the systems for achieving organizational excellence.

Now let us understand the essentials of TQM:

- It focuses on improving organizational efficiency and effectiveness.
- It places the responsibility for achieving quality on every individual in the organization.
- The major impetus of TQM is on shifting the focus from outcomes to processes that produce these outcomes.
- It makes use of data collection, analysis, flowcharts, cause and effect diagrams.

The essence of TQM is that quality can be managed. It is a process involving participative management style that emphasizes staff commitment to customer satisfaction. It adopts a holistic approach through decentralization, strives for continuous improvement by producing results that exceed customer expectations.

The principles of TQM are enumerated as follows:

- Quality can and must be improved and it is the responsibility of every employee to contribute towards quality.
- It is essential to know our customers and identify their requirements.
- The problem arises with processes and not the people. Emphasis should be on prevention of the problems and not just trying to fix them. Defect free products should be the objective.
- There should be commitment from the top management to facilitate quality improvements.
- Quality should always be measured. A balanced approach should be followed across all the functions by using standardized methods.

Customer satisfaction is a function of perceived quality of services. The five stars of service quality are tangibility which represents the services, reliability which refers to delivering and keeping up the brand promise, responsiveness which refers to the willingness to help, assurance which denotes inspiring trust and confidence and empathy in treating customers as individuals.

Figure 2.3 depicts the five stars of quality service.

Figure 2.3: Five Stars of Quality Service
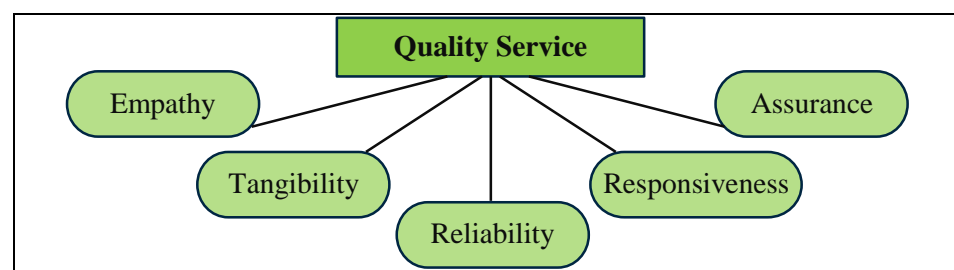
Source: ICFAI Research Center

TQM efforts which are core to OD are:

- It encourages employee involvement

- It calls for team work

- It seeks to push decision-making power to lower levels in the company

- It reduces barriers between people

2.4.3 Likert's Participative Management

Likert believed a human relations approach to OD is 'one best way' to manage organizations. Likert's participative management program characterized organizations as having one of four types of management systems:

1. *Exploitative authoritative systems (System 1)* - This is an autocratic, top-down approach to leadership. In this type of management system employees/subordinates have no say in decision making and must abide by the decisions made by superiors. The organization uses threats to ensure completion of the assigned tasks. Employee motivation is based on punishment and occasional rewards. Communication is primarily top-down and there is no teamwork involved. Decision making and control reside primarily with the top management. System 1 results in mediocre performance.

2. *Benevolent authoritative systems (System 2)* - This exhibits paternalistic management style. Decisions are made by top management. However, employees are motivated through rewards (for their contribution) rather than threats. Employees are allowed a little more interaction, communication, and decision making but within boundaries defined by management.

3. *Consultative Systems (System 3)* - In this type of management system, subordinates are motivated by rewards and there is involvement in the decision making process. However major decisions are still made by senior management with increased employee interaction. Productivity is good, and employees are moderately satisfied with the organizations.

4. *Participative group Systems (System 4)* - Employees are highly involved in setting goals, making decisions, and the flow of communication occurs both laterally and vertically. Management has complete confidence in their subordinates/employees and they are fully involved in the decision making process.

   Employees feel responsible for achieving the organizational objectives through team work. System 4 achieves high levels of productivity, quality and member satisfaction.

Table 2.2: Comparison between 4 Types of Management Systems

Variable	Exploitative S1	Benevolent S2	Consultative S3	Participative S4
Motivation	Based on Threats	Based on Rewards	Based on rewards and also involvement in job	Based on rewards and also involvement in job
Teamwork	Very Little	Very Little	Fair amount of teamwork	High level of teamwork
Communication	Very Little	Very Little	Vertical and horizontal communication	Vertical and horizontal communication
Discussions between Superiors and Subordinates	Little	Little	Some discussions take place	Thorough discussions take place
Responsibilities	Lies with Top management	Lies with Top management	Spread widely throughout the organization	Widespread throughout the organization
Confidence	Superiors have no trust	Master-servant relationship	Satisfactory but not complete	High level of confidence
Decision-making	Imposed on the subordinates	Imposed on the subordinates	Consulted in decision-making	High level decision-making

From the Table 2.2, it is clear that systems 1 & 2 are least productive and systems 3 & 4 are most productive and system 4 has optimum effectiveness.

2.4.4 Quality of Work Life (QWL)

QWL programs involve joint participation by unions and management in the design of work and result in work designs that provide employees with high levels of discretion, task variety and feedback about results. It is the work design that leads to the formation of self-managing work groups consisting of multi-skilled workers who were given the necessary autonomy and information to design and manage their own task performances.

The elements in a typical QWL program include – open communications, equitable reward systems, a concern for employee job security and satisfying careers and participation in decision making with emphasis on development of employee skills, reduction of occupational stress and development of harmonious industrial relations.

QWL programs expanded its focus on improving employee productivity and satisfaction. This led to the formation and spread of quality circles in many organizations.

2.4.5 Appreciative Inquiry Method

"Appreciative Inquiry is an approach based on strengths rather than weaknesses, on a vision of what is possible rather than an analysis of what is not."

- David Cooperrider

Appreciative inquiry (AI) method is developed by David Cooperrider, Professor who believes in the approach that tries to identify best in people and organizations. It is a positive way to embrace organizational change by concentrating on the positive elements of the organization instead of the negative aspects.

Following are the assumptions of appreciative inquiry:

- Appreciative inquiry is a positive way to embrace organizational change.

- All organizations have success stories that contribute to the positive development of organizations.

- Appreciative inquiry looks at what is right in the organization rather than what is wrong.

- It tries to discover what is best in people and organizations and the world around.

- It assumes that the change process starts through inquiry and inquiry is the art of asking positive questions.

- It is a method of studying and changing social systems - groups, organizations and communities and believes that meaning and recognition is created through interaction with others.

To sum up, appreciative inquiry is an approach to organizational analysis and learning that is intended for discovering, understanding, and fostering innovations and focuses on things that create value by asking questions.

Now let us understand the principles of appreciative inquiry:

According to David Cooperrider and Diana Whitney, there are five principles of appreciative inquiry (Bushe 2013)

1. The *constructionist principle*, which holds that what we believe to be true determines what we do, and thought and action emerge out of relationships. The purpose of inquiry is to stimulate new ideas, stories and images that generate new possibilities for action.

2. The *principle of simultaneity*, which proposes that as we inquire into human systems we change them and the seeds of change, the things people think and

talk about, what they discover and learn, are implicit in the very first questions asked. Questions are never neutral, they are fateful, and social systems move in the direction of the questions they most persistently and passionately discuss.

3. The *poetic principle*, which proposes that organizational life is expressed in the stories people tell each other every day, and the story of the organization is constantly being co-authored. The words and topics chosen for inquiry have an impact far beyond just the words themselves. They invoke sentiments, understandings, and worlds of meaning.

4. The *anticipatory principle*, which suggests that what we do today is guided by our image of the future. Human systems are forever projecting ahead of themselves a horizon of expectation that brings the future powerfully into the present as a mobilizing agent. Appreciative Inquiry uses artful creation of positive imagery on a collective basis to refashion anticipatory reality.

5. The *positive principle*, which proposes that momentum and sustainable change requires positive affect and social bonding. Sentiments like hope, excitement, inspiration, camaraderie and joy increase creativity, openness to new ideas and people, and cognitive flexibility. They also promote the strong connections and relationships between people, particularly between groups in conflict, required for collective inquiry and change.

Table 2.3 depicts the difference between problem-solving and appreciative inquiry.

Table 2.3: Differences between Problem-Solving and AI

Problem-Solving	Appreciative Inquiry
Basic assumption is that the organization is a problem to be solved and the process of problem-solving starts with the identification of the problem.	Basic assumption is that the organization is a mystery to be embraced and appreciative inquiry involves setting a context of appreciation of (seeing) what it is.
It involves analysis of causes and seeks answer to the question - What is going on?	It involves inquiry and is more of a discovery phase with valuing the best of what is existent.
It comes up with proposed solutions to fix the identified problem.	It comes up with an envisioning dream phase that puts forth what might be the ideal scenario.
It involves action planning and determines how to get it done.	It includes innovating-destiny phase of creation and sustenance.

Now let us understand the four stages of appreciative inquiry:

The appreciative inquiry process involves four stages which have been labeled discovery, dream, design, and destiny known as the 4-D cycle.

Figure 2.5: Appreciative Inquiry: The 4D Cycle

Discovery: This involves the identification of organizational processes that work well (It is realizing what is best).

Dream: This includes the envisioning of processes that would work well in the future (It is vision of the future).

Design: This involves planning and prioritizing processes that would work well (It is finding out what is needed to realize the vision).

Destiny or **Deploy**: This involves implementation (execution) of the proposed design (To find out what needs to be done, when and by whom it is to be done).

Source: ICFAI Research Center

The aim is to build - or rebuild - organizations around what works, rather than trying to fix what doesn't. Appreciative inquiry practitioners try to convey this approach as the opposite of problem-solving.

All organizations have something about their past to value. This element must be appreciated in order that change becomes a positive experience, without encountering unnecessary resistance from the sense of disruption, failure, and powerlessness. Appreciative inquiry process helps one to honor the past (continuity) and search for newness (novelty) in order to embrace movement toward the new future (transition).

The organization's positive core can be found by looking at its vision, organizational wisdom, achievements, business ecosystems, cooperative moments, core competencies, embedded knowledge, financial possibilities and most importantly its vital traditions and values.

Now let us understand the process of building appreciative inquiry skills:

- The surrounding and the people need to be observed to get insights into the strengths

- The concentration and focus should be on perceptions about forward-looking initiatives and strengths with no negative talks and actions

- The success stories need to be reviewed to find out the strengths that led to the successes in the past
- Analysis of the ideas, stories and experiences of others might provide solutions for organizational problems
- Inquiry should involve asking positive but powerful solution-focused questions to arrive at appropriate solutions
- The good ideas of others need to be appreciated and
- There is a need to collaborate with positive people and create work environment where good ideas flourish.

Example: Appreciative Inquiry - For a Compelling Future at Microsoft

'Women at Microsoft' is an employee resource group that actively helps to attract, retain, and develop women around the world. Its programs focus on sparking girls' interest in technology careers, supporting women-focused initiatives and organizations, and providing career and professional development resources for women once they are employees at Microsoft. It adopts appreciative inquiry for studying and changing social systems and helps Microsoft to engage and connect to communities inside and outside Microsoft through several opportunities.

Source: https://microsoft.com/newengland/2019/09/27/microsoft-employee-resource-groups-building- (accessed on 10/05/2022)

Check Your Progress - 2

7. Which of the following refers to continuous organization-wide improvement which results in the quality of goods and services exceeding customer expectation?

   a. Total Quality Management
   b. Quality of work life
   c. Likert's participative management
   d. Appreciative inquiry method
   e. Survey method

8. Which of the following is an approach to organizational analysis and learning that is intended for discovering, understanding, and fostering innovations and focuses on things that create value by asking questions?

   a. Total Quality Management
   b. Quality of work life
   c. Likert's participative management
   d. Appreciative inquiry method
   e. Survey method

9. Which of the following involves joint participation by unions and management in the design of work and result in work designs that provide employees with high levels of discretion, task variety and feedback about results?

   a. Total Quality Management

   b. Quality of work life

   c. Likert's participative management

   d. Appreciative inquiry method

   e. Survey method

10. Which of the following comprises exploitative authoritative system that is characterized by top-down approach to leadership?

    a. Total Quality Management

    b. Quality of work life

    c. Likert's participative management

    d. Appreciative inquiry method

    e. Survey method

2.5   Summary

- The four major stems of OD are: Laboratory training, survey feedback, action research and socio-technical and socio-clinical stem.

- The T-Group refers to an unstructured small group consisting of 10-12 members. The participants in this group learn from their own experiences and interactions on issues such as interpersonal relations, personal growth, leadership and group dynamics.

- Survey research feedback includes developing questionnaires and collecting data and after analyzing the data giving feedback to employees for correctional measures.

- According to O'Brien, action research is "learning by doing" whereby a group of people identify a problem, plan action to resolve it, analyze the success of their efforts and if dissatisfied, try again.

- According to socio-technical systems, organizations are viewed as open systems which coordinate human and technical activities. Integrating social requirements of employees with technical requirements is the core of socio-technical approach.

- The learning organization symbolizes a company where its members are constantly learning to reach organizational objectives.

- Total quality management refers to the continuous organization-wide improvement which results in the quality of goods and services exceeding customer expectation.

2.6   Glossary

Action Research: Action Research is a collaborative, client-consultant enquiry. It is 'learning by doing'.

Appreciative Inquiry: Appreciative inquiry is a positive way to embrace organizational change by concentrating on the positive elements of the organization instead of the negative aspects.

Laboratory Training Stem: Otherwise called as sensitivity Training or T-group aims to sensitize people about the feelings and reactions of others and make them aware how they affect others and to bring a change in the attitude of the participants towards themselves, others and the organization for which they work.

Learning Organizations: Senge defines learning organization as 'one that is continuously expanding its capacity to learn'.

QWL: QWL, in addition to improving work systems, emphasize development of employee skills, the reduction of occupational stress and the development of more co-operative labor-management relations.

Socio-technical and Socio-clinical Stem: The fourth stem in the history of OD is the evolution of socio-technical and socio-clinical approach for helping groups and organizations.

TQM: The essence of TQM is that quality can be managed and it is a process involving participative management style that emphasizes staff commitment to customer satisfaction. It adopts a holistic approach through decentralization, strives for continuous improvement by producing results that exceed customer expectations

2.7   Self-Assessment Test

1. Appraise the contributions of behavioral scientists and OD practitioners.
2. Enumerate the four types of action research.
3. Analyze the four major stems of OD.
4. Explain the essentials of learning organizations.
5. Describe the elements in a typical QWL program.

2.8   Suggested Reading/Reference Material

1. Julie Hodges, Organization Development: How Organizations Change and Develop Effectively, 1st edition, Springer Publisher, 2020
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3. Donald L Anderson, Organization Development: The Process of Leading Organizational Change, 5th edition, 2021
4. Mee-Yan_Cheung Judge, Linda Holbeche; Organization Development: A Practitioner's Guide for OD and HR, 3rd edition, Kogan Page, 2021
5. Ishwar Dayal, Handbook of Organization Development: Ways to Remain Competitive, 1st Edition, Ane Books Pvt. Ltd, 2021

2.9 Answers to Check Your Progress Questions

1. **(a) Socio-technical approach**

   The positive effect of social relationship and autonomy among workers on productivity is used in the socio-technical approach where social and technical requirements of employees are integrated.

2. **(a) Sensitivity training**

   Laboratory training is otherwise known as sensitivity training.

3. **(b) Satisfying management**

   Satisfying management is characterized by stable environment and high adaptation.

4. **(d) Collection of data through questionnaire**

   The first step in the survey feedback approach involves data collection on the issues and requirements of the organization through validated questionnaires.

5. **(c) Reactive management**

   Reactive management quadrant is characterized by hyper turbulent environment and low adaptation.

6. **(c) Diagnosing**

   Gathering of relevant data is the first step in action research. It is called diagnosing.

7. **(a) Total Quality Management**

   Total quality management refers to the continuous organization-wide improvement which results in the quality of goods and services exceeding customer expectation.

8. **(d) Appreciative inquiry method**

   Appreciative inquiry method is a positive way to embrace organizational change by concentrating on the positive elements of the organization instead of the negative aspects.

9. **(b) Quality of work life**

   QWL programs involve joint participation by unions and management in the design of work and result in work designs that provide employees with high levels of discretion, task variety and feedback about results.

10. **(c) Likert's participative management**

    Exploitative authoritative systems (System 1) is an autocratic, top-down approach to leadership in Likert's participative management.

Unit 3

Values, Assumptions and Beliefs of Organization Development

Structure

"Culture is the sum of the values, beliefs and assumptions of human groups."

- Max McKeown

3.1 Introduction

As has been popularized by Max McKeown, values, beliefs and assumptions provide individuals and workgroups, a greater sense of purpose and engagement which ultimately translates into organization culture and serves as a reference point during change interventions. In the previous unit, we have discussed the evolution of OD. The unit also focused on the learning organizations, Total Quality Management, Likert's Participative Management and Quality of Work Life.

In this unit, earlier assumptions on OD and their implications in dealing with individuals, groups and organizations are explained along with various definitions of the concepts. The sources and types of values are also explained in detail.

3.2   Objectives

After studying this unit, you would be able to:

- Explain the concepts of values, beliefs and assumptions
- Differentiate between the various types of values
- Describe the early statements of OD values and assumptions
- Examine the implications of OD values and assumptions on individuals, groups and organizations

3.3   Values, Assumptions and Beliefs

Values comprehend a judgmental element that tells the individual what is right or what is wrong; what is good or what is bad; and what is desirable or what is undesirable. They are prescriptions to human beings for knowing the dos and don'ts.

The values that we hold are essentially established from our early years from the behavioral patterns of our parents, teachers, peer groups and society. Values differ from individual to individual, organization to organization and society to society. But there are certain core values on which there is near unanimity. For example, honesty, integrity, equality and the like are never disputed, though there are problems in implementation of these values either by individuals or organizations or societies.

Coming to peripheral values, there is no unanimity. For example, democracy is accepted by some countries and not by some. Similarly, some groups hold 'swadeshi' as their value and some others value globalization. Some individuals value merit as the criteria for promotion and some others value seniority as the criteria. Different individuals and groups in the organization have different peripheral values. For some it is equality, justice, scientific temperament, collective responsibility and for some others it is spirituality, renunciation, charity and filial duties.

We have several groups of people with distinctive culture within the same society. Each group has set its own beliefs, values, customs and practices. However, our OD practitioners' aim is to change our values from particularism to universalism, from ascription to achievement and from self-orientation to collective orientation.

Example: Corporate Values of Microsoft

The corporate values of Microsoft align to their mission, support their organization culture and serve as a declaration of how Microsoft treats each other, their customers and their partners in terms of respect, integrity and accountability.

For details, check out https://www.microsoft.com/en-us/about/corporate-values (accessed on 10/05/2022)

Beliefs:

Belief is a proposition about how the world works and what the individual accepts as true is a cognitive fact for the person. Beliefs are basically assumptions that we make about the world, our values stem from those beliefs. Beliefs are the convictions that we generally hold to be true, usually without actual proof or evidence. Values stem from our beliefs.

Belief is the psychological state in which an individual holds a conjecture or premise to be true. Beliefs form in a variety of ways. The same have been enumerated below:

- We tend to internalize the beliefs of the people around us during childhood. Albert Einstein is often quoted as having said that "Common sense is the collection of prejudices acquired by age eighteen."

- People may adopt the beliefs of a charismatic leader, even if those beliefs fly in the face of all previous beliefs, and produce actions that are clearly not in their own self-interest. (*Hoffer, Eric 2002)* Rational individuals need to reconcile their direct reality with any said belief; therefore, if belief is not present or possible, it reflects the fact that contradictions were necessarily overcome using cognitive dissonance.

- Advertising can form or change beliefs through repetition, shock, and association with images and other strong positive emotions. *Kilbourne, Jane; Pipher, Mary (2000)*

- Physical trauma, especially to the head, can radically alter a person's beliefs.

Assumptions:

According to Oxford dictionary, assumption is something that is accepted as true or as certain to happen, without proof. Take for instance, a product is introduced into the market with an assumption that needs and customers would not change immediately.

Assumptions are beliefs that are regarded as valuable and obviously correct and are often taken for granted which are rarely examined or questioned. Assumptions are our long-learnt, automatic responses and established opinions. Basic assumptions are usually rooted in our infancy, early family life and social context. The assumptions that shape our behavior are related to cultural context.

Thus, values, assumptions as well as beliefs are cognitive facts or propositions, with values being beliefs about being good or bad, and assumptions being strongly held, relatively unexamined beliefs accepted as the truth. Values, assumptions, and beliefs provide structure and stability for people as they attempt to understand the world around them.

OD values and assumptions have been developed from research and theory by behavioral scientists and from the experiences and observations of practicing managers (French and Bell).

3.4 Sources and Types of Values

Values are believed to be hereditary and genetically determined but some of them are driven by environmental factors. Moreover, values can be categorized into humanistic, optimistic and democratic values. The same are explained in detail.

3.4.1 Sources of Values and Their Nature

Let us now understand the sources of values and the nature of development over time:

- The sources of values are family, friends and peers, educational institutes, religious norms, community/society, media, culture and life experiences.

- The values we hold are essentially established in our early years, in which our parents, teachers, friends, society played a significant role.

- As we grow and are exposed to wider world, and we establish values from the organizations we learn and work.

- But every organization frames its values which are manifested in its vision and mission statements.

- People working in the organizations have to internalize those values framed by the founding fathers to transform them into great organizations.

Most of the research studies by behavioral scientists provide invaluable sources of values:

1. *Hawthorne studies:* It is said in Hawthorne studies that financial reward was found to be much less conducive to worker productivity than expected. Instead, greater productivity resulted when management made workers feel valued and aware that their concerns were taken seriously.

2. *Human relations movement*: The Hawthorne studies created quite a stir among managers, providing the foundation for an entirely new school of management thought that came to be known as the human relations movement. The basic premises underlying the human relations movement are that people respond primarily to their social environment, that motivation depends more on social needs than on economic needs, and that satisfied employees work harder than unsatisfied employees. This perspective represented a fundamental shift away from the philosophy and values of scientific management and classical organization theory.

3. *Laboratory training movement:* 1946 and 1947 witnessed the beginning of the laboratory training movement, a direct precursor of OD. Lessons learned from the laboratory training are: improved interpersonal relations, increased self-understanding, and awareness of group dynamics. Humanistic and democratic values suffused the movement.

4. *Values of different leadership styles:* We know there are different styles of leadership like authoritarian, autocratic, benevolent, coaching, consultative, democratic, bureaucratic and the like. Each style of leadership possesses its own values.

   While an autocratic leader concentrates on himself while decision-making, a democratic leader shares decision-making with the subordinates. Similarly, the values of benevolent leaders are harmony and motivation. Values play an important role while leading.

5. *Increasing awareness of the dysfunctions of bureaucracies:* Bureaucracies are defined as formal organizations characterized by five features that help them reach their goals, to grow, and endure. These five features are (1) clear levels, with assignments flowing downward and accountability flowing upward, (2) a division of labor, (3) written rules, (4) written communications with records, and (5) impartiality.

   Dysfunctions of bureaucracies can include red tape, lack of communication between units, and alienation. Instances of these dysfunctions include an overly rigid interpretation of rules and the failure of members of the same organization to communicate among one another. Values emerge from the awareness of these dysfunctions of bureaucracies.

6. *Greater understanding of individual motivation and group dynamics:* The content theories of motivation and the contingency theories of motivation provide valuable sources of information. When one understands the financial and non-financial motivators for performance, one can understand the values one holds.

   Similarly, group dynamics is an important source of values. Most people wish to be accepted and to interact cooperatively with at least one small group, and usually with more than one group. The interactions that take place in groups illustrate as sources of values.

3.4.2 Types of Values

Values can be categorized into humanistic, optimistic and democratic. Let us understand them in detail.

Humanistic values: These values proclaim the importance of the individual and underline the importance of treating individuals with respect and dignity. It acknowledges that every individual has an intrinsic worth and potential for growth and development. (Refer to Figure 3.2 which depicts the components of humanistic values).

Figure 3.2: Components of Humanistic Values
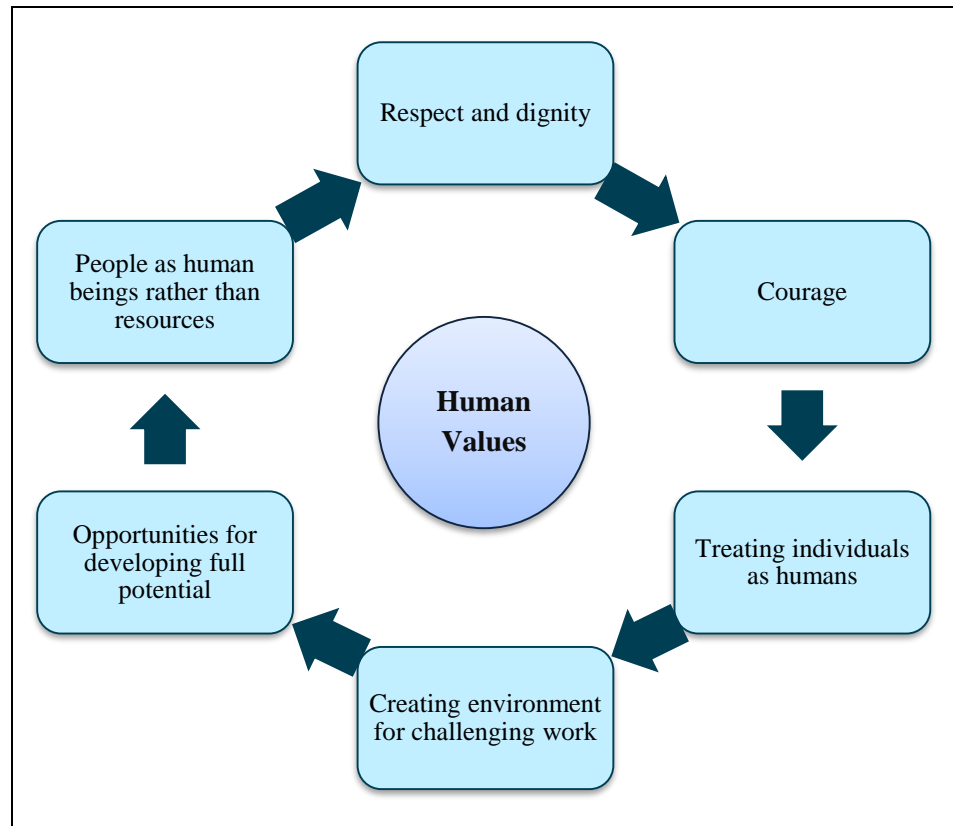
Source: ICFAI Research Center

Example: Humanistic Values at Google

In everything that they do, Google is steered by globally acknowledged standards for human rights. Google compliments the rights that have been enlisted in the Universal Declaration of Human Rights. It goes that extra mile to implement treaties and aims at continuance of the standards that have been laid out in the United Nations Guiding Principles on Business and Human Rights. It also complies with the Global Network Initiative Principles.

For details, check out https://about.google/human-rights/ (accessed on 10/05/2022)

Optimistic values: The essence of optimistic values is to be happy and look at the brighter side of the situations and try to attain the best. It is based on the assumption that people are good and rationality, reason and goodwill help in the progress of the individuals and groups.

Democratic values: These values talk about the right of the people to be free from arbitrary misuse of power along with fair and equitable treatment for all according to the rule of the law and the due process. It also includes professional values.

Table 3.1 represents the core democratic values.

Table 3.1: Core Democratic Values

Equality Everyone has equal rights and opportunities	**Individual Rights** Needed for pursuing life and work goals
Liberty Freedom	**Life** Living Safely; living the way we want to live – freely
Truth Truthful, honesty, trustworthiness	**Justice** Fairness; we should all be treated fairly
Pursuit of Happiness Freedom to do what makes us happy as long as it does not harm others or break the law	**Diversity** Different backgrounds (race, gender, ethnicity, color, etc.); We should respect all people
Rule of Law Accountability to uniform laws	**Popular Sovereignty** Voting
Common Good Activities for the good of everyone in the community	**Patriotism** Serving our country; pride in our country

Check Your Progress - 1

1. Which of the following refers to the convictions that we generally hold to be true, usually without actual proof or evidence?

   a. Values

   b. Beliefs

   c. Assumptions

   d. Statements

   e. Legislations

2. Which of the following refers to the long-learnt, automatic responses and established opinions?

   a. Values

   b. Beliefs

   c. Assumptions

   d. Statement

   e. Legislations

3. Which of the following refers to the beliefs about being good or bad?

    a. Values

    b. Beliefs

    c. Assumptions

    d. Statements

    e. Legislations

4. Which of the following is a humanistic value?

    a. Rights of the people

    b. Rule of law

    c. Rationality

    d. Treat people with respect and dignity

    e. Beliefs

5. Which of the following propounds to look at the brighter side of the situation?

    a. Humanistic values

    b. Optimistic values

    c. Democratic values

    d. Beliefs

    e. Assumptions

6. Which of the following proclaims the importance of individuals?

    a. Humanistic values

    b. Optimistic values

    c. Democratic values

    d. Beliefs

    e. Assumptions

3.5   Early Statements of OD Values and Assumptions

Values are integral part of OD. Let us now discuss the early statements of OD values and assumptions as have been put forth by Warren Bennis, Richard Beckhard and Robert Tannenbaum and Sheldon Davis.

3.5.1 Values Pointed Out by Warren Bennis

According to Bennis, OD practitioners share a set of normative goals based on the humanistic/democratic philosophy. The same have been enumerated below:

1. Improvement in interpersonal competence

2. Consideration of human factors and feelings as legitimate

3. Development of increased understanding between and within working groups in order to reduced tensions

4. Development of effective team management

5. Development of effective methods of conflict resolution

6. Development of organic rather than mechanical systems (refer to table 3.2 for understanding the differences between organic and mechanical systems)

Table 3.2: Differences between Organic and Mechanical Systems

Organic Systems	Mechanical Systems
Rely on mutual confidence and trust	Rely on authority, obedience relationship
Foster multi-group membership and responsibility	Insist on division of labor and hierarchical supervision
Wide sharing of responsibility and control	Encourage centralized decision-making

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Example: Ditching Mechanical Systems - Zappos Case

As the traditional organization structure slowed down innovation and evolution with a number of levels of management, barriers in decision making and employees' disengagement, Zappos, in March 2017, acclimating their organization systems to be similar to real-world markets, thus improving the efficiency coupled with employee. With systematic decentralization, work groups at Zappos were enabled to have more work autonomy and take decisions that are in the customer interest.

For details, check out https://www.zappos.com/about/how-we-work (accessed on 15/5/2022)

3.5.2 Values Pointed Out by Richard Beckhard

Richard Beckhard in his book described "several assumptions about the nature and functioning of organizations" held by OD practitioners: The values described by him are:

1. The basic building blocks of an organization are groups (teams). Therefore, the basic units of change are groups, not individuals.

2. Reduction of inappropriate competition between parts of the organization and the development of a more collaborative condition.

3. Decision making in a healthy organization is located where the information sources are, rather than in a particular role or level of hierarchy.

4. Organizations, subunits of organizations, and individuals continuously manage their affairs against goals. Controls are interim measurements, not the base of managerial strategy.

5. One goal of healthy organization is to develop generally open communication, mutual trust, and confidence between and across levels.

6. 'People support what they help to create'. People affected by a change must be allowed active participation and a sense of ownership in the planning and conduct of the change.

3.5.3 Values Pointed Out by Robert Tannenbaum and Sheldon Davis

The views expressed by Tannenbaum and Davis on OD values show that there is an important shift taking place in values and that shift represents accurate and appropriate views of people. They called them as 'values in transition'. Table 3.3 depicts the values in transition.

Table 3.3: Values in Transition

Away from a view of People	Toward a view of People
People are essentially bad	People are essentially good
Negative evaluation of individuals	Confirming individuals as human beings
Individuals as fixed	Individuals as being in process
Resisting and fearing individual differences	Accepting and utilizing them
Utilizing an individual primarily with reference to his or her job description	Viewing an individual as a whole person
Walling off the expression of feelings	Making possible both appropriate expression and effective use
Game playing	Authentic behavior
Use of status for maintaining power and personal prestige	Use of status for organizationally relevant purposes
Distrusting people	Trusting them
Avoiding facing others with relevant data	Making appropriate confrontation
Avoidance of risk taking	Willingness to risk
View of process work as being unproductive effort	Seeing it as essential to effective task accomplishment

These values presented a radical departure from the accepted beliefs and assumptions in the 1950s and 1960s. During that time collaboration and cooperation, appropriate use of power, authentic interpersonal relations were seldom espoused and rarely implemented in many organizations.

In 1950s these early statements of OD values and assumptions were considered as radical and seldom implemented in the vast majority of organizations. But with OD interventions, all these values are accepted now in the organizations.

3.6   Illustrations of Values in OD

Japanese and American values as exemplified by William Ouchi in his Theory Z: William Ouchi in his book Theory Z distinguishes Japanese and American values and in the end says the best approach to management is combination of both Japanese and American values, which he calls it as Theory Z.

Table 3.4 depicts the Japanese and American values

Table 3.4: Japanese and American Values

Japanese Values (J)	American Values (A)
Long-term orientation	Short-term orientation
Collective and consensual decision-making takes long time, but implementation is fast	Individual decision-making, decisions are made fast but implementation is slow
Authority and responsibility are shared, collective responsibility	Authority and responsibility is vested in few hands, individual responsibility
Focus more on human resources-concern for employees	Focus more on productivity and quick results
Long-term employment and secure employment	Short-term and no security in job
Emphasis on Team spirit	Emphasis on competition and progress
Best practices used in management-Kaizen-continuous improvement	Best practices used in management-Benchmarking
Cooperative relationships in the organization	Self-centered relationships
Value family life, culture and traditions	Value privacy, individual freedom

Theory Z:

Theory Z is a management approach that combines American and Japanese philosophies. Ouchi subscribed to Theory Z by keeping the focus on increasing employee loyalty to the company by providing a job for life with, the focus being placed on the well-being of the employee, both at work and at home.

According to Ouchi, Theory Z management tends to promote stable employment, high productivity, as well as high employee morale and job satisfaction.

The values of theory Z are enumerated below:

- There should be consensual decision-making
- Individual usually takes responsibility inside a larger group context
- It contributes to improved organizational performance
- It promotes humanistic approach to management
- It leads to higher employee satisfaction, motivation, and commitment

Important values of organization development:

Organization development or OD is based on certain values. These underlying values determine the success of the efforts of OD. Following are important values of organizational development.

- When a new worker joins the company, it becomes necessary to support him to boost his confidence. A meeting has to be held to establish a communication with the new worker as well as other members of the organization. Such a meeting is necessary to discuss the problems of the new worker so that he gets familiar with the working environment of the enterprise.

- OD emphasizes on creative opportunities for growth. Instead of punishing and controlling employees, it stresses on assigning personal responsibility and self-control to workers. It aims at making an individual more independent and more creative.

- Since the background of each employee differs from one another, the organization benefits largely. The language, the working methods, the efficiency as well as the thinking power of each worker of the business enterprise differ from one another. By combining all the strengths of these employees, the efficiency of the organization gets boosted to work effectively and attain the desired success within the time frame.

- OD intends at accepting contrasts as well as conflicts as a reality within the enterprise; this is essential for the betterment of the company.

- Organizational development aims at motivating all employees of the organization. By driving all workers to one common goal, the potentialities of each employee is enhanced and utilized for the success of the company. Motivated employees are fully committed and strive hard even in tough situation for the success of the company.

- OD aims at developing moral values such as honesty and integrity among employees. Honest employees work sincerely and utilize their full potential to achieve the desired goals of the enterprise. It is the integrity of honest and loyal employees which helps the organization stand even in hard times to surpass recession without problems

- OD increases job satisfaction among workers which in turn increases the rate of retention of workers. When workers feel they are cared by the company, they work effectively and strive hard even in bad times for the success of the company

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Example: Human Capital Development at TCS

TCS runs multiple initiatives to help employees grow in their careers, such as CareerHub, a platform that provides them with mentoring services, TCS Inspire, a specialized program that provides fast-track career progression to high-potential employees. Periodic leadership reviews help them to maintain a healthy succession pipeline. These initiatives serve as an instance for one of the values of OD which aims at creating opportunities for growth as has been propounded by Theory Z.

For details, check out https://www.tcs.com/nurturing-human-capital (accessed on 11/05/2022)

Activity 3.1

Infoline Inc. has a diverse work groups across various functional areas. Enumerate the core values that needs to be propounded by Infoline to help promote diversity and inclusion management.

Answer:

Check Your Progress - 2

7. Which management approach combines American and Japanese philosophies?

    a. Optimistic approach theory

    b. Theory X

    c. Theory Y

    d. Theory Z

    e. Humanistic approach theory

8. Japanese values focus on which of the following?

    a. Short-term orientation

    b. Productivity

    c. Competition

    d. Self-centered relationship

    e. Long-term orientation

9. American values focus on which of the following?

    a. Emphasis on team spirit

    b. Family values

    c. Focus on human resources

    d. Collective responsibility

    e. Individual decision making

3.7   Implications of OD Values and Assumptions

The implications of OD values and assumptions are taken up in three perspectives: implications for dealing with individuals, groups and organizations and the same has been explained in detail.

3.7.1 Implications for dealing with Individuals

The two basic assumptions underlying individuals are:

a. Most individuals have a drive towards personal growth and development, provided they come across a supportive and challenging environment.

b. Most people desire to make and are capable of making a higher level of contribution that lead to the attainment of organization goals.

A tremendous amount of constructive energy can be tapped if organizations realize and act on these assumptions. The people doing the work can better judge as to how it can be done better.

3.7.2 Implications for dealing with Groups

The implications of these assumptions are several. The teams need to flourish as effective team building improves productivity as well as satisfies the social needs of the employees at work. The following points would help us to understand the same:

•   Care should be taken to invest the necessary time and effort on team building, group development, resolving dysfunctional team conflicts and the leader should adapt a team leadership style.

•   Another assumption is that formal leaders cannot perform all the leadership and maintenance functions required for a group to optimize its effectiveness.

Hence the group members should assist the leader in performing multiple roles required for group's effectiveness.

- It is necessary to train group members in team effectiveness skills such as group problem solving and decision making, conflict management, facilitation and interpersonal communication.

- Since suppressed feelings and attitudes adversely affect problem solving, personal growth, and job satisfaction, group members should be encouraged to learn to deal effectively with positive (functional) and negative (dysfunctional) feelings.

- Dealing appropriately with feelings and attitudes increases the level of interpersonal trust, support, and cooperation within the group.

- Finally, it is assumed that many attitudinal and motivational problems in the organizations require interactive and transactional solutions.

3.7.3 Implications for dealing with Organizations

Now let us understand the implications of OD on organizations:

- Modern organizations prefer flat organization structure with clear channels of communication to facilitate innovation and creativity as against the traditional bureaucratic structure.

- Implication is that experimenting with new organization structures and new forms of authority is imperative. There is growing awareness that "win-lose" organizational situations are dysfunctional in the long run and need to be replaced by "win-win" situations. Creating cooperative organizational dynamics rather than competitive ones is a primary task of the leaders.

- A key assumption in OD is that the needs and aspirations of people are the reasons for organized efforts in society. It is always good to have a developmental outlook and seek opportunities in which people can experience personal and professional growth.

- An optimistic, developmental set of assumptions about people is likely to reap rewards that are beneficial to both organization and its members. It is possible to create organizations that are humane, developmental, and empowering on one hand and are high performing in terms of productivity, quality of outputs, and profitability on the other hand.

- The implication is that the human resources are the most important resource of the organization. They are source of productivity and profits and should be treated with care. OD is concerned with designing organizational practices that would help in acknowledging these implications.

- The field of OD rests on foundation of values and assumptions about people and organizations. These beliefs help to define what OD is and guide its implementation.

- Values are never static and they change over time. The rapid technological, societal, and organizational changes taking place mark the development of new definitions of what is "true" and new beliefs about what is "good", as behavioral scientists and managers continue to develop better understanding of authority structures, organizing structures, and ways to optimize human potential.

- Several assumptions relate to the importance of work teams and the collaborative management of team culture. One of the most psychologically relevant reference groups for most people is the work group, including peers and boss.

- What occurs in the work group, at both formal and informal levels, greatly influences feelings of satisfaction and competence. Most people wish to be accepted and to interact cooperatively with at least one small reference group, and usually with more than one group. Most people are capable of making greater contributions to a group's effectiveness and development. (refer to exhibit 3.1)

- Though the entire responsibility does not lie with the corporates, by including these goals in their agenda of social responsibility, business enterprises enhance their credibility.

Exhibit 3.1 illustrates the diversity and inclusion commitment of Infosys which helps the employees to understand and appreciate their differences and provides support network that makes marginalized employees feel safe and comfortable.

Exhibit 3.1: Corporate Culture of Infosys

Infosys follows a common code that helps them to move forward. The core values of Infosys are enumerated below:

- Client value comprises surpassing client expectations consistently.

- Leadership values that aim at setting exemplary standards for themselves and the industry.

- Integrity and transparency in all their transactions.

- Promotion of fairness, respect and trust.

- Relentless drive for excellence.

The following employee resource groups at Infosys promote their corporate values:

- Infosys Women's Inclusivity Network: Facilitates greater flexibility, exclusive training, mentoring, and experience sharing programs for their female professionals.

Contd….

- Infyability: Holds special training programs and provides ability enhancing tools to enable their differently-abled colleagues to make the best use of their talents.

- Infosys Pride: An affinity group that fosters a safe, inclusive, and respectful work environment for lesbian, gay, bisexual, transgender, intersex (LGBTIQ+) and other sexual and gender communities.

- Family Matters: Organizes local events and provides helpful forums to explore and enhance the relationship between work and family roles.

- Infosys Multicultural ERG: Creates a common ground and introduces Infosys employees to various cultural celebrations and observances and assists in understanding different cultures around the world.

- Military and Veterans: Supports military members and veterans to transition from service to playing meaningful roles where they co-create innovative solutions for their clients.

Source: https://www.infosys.com/careers/culture.html (accessed on 22/5/2022)

Check Your Progress - 2

10. Creating cooperative organizational dynamics rather than competitive ones is included in which of the following implications of OD?

    a. Implication for the individual

    b. Implication for the organization

    c. Implication for the society

    d. Implication for assumptions

    e. Implication for beliefs

3.8 Summary

- Values are prescriptions to human beings for knowing the dos and don'ts.

- Belief is a proposition about how the world works and what the individual accepts as true is a cognitive fact for the person. Beliefs are basically assumptions that we make about the world, our values stem from those beliefs.

- Assumptions are beliefs that are regarded as valuable and obviously correct and are often taken for granted which are rarely examined or questioned.

- The sources of values are family, friends and peers, educational institutes, religious norms, community/society, media, culture and life experiences.

- Values can be categorized into humanistic values which proclaim the importance of the individuals, optimistic values that are characterized by hope and confidence in positive future and democratic values that talk about the right of the people to be free from arbitrary misuse of power.

- OD emphasizes on creative opportunities for growth. Instead of punishing and controlling employees, it stresses on assigning personal responsibility and self-control to workers.

- OD intends at accepting contrasts as well as conflicts as a reality within the enterprise; this is essential for the betterment of the organization.

- OD aims at developing moral values such as honesty and integrity among employees.

- The implications of OD values and assumptions are taken up in three perspectives - implications for dealing with individuals, groups and organizations.

3.9   Glossary

Assumptions: Long-learnt, automatic responses and established opinions about something.

Beliefs: The convictions that we generally hold to be true, usually without actual proof or evidence.

Onboarding: Organizational socialization refers to the mechanism through which new employees acquire the necessary knowledge, skills, and behaviors to become effective organizational members and insiders.

Social responsibility: An obligation to act to benefit society at large.

Socialization: The process whereby an individual learns to adjust to a group (or society) and behave in a manner approved by the group.

Theory Z: It is a management approach that combines American and Japanese philosophies.

Values: Values refer to the beliefs about being good or bad.

3.10   Self-Assessment Exercises

1. Enumerate the various sources of values.

2. Explain different types of values with suitable examples.

3. The purpose of business is to make only profits and maximization of wealth. Comment.

4. Analyze the implications of OD values with reference to groups.

5. Examine the most important shift taking place in values as has been outlined by Tannenbaum.

3.11   Suggested Readings/Reference Material

1. Julie Hodges, Organization Development: How Organizations Change and Develop Effectively, 1st edition, Springer Publisher, 2020

2. Thomas G. Cummings, Christopher G. Worley, Organization Development and Change, 11th edition, Cengage Learning, 2020

3. Donald L Anderson, Organization Development: The Process of Leading Organizational Change, 5th edition, 2021

4. Mee-Yan_Cheung Judge, Linda Holbeche; Organization Development: A Practitioner's Guide for OD and HR, 3rd edition, Kogan Page, 2021

5. Ishwar Dayal, Handbook of Organization Development: Ways to Remain Competitive, 1st Edition, Ane Books Pvt. Ltd, 2021

3.12   Answers to Check Your Progress Questions

1. **(b) Beliefs**

    Belief is a proposition about how the world works and what the individual accepts as true is a cognitive fact for the person.

2. **(c) Assumptions**

    Assumption is something that is accepted as true or as certain to happen, without proof.

3. **(a) Values**

    Values comprehend a judgmental element that tells the individual what is right or what is wrong; what is good or what is bad; and what is desirable or what is undesirable.

4. **(d) Treat people with respect and dignity**

    Treating people with respect and dignity acknowledges that every individual has an intrinsic worth.

5. **(b) Optimistic values**

    The essence of optimistic values is to be happy and look at the brighter side of the situations and try to attain the best possible.

6. **(a) Humanistic values**

    Humanistic values proclaim the importance of the individual.

7. **(d) Theory Z**

    Theory Z, popularized by Ouchi, is a management approach that combines American and Japanese philosophies.

8. **(e) Long-term orientation**

    Japanese values focus on long-term orientation.

9. (e) Individual decision making

American values focus on individual decision making

10. (b) Implication for the organization

Creating cooperative organizational dynamics rather than competitive ones is included in the implication for the organization.

Organization Development

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