# SRI MUTHUKUMARAN INSTITUTE OF TECHNOLOGY

Approved by AICTE, accredited by NBA and Affiliated to Anna University, Chennai)
Chikkarayapuram (Near Mangadu), Chennai- 600 069.
DEPARTMENT OF MANAGEMENT STUDIES
BA4017 ORGANISATIONAL DESIGN, CHANGE AND DEVELOPMENT

YEAR-II SEM-III

#### UNIT – I

#### 2 MARKS:

## 1. Define organizational design.

Organizational design is the process of creating structures that align roles, workflows, networks and procedures with an organization's goals. Organizational design often involves changes at the corporate level through business units and individual processes. Examples include a strong culture, trustful communication, swift decision making, undistorted communication, and interaction between the organization and its parts.

# 2. List the types of organization design

Organizational designs fall into two categories,

- Traditional designs
- ➤ Simple structure
- > Functional structure
- Divisional structure
- Contemporary designs
- > Team structure
- ➤ Matrix structure
- > Project structure
- > Autonomous internal units'
- ➤ Borderless organization
- > Learning organisation

## 3. Distinguish between centralization and decentralization.

Meaning	The concentration of authority at the top level is known as Centralisation.	distribution of authority at all levels is known as Decentralisation.
Delegation of authority	There is no delegation of authority as all the authority for taking decisions is vested in the hands of top-level management.	There is a systematic delegation of authority at all levels.
Suitability	It is suitable for small organisations.	It is suitable for large organisations.

The evenly and systematic

Freedom of	The
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el.

There is freedom of decisionmaking at all levels of management.

Flow of **Information**  There is a vertical flow of information.

There is an open and free flow of information.

#### 4. Basic challenges of organizational design.

As manager look for organizational design will best support and facilitate employees doing their work efficiency and effectively, they must contend in organizational design are as follows:

- > Balancing differentiation and integration
- ➤ Balancing centralization and decentralization
- > Balancing standardization and mutual adjustment.

#### 5. Define mechanic structure.

Mechanistic structures are those that resemble a bureaucracy. These structures are highly formalized and centralized. Communication tends to follow formal channels and employees are given specific job descriptions delineating their roles responsibilities. A mechanistic organizational structure is characterized by high centralization, complexity, and formalization.

#### 6. What is organic structure?

Organic structure is a decentralized approach, whereas mechanistic structure is a centralized approach. Both have positives and negatives, as to how the company culture develops and executes the mission and vision of the organization. An organic organizational structure is one which is fluid and flexible. It is associated with decentralized decision-making, flat hierarchies, wide spans of control, informal communication and an ability to embrace change.

## 7. Technological impact on design?

It encourages new roles within organizations as new technologies demand new skills and tasks from workers. Technology helps make organizations more efficient. Automation is a process brought about by technology. Basically, it is a labor-saving technique, whereby machines replace or complement the work done by humans

# 8. Describe environmental impact on design.

Organizations are influenced by the broader environment in which they exist. Government policy, societal values and social norms, economic trends, and the rate of technological change and innovation are general environmental factors that affect virtually any organization.

- > Environment Variability
- > Stable Environment
- > Dynamic Environment
- > Turbulent Environment

#### 9. Key success in organizational design.

- > Start with strategy
- > Define the capabilities required to win
- > Involve those who will be impacted
- ➤ Align metrics and rewards

➤ Have a clear implementation program.

## 10. Reasons for failures of organizational design.

- Not knowing what you are trying to achieve
- > Structuring an organization for specific personnel
- Causing more disruption than needed
- > Skipping current state assessment
  - A Lack of Leadership
- ➤ Poor Planning
  - Lack of Commitment
- Poor Processes

#### 11. Fundamental principles of organization design.

- The principle of orientation
- > The principle of definition
- The principle of authority
- > The principle of span of control
- The principle of informal relations
- > The principle of balance
- The principle of flexibility
- > The principle of continuity

#### 12. Theories of organization design.

#### > The classical or traditional theory.

The classical or traditional theory concentrates on the formal structure of organization and leaves the human aspect of organization to personnel specialists.

## > The Human Relations or Neo-classical theory.

The human relations theory, also known as neo-classical theory, states that while designing an organization structure, the people who are employed there and their behavior should be taken into consideration.

#### > The decision-making theory.

In an organization, decisions are made at all levels, and important decisions tend to be made at higher levels.

# > The systems approach.

The systems approach looks at the organization as a total system comprising a number of interacting variables. This approach emphasizes that we should not deal with problems in isolation, but consider their interactions.

#### 13. What are the implications for managers?

- Resist the inclination to rely on generalizations; some provide valid insights into human behavior, but many are erroneous. ...
- > Use metrics rather than hunches to explain cause-and-effect relationships.
- Work on your interpersonal skills to increase your leadership potential.
- Improve your technical skills and conceptual skills through training and staying current with OB trends like big data.

➤ OB can improve your employees' work quality and productivity by showing you how to empower your employees, design and implement change programs, improve customer service, and help your employees balance work—life conflicts.

#### 14. Explain the differentiation.

In terms of organizational theory, differentiation is the series of the processes that organizations use to assign employees and assets to achieving their goals. The processes of differentiation determine the relationships between employees and managers.

## 15. What do you mean by standardization?

Standardization is the process of developing, promoting and possibly mandating standards-based and compatible technologies and processes within a given industry. Standards for technologies can mandate the quality and consistency of technologies and ensure their compatibility, interoperability and safety.

#### 16. Discuss briefly few characteristics that indicate success and failure of design.

➤ Handle criticism well.

As a designer, there are always going to be edits to your work. Learning early on to not take it personally, and separating yourself from your work, is important.

Manage time effectively.

Clients often give designers multiple projects at a time and expect turn around time to be quick, all while producing quality work.

> Communicate well with clients.

Good communication at the start of a project can save you time in the end. Make sure you get all the details needed to complete your work in the beginning.

# 17. What is mean by mutual adjustment of design?

Mutual adjustment refers to the ways in which both owner-managers and their employees accommodate, adapt to and, potentially, struggle with one another to develop working practices and employment relationships. Coordination by mutual adjustment is the joint activity whereby each team member aims to align his actions so that they fit those actions contributed by the other team members.

#### 18. Define integration.

Organizational integration can be defined as the extent to which distinct and interdependent organizational components rapidly and adequately respond and/or adapt to each other while pursuing common organizational goals

## 19. Explain the term of contemporary design.

Contemporary design refers to the current and popular designs of the moment. Hallmarks of this design style include clean, curved lines, natural materials, stark contrasts, cool tones, and attention to quality. An ethos of intentionality is the focus of this aesthetic point of view. Reserved color schemes and muted tones such as beige, white, gray, and soft blues. Furniture with clean lines or rounded edges and a strong, sound build. Mostly solid textiles and fabrics with an emphasis on texture.

#### 20. What are the characteristics of term manager?

Manager: Individuals who achieve goals through other people. Managerial Activities

- Make decisions
- Allocate resources
- Direct activities of others to attain goals

#### 21. Differentiate effective and successful manager.

A successful leader may get people to do their task because of his/her position but only an effective leader mentors and creates leaders out of their staff. They lead their staff towards productivity and developing their own leadership skills.

- Respect,
- Courtesy,
- Discipline,
- Integrity,
- Self-Control,
- Confidence.

#### 22. What is the autocratic model of OB?

The basis of this model is power with a managerial orientation of authority. The employees in turn are oriented towards obedience and dependence on the boss. The employee need that is met is subsistence. The performance result is minimal.

#### 23. What are interpersonal role?

The interpersonal roles are ones that involve people (subordinates and persons outside the organization) and other duties that are ceremonial and symbolic in nature. The three interpersonal roles are figurehead, leader, and liaison. These cover the relationships that a manager has to have with others. The three roles within this category are figurehead, leader and liaison. Managers must act as figureheads because of their formal authority and symbolic position representing the organization.

## 24. Define organization culture.

Organizational culture is generally understood as all of a company's beliefs, values and attitudes, and how these influence the behavior of its employees. Culture affects how people experience an organization—that is, what it's like for a customer to buy from a company or a supplier to work with it.

#### 25. What is anthropology?

Anthropology is understood as the study of man and his works. In particular anthropologists study the culture. Culture has significant influence on human behavior. It dictates what people learn and how they behave. An employee's behavior, discretion about things good or bad, and his style of functioning are Influenced by the culture of his organization.

#### **UNIT-II**

#### 1. Define organizational change.

Organizational change refers to the actions in which a company or business alters a major component of its organization, such as its culture, the underlying technologies or infrastructure it uses to operate, or its internal processes. Organizational change examples include going from brick-and-mortar to e-commerce, completely rebuilding the website, launching a new department, or switching from a silo structure to a matrix.

#### 2. What are the 8 steps in kotter's change model?

- Creating a sense of urgency
- Putting together a guiding coalition
- Developing vision and strategies
- Communicating the change vision

- Remove barriers to action
- Accomplish short term wins
- Build on the change
- Make change stick

# 3. What is mean by open door policy?

In most companies, an open door policy indicates to employees that a supervisor or manager is open to an employee's questions, complaints, suggestions, and challenges. The objective is to encourage open communication, feedback, and discussion about any concerns employees may have

#### 4. Who are change agents?

A change agent is a person from inside or outside an organization who helps an organization, or part of an organization, to transform how it operates. They can be thought of as a catalyst for change, a person who can make changes happen by inspiring and influencing others

#### 5. Role of change agents.

- Flexibility. Being open to change requires an entrepreneurial attitude.
- Diversified Knowledge. Successful leaders avoid getting stuck in the confines of their industry.
- Prioritization.
- Accountability and Responsibility.
- Effective Listening Skills.

#### 6. List the change process.

- Prepare the Organization for Change
- Craft a Vision and Plan for Change
- Implement the Changes
- Embed Changes Within Company Culture and Practices
- Review Progress and Analyze Results

#### 7. Model of successful organizational change.

- 1. Lewin's Change Management Model
- 2. McKinsey 7-S Model
- 3. Nudge Theory
- 4. The ADKAR Change Management Model
- 5. Kübler-Ross Change Curve
- 6. Bridges' Transition Model
- 7. Satir Change Model
- 8. Kotter's 8-Step Theory
- 9. Maurer 3 Levels of Resistance and Change Model
- 10. Deming Cycle (PDCA)

#### 8. Define resistance to change.

Resistance to change is unwillingness to adapt to new circumstances or ways of doing things. It can happen with individuals, relationships, or within organizations. There are many reasons for resistance, but at its heart, resistance is rooted in fear of the unknown.

# 9. List types of resistance to change.

- Organizational resistance
- Group resistance
- Individual resistance
- Active resistance
- Passive resistance
- Aggressive resistance
- Covert resistance
- Overt resistance

## 10. What are reasons for resistance to change?

- Lack of trust. One reason for resistance to change is a lack of trust in the leadership team or the company as a whole. ...
- Poor communication. ...
- Emotional response. ...
- Fear of failure. ...
- Surprises. ...
- Constant change.

#### 11. How to deal with individual resistance?

#### Overcome opposition

Regardless of how well companies manage a change, there is always going to be resistance. Companies should engage those who are opposed to a change.

#### Effectively engage employees

Listen, listen, listen. If there is another piece advice that a company should take, it's to receive and respond to the feedback that is provided by the employees.

#### 12. Myths of resistance to change.

- The first myth of change is that 70% of change initiatives doesn't meet their expectation. In short they fail implementation.
- The second myth concerns why they fail. A favoured explanation and might I add a convenient one is simply lack of leadership and/or bad management.
- The third and last myth is the most dominant one resistance. Resistance of employees, resistance of managers, resistance of just about anything and everything.

#### 13. Define change program.

A set of projects whose purpose is to help a company change its processes, methods of working, etc.: Companies with a strong central R&D function often implement change programmes to make their staff more responsive to business demands. business/strategic change programmes.

#### 14. What are seven steps to successful change?

- Recognize the need for change
- Develop the goals of the change.
- Select a change agent.
- Diagnose the current climate
- Select an implementation method

- Develop a plan
- Implement the plan.
- Follow the plan and evaluate it

# 15. What is business process re-engineering?

Business Process Reengineering involves the radical redesign of core business processes to achieve dramatic improvements in productivity, cycle times and quality. In Business Process Reengineering, companies start with a blank sheet of paper and rethink existing processes to deliver more value to the customer.

#### 16. Define total quality management.

Total Quality Management (TQM) is a management approach that seeks to provide long-term success by providing unparalleled customer satisfaction through the constant delivery of quality IT services. TQM Example: One of the most famous examples of total quality management is Toyota. Toyota implemented Kanban System to make its assembly line more efficient. The company decided to keep just enough inventories to fulfill customer orders as they were generated.

# 17. How to choose change program?

- Plan Carefully
- Be as Transparent as Possible
- Tell the Truth
- Communicate
- Create a Roadmap
- Provide Training
- Invite Participation
- Don't Expect to Implement Change Overnight
- Monitor and Measure

#### 18. Define strategic approach.

Strategic planning is a process in which an organization's leaders define their vision for the future and identify their organization's goals and objectives. The process includes establishing the sequence in which those goals should be realized so that the organization can reach its stated vision.

#### 19. What is systematic approach?

A systematic approach, also frequently referred as a rules-based approach, is a process based on the application of clearly predefined and repeatable steps. In the context of an investment, it means applying a set of precise rules to select securities and build portfolios.

## 20. Define job Re-Design.

Restructuring the elements including tasks, duties and responsibilities of a specific job in order to make it more encouraging and inspiring for the employees or workers is known as job redesigning. The process includes revising, analyzing, altering, reforming and reshuffling the job-related content and dimensions to increase the variety of assignments and functions to motivate employees and make them feel as an important asset of the organization.

## 21. List the job re-design process.

- Competency mapping of current employee functions
- Functional analysis of new employee functions
- Gap analysis of current and new employee functions
- Reassign job functions elsewhere, as necessary
- Identification of custom training to bridge the employee's transition

## 22. Importance of job redesign.

- There has been a major shift in an organization's use of technology.
- Employees are being transferred from one department to another.
- Employees are taking on additional job functions after organizational or departmental rightsizing.

#### 23. Mention the HR practices for organizational change.

- Providing security to employees
- Selective hiring: Hiring the right people
- Self-managed and effective teams
- Fair and performance-based compensation
- Training in relevant skills
- Creating a flat and egalitarian organization
- Making information easily accessible to those who need it

# 24. Give the objectives of organizational change.

- The major objective of change management is to reduce incidents and comply with regulatory standards.
- Change management practices are designed to ensure the prompt and efficient handling of any changes being made to the IT infrastructure.
- Regardless of whether you are resolving any problems in the code, managing existing services or rolling out new ones, change management helps minimize risk, avoid bottlenecks, provide context, maintain transparency and break down silos.

#### 25. What do you mean by organizational effectiveness?

Organizational effectiveness measures the big-picture performance of a business, across a broad range of criteria. Financial performance, long-term planning, internal structure, and adherence to core values may all be critical components in understanding organizational effectiveness.

#### 26. What do you mean by Organizational Mirroring?

Organizational mirroring is a technique that involves collecting feedback from different departments within an organization to improve the performance and relationships of one department. The goal is to help a department improve its image and relationships with other departments.

#### **UNIT-III**

#### 2MARKS:

## 1. Define organizational development.

Organization development (OD) is an effort that focuses on improving an organization's capability through the alignment of strategy, structure, people, rewards, metrics, and management processes. The ultimate goal is improved performance within the organization as a whole. Start-up companies are an example of how organizational development works. As the company establishes its goals and objectives, it can also identify what employees can do better for future success.

# 2. Mention the objectives of organizational development.

- The objective of OD is to improve the organization's capacity to handle its internal and external functioning and relationships.
- This includes improved interpersonal and group processes, more effective communication, and enhanced ability to cope with organizational problems of all kinds.
- It also involves more effective decision processes, more appropriate leadership styles, improved skill in dealing with destructive conflict, as well as developing improved levels of trust and cooperation among organizational members.

## 3. Meaning of socio-technical and socio-clinical stem.

Socio-technical theory has at its core the idea that the design and performance of any organisational system can only be understood and improved if both 'social' and 'technical' aspects are brought together and treated as interdependent parts of a complex system. A fourth stem in the history of OD is the evolution of socioclinical and sociotechnical approaches to helping groups and organizations.

# 4. List the process of OD.

- Identifying an area of improvement. .
- Investigating the problem.
- Creating an action plan.
- Creating motivation and a vision.
- Implementing
- Evaluating initial result
- Adapting and continueting.

#### 5. Mention the techniques of OD.

- (1) Survey feedback,
- (2) Team Building,
- (3) Sensitivity Training,
- (4) Managerial Grid,
- (5) Management by Objectives(MBO),
- (6) Brain Storming,
- (7) Process Consultation,
- (8) Quality Circles,
- (9) Transactional Analysis.

#### 6. What do you mean by management by objectives?

It is a method of achieving organizational objectives and a technique of evaluation and review of performance. Under this method objectives of the organization are fixed and responsibility to achieve them lie on the managers and results are expected from them.

#### 7. Define Brain Storming.

It is a technique where a group of five to eight managers come together and find a solution to a problem. As the name suggests it involves storming of the brain to develop creativity in thinking. It gives rise to new ideas. The principle involves in it is that any idea, thought or plan put forward in a meeting must be critically evaluated.

#### 8. Importance of organizational development.

- Optimization of Operations
- Improved Efficiency
- Improved Effectiveness
- Positioning for Future Expansion
- Exploration of Market Opportunities
- Capacity Building

- Improved Operational Quality
- Increased Value For Stakeholders
- Increased Competitiveness

# 9. Basic values and assumptions of OD.

**Values:** Organization constitutes various people, professionals, technocrats, researchers, managers and a host of other employees working in the organization contributing to the accomplishment of organizational objectives. They behave differently. Authority and power, conflicts, control take a backseat during the Organizational Development process.

- There are sets of assumptions, basic to most organization development activities, which relate to people as individuals, to people as group members and as leaders, and to people as members of the total organizational systems.
- All assumptions are based on premises that "People in the organization are the most valuable source available"

#### 10. List the foundations of OD.

- Models and theories of planned change
- Systems theory
- Participation and empowerment
- Teams and teamwork
- Parallel learning structures
- A normative-re-educative strategy of changing
- Applied behavioral science
- Action research

# 11. What do you mean by congruence model?

The Congruence Model is a tool for analyzing team or organizational problems, and a useful starting point for transforming performance. It's not, however, a tool for telling you how to fix those problems. It's a powerful tool for identifying the root causes of organizational performance issues and how you might fix them.

#### 12. What is empowerment?

Empowerment means people having power and control over their own lives. People get the support they need that is right for them. Empowerment means that people are equal citizens. They are respected and confident in their communities. You can't empower someone else or make someone empowered.

#### 13. List the methods of empowerment.

- Organizational culture,
- Vision statements,
- Organizational values,
- Teamwork.
- The role of manager leadership,
- Devolving responsibility accountability,
- Information sharing,
- Continuous training

#### 14. Define cross training.

Cross-training is defined as an exercise protocol that utilizes several modes of training that are outside the athlete's main sport to develop a specific component of fitness. The

goal is improving overall performance. It takes advantage of the particular effectiveness of one training method to negate the shortcomings of another.

# 15. What do you mean by teams and teamwork?

Define as "the process of working collaboratively with a group of people in order to achieve a goal." Working in a team urges people to come together and collaborate, keeping aside their personal conflicts. Teamwork is the product of people effectively working together. Teamwork is often a crucial part of a business, as it is often necessary for colleagues to work well together, trying their best in any circumstance.

#### 16. What is reinforcement theory?

B.F. Skinner, who propounded the reinforcement theory, holds that by designing the environment properly, individuals can be motivated. Instead of considering internal factors like impressions, feelings, attitudes and other cognitive behavior, individuals are directed by what happens in the environment external to them. Skinner states that work environment should be made suitable to the individuals and that punishment actually leads to frustration and de-motivation. Hence, the only way to motivate is to keep on making positive changes in the external environment of the organization.

#### 17. What is goal setting theory?

Instead of giving vague tasks to people, specific and pronounced objectives, help in achieving them faster. As the clearity is high, a goal orientation also avoids any misunderstandings in the work of the employees. The goal setting theory states that when the goals to be achieved are set at a higher standard than in that case employees are motivated to perform better and put in maximum effort. It revolves around the concept of "Self-efficacy" i.e. individual"s belief that he or she is capable of performing a hard task.

#### 18. Define employee motivation.

Employee motivation is the enthusiasm, energy level, commitment, and amount of creativity that an employee brings to the organization on a daily basis. Motivation is derived from the Latin word, "mover" which literally means movement.

#### 19. Cross functional teams.

Cross functional teams are groups of people from various departments in an organization—such as marketing, product development, quality assurance, sales and finance—who work together to achieve a common goal. A cross-functional team is a group of people with a variety of expertise who come together to achieve a common goal. It typically includes employees from all levels of an organization.

#### 20. Meaning of Virtual teams?

A virtual team (also known as a remote team) is a group of people who collaborate and share information from geographically dispersed locations by using technology, such as video conferencing and audio conferencing. A virtual team (also known as a geographically dispersed team, distributed team, or remote team) usually refers to a group of individuals who work together from different geographic locations and rely on communication technology such as email, instant messaging, and video or voice conferencing services in order to collaborate

#### 21. List the strategies of organization change.

- Put people first
- Work with a change management model
- o Empower employees through communication
- Activate leadership
- Make change compelling and exciting

- o Pay attention to high and low points in momentum
- o Don't ignore resistance

## 22. What is meant by organizational diagnosis?

Organizational diagnosis is a creative method for getting to know an organization at all levels- from the surface levels to the deepest hidden parts that aren't visible to the eye. Performing organizational diagnosis is not so far off from a doctor trying to diagnose their patients.

# 23. Define job rotation.

Job rotation is defined as a management technique which is used to shift employee from one job to another in order to make them familiar with all the verticals of an organization. Job rotation is a practice of regularly transitioning all employees between different jobs to ensure they gain exposure to various departments of the company while learning and improving their skill sets.

#### 24. Techniques of organizational diagnosis.

- 1) Questionnaires
- 2) Interviews
- 3) Observation
- 4) Analysis of records, circulars, appraisal reports and other organizational literature
- 5) Analysis of hard data of organizations and various units
- 6) Task forces and task groups
- 7) Problem identification/problem solving workshops
- 8) Seminars, symposia and training

#### 25. List the characteristics of feedback process.

- All useful feedback is specific, not general.
- Effective feedback is descriptive and helpful, as opposed to evaluative and punitive.
- Own your feedback.
- Good feedback address issues, not the person.
- Pick your spots and don't give too much feedback to a person all at once.
- Feedback should be a dialogue, not a monologue.
- Good feedback is checked.
- Effective feedback is followed up upon, not forgotten.

#### **UNIT-IV**

#### 2MARKS:

#### 1. Define OD interventions.

Organizational Development (OD) Interventions are structured program designed to solve a problem, thus enabling an organization to achieve the goal. These intervention activities are designed to improve the organization's functioning and enable managers and leaders to better manage their team and organization cultures. The varied outcomes of OD interventions can include financial performance, employee engagement, customer satisfaction, and general change management because OD interventions aim to increase organizational effectiveness.

# 2. Types of OD interventions.

- Human Resource Management Interventions
- Strategic change interventions
- Human process interventions
- Techno-structural interventions

#### 3. What are the difficulties of OD interventions?

- Change is necessary
- Poor Planning
- Investing in systems rather than people
- Limited Resources
- Poor Management

#### 4. List the goal of OD interventions.

- 27. The concept of competitiveness holds that each company has special assets and techniques that allow it to succeed in the market. Innovative technologies (SpaceX), first-class customer service (Four Seasons Hotels), corporate executives like Elon Musk, or a business culture (Zappos). It might also depend on how responsive the company is to changing consumer needs.
- 28. For example, being the first to take advantage of an opportunity could guarantee your revenue for the following five years. These qualities can enhance the company's success in the marketplace; thus, OD interventions intend to develop them.

#### 5. Explain the need of coaching.

A coach provides space and structure for the reflection that is necessary for learning and growth. They help you understand what your values are and where your actions diverge from your values or stated goals. A good coach can help you reconnect with what you love about your life and your work.

#### 6. What is group dynamics?

Group dynamics are a measure of the way a set of people operate together. It's both the efficiency of how productive the group is (i.e. how much is accomplished and quality) and the

ease with which the groups works together (i.e. how often the group gets stuck, how people help each other, etc). The social process by which people interact and behave in a group environment is called group dynamics. Group dynamics involves the influence of personality, power, and behaviour on the group process.

## 7. Differentiate formal & informal groups.

- A formal group is a collection of persons, who came together for achieving a specified goal. They are always created with intent to fulfil some official requirement. Formation of the group is done by the management.
- It possesses a systematic structure, in hierarchical form. The groups that are created naturally, within the organisation, due to social and psychological forces are known as Informal groups. Under this group, the employees of the organization, themselves enter into groups, without the approval of the management to satisfy their social needs on the job.

#### 8. What is meant by sensitivity training?

sensitivity training, psychological technique in which intensive group discussion and interaction are used to increase individual awareness of self and others; it is practiced in a variety of forms under such names as T-group, encounter group, human relations, and group-dynamics training. Sensitivity training is not just specific "sensitivity" seminars where a speaker talks to the group about how, for example, not to sexually harass people. It also includes training on how to deal with difficult personalities, improve your emotional intelligence, deal with gossip, etc.

#### 9. Define survey feedback.

A Feedback survey is a process used to identify or measure the happiness and satisfaction of different business entities or consumers. It is measured by following the products/services or the working environment of the company. Survey Feedback is tool which provides an organization with a honest opinion of what their present or future customers think about them and helps them in taking an informed decision.

#### 10. List the key areas of process consultation.

- Identify priority issues and conduct a stakeholder analysis. ...
- Prepare a consultation plan. ...
- Ensure prior information dissemination. ...
- Incorporate feedback and share results. ...
- Maintain continuous stakeholder engagement and easy access to a grievance mechanism.

#### 11. What is third-party interventions?

A third party intervention is the term given to the process by which any person other than the applicant, or another State Party to the European Convention on Human Rights other than that against which the application has been lodged, to intervene in the proceedings. A third-party intervention is a scenario in which an external entity becomes involved in a situation between two other parties. The outside party can help to improve communication, offer impartial support, provide resources or information, and provide outside judgment/arbitration.

## 12. Define group interventions.

Group interventions are interventions delivered to groups of people rather than to individuals and are used in healthcare for mental health recovery, behaviour change, peer

support, self-management and/or health education. It helps individuals to enhance their social functioning through purposeful group experiences and to cope more effectively with their personal, group or community problems.

# 13. List out the limitations of performance appraisal

- 1. If the factors included in the assessment are irrelevant, the result of merit rating will not be accurate.
- 2. Different qualities to be rated may not be given proper weightage in certain cases.
- 3. Some of the factors are highly subjective like initiative and personality of the employees.
- 4. Supervisors often do not have critical ability in assessing the staff. Sometimes, they are guided by their personal emotions and likes.

## 14. What is training?

The dictionary meaning of training is "imparting instruction in a particular art, profession or occupation." In Public Administration, "training means conscious efforts made to improve the skills, powers and intelligence of an employee and to develop his attitudes and value system in a desired direction.

"Training is the process by which man power is filled for the particular jobs it is to perform." In the training, the trainee will acquire new manipulative skill, technical knowledge, problem solving ability or attitudes etc. It is a continuous process or never ending process. Not only the fresher, but also the employee in service requires training for promotion or to change any new job. It makes fresher employee fully productive, in the minimum time. Even for old worker training is necessary to refresh them.

#### 15.List the elements of employee involvement.

The term employee engagement has been defined by various researchers. A commonly agreed upon definition would be physical, psychological or emotional involvement of the employee while work. Four things are important when we talk about employee at engagement; commitment, motivation, loyalty and trust. Depending on the level of commitment, the employees can be classified into three categories: Actively Disengaged, Actively Engaged, and Not Engaged.

#### 16. what do you mean by team building intervention?

To be successful, organizations of all types depend on teams of people who work together to complete tasks, achieve goals, and to help accomplish organizational change and strategy. As a result, focusing on the effectiveness of teams is a key value in organizational development. Team building interventions are exercises designed to resolve conflicts within groups. These mediations help organizations strengthen group dynamics by addressing weaknesses in the current system.

#### 17. Define conflict.

"Conflict is an interpersonal process that springs from disagreements over the goals to attain or the methods to be used to accomplish those goals".

"It is a process in which an effort is purposely made by one person or unit to block another so as to frustrate others in attaining goals". – Stephen Robbins.

"Conflict is the condition of objective incompatibility between values and goals". – Ralph Kilmann and Kenneth Thomas.

#### 18.List the importance of motivation.

- i. Leads to high performance
- ii. Enhances morale.
- iii. Increases productivity.
- iv. Reduces Turnover/absenteeism.
- v. Induces cooperation and team spirit.
- vi. Helps in assuming responsibility and working in disciplinary manner
- vii. Helps in better utilisation of resources.
- viii. Helps achieve organisational goals.

# 19. What are the different objectives of HRM?

- 1. Societal Objectives To be ethically and socially responsible to the needs and challenges of the society while minimizing the negative impact of such demands upon the organization.
- 2. Organizational Objectives To recognize the role of HRM in bringing about organizational effectiveness. HRM is only means to achieve to assist the organization with its primary objectives.
- 3. Functional Objectives To maintain department's contribution and level of services at a level appropriate to the organization's needs.
- 4. Personal Objectives To assist employees in achieving their personal goals, at least in so far as these goals enhance the individual's contribution to the organization. This is necessary to maintain employee performance and satisfaction for the purpose of maintaining, retaining and motivating the employees in the organization.

#### 20. What are the functions of communication?

- Requesting for items/activities. This form of the communication is designed to get a desired item or action. ...
- Refusing or rejecting items/activities. ...
- Requesting attention. ...
- Labeling and Describing. ...
- Commenting. ...
- Asking and Answering Questions. ...
- Expressing Feelings. ...
- Engaging in Social Routines.

#### 21. what is leadership?

"The action of leading a group of people or an organisation." That's how the Oxford Dictionary defines leadership. In simple words, leadership is about taking risks and challenging the status quo. Leaders motivate others to achieve something new and better. Leadership is the art of motivating a group of people to act toward achieving a common goal. In a business setting, this can mean directing workers and colleagues with a strategy to meet the company's needs

#### 22. What are leadership skills?

- Emotional Intelligence
- Relationship Building
- Problem Solving
- Decision Making
- Persuasion
- Coaching
- Compromise
- Delegation
- Time Management

## 23. Briefly explain the nature of career planning?

- 1. A Process Career planning is a process of developing human resources rather than an event.
- 2. Upward movement It involve upward movement in the organizational hierarchy, or special assignments, project work which require abilities to handle recurring problems, human relations issues and so on.
- 3. Mutuality of Interest The individual's interest is served as his needs and aspirations are met to a great extent and the organization's interest is served as each of its human resources is provided an opportunity to develop and contribute to the organizational goals and objectives to the optimum of its ability and confidence.
- 4. Dynamic Career planning is dynamic in nature due to an ever changing environment.

# 24. What are the important elements of a good appraisal system?

- a. Reliability and validity
- b. Standardization
- c. Training to Appraisers
- d. Employee access to results
- e. Post Appraisal Interview
- f. Not vindictive in nature
- g. Job relatedness
- h. Practical viability
- i. Clear Objectives
- j. Periodic Review.

#### 25. How organization culture plays key role in strategy execution?

A strong culture can bring benefits such as enhanced trust and cooperation, fewer disagreements and more-efficient decision-making. Culture also provides an informal control mechanism, a strong sense of identification with the organization and shared understanding among employees about what is important. Developing a strategic plan is vital to an organization's success. An organization must be able to efficiently execute that strategy to achieve its performance improvement goals.

#### **UNIT-V**

#### 2MARKS:

#### 1. Explain the organization life cycle.

The organizational life cycle is the life cycle of an organization from its creation to its termination. It also refers to the expected sequence of advancements experienced by an organization, as opposed to a randomized occurrence of events. Organizational life cycle can be described with classical five stages: (i) founding, (ii) growth, (iii) maturity, (iv) decline, and (v) revival.

# 2.Define change management.

Change management is a systematic approach to dealing with the transition or transformation of an organization's goals, processes or technologies. The purpose of change management is to implement strategies for effecting change, controlling change and helping people to adapt to change.

# 3. List out the different stages of organization life cycle.

Every business goes through four phases of a life cycle:

- startup,
- growth,
- maturity and
- renewal/rebirth or decline.

Understanding what phase you are in can make a huge difference in the strategic planning and operations of your business.

## 4. How do you define intrapreneurship?

The term intrapreneurship refers to a system that allows an employee to act like an entrepreneur within a company or other organization. Intrapreneurs are self-motivated, proactive, and action-oriented people who take the initiative to pursue an innovative product or service. An intrapreneur knows failure does not have a personal cost as it does for an entrepreneur since the organization absorbs losses that arise from failure.

## 5. What is creativity?

Creativity is defined as the tendency to generate or recognize ideas, alternatives, or possibilities that may be useful in solving problems, communicating with others, and entertaining ourselves and others. Creativity is a phenomenon whereby something new and valuable is formed. The created item may be intangible (such as an idea, a scientific theory, a musical composition, or a joke) or a physical object (such as an invention, a printed literary work, or a painting).

# 6. Explain decision making.

Decision making is the process of making choices by identifying a decision, gathering information, and assessing alternative resolutions. Using a step-by-step decision-making process can help you make more deliberate, thoughtful decisions by organizing relevant information and defining alternatives.

Essentially, decision-making is all about **choosing from the available options**. The better choices you make, the better decision-maker you'll become. You have many decision-making examples in daily life such as: Deciding what to wear.

#### 7. Difference between creativity and innovation.

S.NO.	CREATIVITY	INNOVATION
1.	Creativity is the process of creating new products.	On the other hand, innovation is the process of implementing ideas and technologies so that the goods and services are renewed.
2.	Creativity can be tangible or intangible.	Innovation is majorly intangible.
3.	The word create/ creativity was first used in the 14th century.	The word innovation came into being in the 16th century.

4.	In creativity, new products are formed.	In innovation, new ideas and technologies regarding goods and services are formed.
5.	Creativity is an imaginative process.	Innovation is a productive process.
6.	Creativity is related to brainstorming and thinking about new ideas.	Innovation is related to introducing new ideas and technologies to carry out production smoothly and efficiently.
7.	There is no money consumption in creativity.	There is money consumption in innovation.

## 8. What are HR implications for enhancing creativity?

The responsibilities of a human resource manager fall into three major areas: staffing, employee compensation and benefits, and defining/designing work. Essentially, the purpose of HRM is to maximize the productivity of an organization by optimizing the effectiveness of its employees. Creativity is influenced by HR interventions such as creativity training, rewards and incentives, and organizational learning. Researchers define creativity as taking a unique approach to solving issues, bringing innovation to old ideas, and coming up with a new solution.

#### 9. List the types of creativity.

- **Deliberate and Cognitive Creativity:** People who have this kind of creativity are considered to be purposeful.
- Deliberate and Emotional Creativity: As the name suggests, people under this category are emotional and are driven by their emotions. Spontaneous and Cognitive Creativity: People under this category do not over-think. Such people instantly look for solutions.
- **Spontaneous and Emotional Creativity:** People under this kind of creativity are spontaneous and are driven by their emotions.

#### 10. Difference between intrapreneur and entrepreneur.

BASIS FOR COMPARISON	ENTREPRENEUR	INTRAPRENEUR
Meaning	Entrepreneur refers to a person who set up his own business with a new idea or concept.	Intrapreneur refers to an employee of the organization who is in charge of undertaking innovations in product, service, process etc.
Approach	Intuitive	Restorative
Resources	Uses own resources.	Use resources provided by the company.
Capital	Raised by him.	Financed by the company.
Enterprise	Newly established	An existing one

BASIS FOR COMPARISON	ENTREPRENEUR	INTRAPRENEUR
Dependency	Independent	Dependent

#### 11. Discuss the need for intrapreneurship.

Giving employees free time to develop their ideas and to create new products and / or services can be the key that enables the company to grow, be innovative and strengthen employee engagement. To be an intrapreneur, you need to put your individuality to good use to develop innovative new products or ideas that can benefit your company. This will increase both your job satisfaction and your value as an employee.

## 12. Discuss the characteristics of creativity.

#### **Flexibility**

This is a key characteristic because it involves a mindset that suggests that there may be more than a single answer or solution to any particular issue or problem.

#### A sense of intense curiosity

Creative thinkers are fascinated with the world around them. They ask lots of questions, and tend to develop a very intense focus that takes them into almost a reverie as they try to discover how something works, or the detail of a beautiful structure, or anything else they set their mind on.

#### Positive attitude

A positive attitude is essential for thinking creatively as it is this positivity that spurs the mind on to seek detail, wonder, and, indeed, solutions.

# 13.List the techniques of creativity tools.

- Brainstorming. Brainstorming is a common technique for generating ideas, and you can find various exercises and approaches for implementing this method.
- Negative brainstorming.
- Brainwriting.
- Five W's and one H.
- Random words.
- Gallery method.
- Storyboarding.
- Roleplaying.

## 14. Mention the components of creativity.

Paul Torrance's work in Creativity. Torrance, the "Father of Creativity" talked about four elements to creativity: Fluency, Flexibility, Originality, and Elaboration. Guilford (1959) identified five key elements of creativity: fluency, flexibility, originality, awareness, and drive. Understanding these elements removes some of the mystery surrounding creativity and paves the way for encouraging its growth.

## 15. What are the problems in intrapreneurship?

- Cost of failure
- Hierarchy
- Improper support from the immediate supervisor
- Procedural delays
- Lack of decision making authority
- Internal politics
- Adaptability to changes
- Focus on short-term profits

- Inappropriate means of compensation
- Procedural nature of society

#### 16. Discuss the role of intrapreneurship.

- Intrapreneurs are employees of a company who are assigned to work on a special idea or project. They are given the time and freedom to develop the project as an entrepreneur would.
- An intrapreneur seeks to improve an existing company.
- An intrapreneur has a broader vision for an established company. This vision may involve radical changes to company traditions, processes, or products. The intrapreneur typically has direct applicable skills and experience to bring to the job.

# 17. List the types of innovation.

Product & Product Performance Innovation

**Technology Innovation** 

**Business Model Innovation** 

Organizational Innovation

**Process Innovation** 

Marketing / Sales – New Channel Innovation

**Network Innovation** 

Customer Engagement / Retention

#### 19. Dimensions of organizational learning.

The 'Learning Organisation' is a concept first described by Peter Senge as an organisation where people continuously learn and enhance their capabilities to create. It consists of five main disciplines: **team learning**, **shared vision**, **mental models**, **personal mastery and systems thinking**.

- Cognitive dimension
- Affective dimension
- Action dimension

#### 20.Define organizational learning.

Organizational learning is the process by which an organization improves itself over time through gaining experience and using that experience to create knowledge. The knowledge created is then transferred within the organization. Organizational learning allows organizational team members to continue to advance their professional growth and development individually and as a team.

## 21. Mention the problems of organizational decision-making.

- Rigidity of decision maker
- Lack of cooperation/support
- Failure to implement decision
- Subjectivity
- Assumptions
- Impact of extraneous factors
- Problems related to information
- Non-acceptance by subordinates

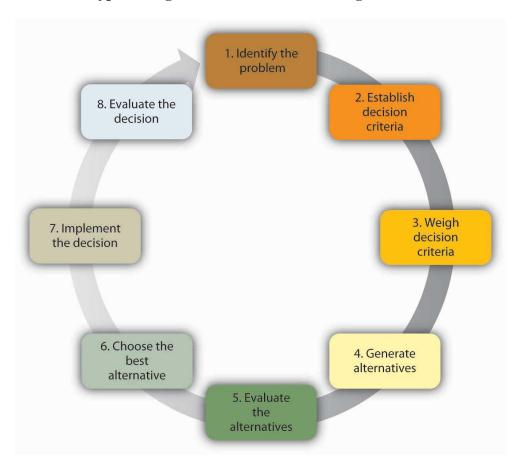
#### 22. Define innovation.

Innovation is defined as the process of making an idea or invention into a good or service that creates value and/or for which customers will pay. There are many different types of examples of innovation such as social innovation examples, incremental innovation examples and open innovation examples among others.

#### 23. Concept of organizational decision making.

Organizational decision making is the process by which one or more organizational units make a decision on behalf of the organization. The decision making unit can be as small as an individual, e.g., a manager, or as large as the entire organizational membership. Decision making is the process of making choices by identifying a decision, gathering information, and assessing alternative resolutions.

## 24. List the types of organizational decision making.



#### 25. Meaning of organizational transformation.

Organizational transformation is a business strategy for change management intended to move your organization from where it currently is to a desired future state. These change initiatives involve efforts focused on employee experience. Organizational change examples include going from brick-and-mortar to e-commerce, completely rebuilding the website, launching a new department, or switching from a silo structure to a matrix. Many examples of change in the workplace fall in between these two poles. They're incremental and gradual.

#### **UNIT-I**

#### 13MARKS:

1. Explain the concept of organizational design. Meaning of Organisational Design

The Organisational Design describes the creation of structures, processes, and roles so that the goals and objectives of an organization can be realized. It is also associated with the mechanical arrangement of reporting lines and positions on the organizational chart.

The Organisational Design is, in fact, a methodology that helps to identify dysfunctional aspects, realign to fit current goals and develop a plan to implement new changes.



The 5 organizational design principles

One of the most difficult things in organizational design is about what we are designing. The obvious answer would be "the organization". However, what exactly is it that we are designing about the organization? This is where the five organizational design principles come in.

Our starting point for this is Goold & Campbell's book <u>Designing Effective Organizations</u>. Goold and Campbell propose five organizational design principles. Organizational design is a tug of war between these five principles. Each principle has its own test to see if the current situation is valid.

- 1. **Specialization principle**. This principle states that boundaries should exist to encourage the development of specialist skills. The test here is if any specialist cultures, which are entities that have to be different from the rest of the organization, have sufficient protection from the influence of the dominant culture.
- 2. **Co-ordination principle**. This principle states that activities that are done should be coordinated in a single unit. This unit can be a business unit, business function, (horizontally coordinating) overlay unit, sub-business, core resource unit, shared service unit, project unit, or parent unit. The test here is if there needs to be coordination between departments that is hard to do. These 'difficult links' are links where normal networking will not provide coordination benefits. In that case, coordination should be made easier, or responsibility should be put in within a single unit. There are many different units that can be used in organizational design, as we will show below.
- 3. **Knowledge and competence principle**. This principle states that responsibilities should be allocated to the person or team best fit to do them. This means that tasks are retained by higher levels based on their knowledge and competitive advantage. If this is not the case, they should be positioned lower in the organization. This means that the CEO should not be involved in every decision especially not decisions that involve specialists with much more subject-matter knowledge. The CEO is there for the big picture and to balance complex decisions that impact the organization and strategy.
- 4. **Control and commitment principle**. This principle is about having effective control on the one hand while maintaining engagement and commitment on the other hand. This is always a balance. The test here is to have a control process that is aligned with the unit's responsibility, cost-efficient to implement, and motivating for the people in the unit. This means that the CEO is not giving the 'go' on the purchase decision for a \$30 keyboard this would be highly demotivating and control on such small expenditures should be put lower in the organization to be adaptive anyway.
- 5. **Innovation and adaptation principle**. This principle states that organizational structures should be sufficiently flexible to adapt to an ever-changing world. The test here is that the organizational design will help the development of new strategies and to adapt to future

changes. Later in this article, we will give a case study of an organization that was unable to adapt to a rapidly changing environment, hurting its internal processes and bottom line.

# 2. Explain the methodology of Organizational Design with an examples?

Organizational design is a comprehensive approach to bring about improvement in the organization so that it can achieve increased <u>efficiency</u>, productivity, and <u>profitability</u>. The methodology of an organizational design includes the following steps-

- Charter the design process Establish a charter for the design process and include desired outcomes, resource allocation, participation, deadlines and communication strategies for designing initiative. it is important to be clear in the thought-process and strategies so that it becomes easy to work as a team
- Assess the current state Assess the state of your business to understand its strengths, functions, principles, weaknesses, and whether they are aligning with your core objectives, ideology, and <u>strategy</u>. It will bring clarity about the overall business and assist in making improvements
- Design the new organization This step includes
- 1. Define organizing principles like processes, <u>technologies</u>, functions, and geographies
- 2. Streamline the core processes in business that will lead to deliverables to consumers
- 3. Documenting procedures
- 4. Standardizing procedures
- 5. Organising human resources around core processes
- 6. Defining skills, functions, and tasks
- 7. Defining the <u>performance</u> metrics for each team and making them accountable for their actions
- 8. Determining the equipment <u>needs</u> and requirements and layout of various departments and teams in the organization
- 9. Identifying the support resources and staffing and where they will be located appropriately
- 10. Defining the structure that provides operational support
- 11.Improving <u>development</u> systems like goal-setting, sharing of information, compensation, training and hiring, etc

- Implement the design Organize workgroups and train them in the new
  design to build skills and know-how. Rearrange facilities and equipment and
  change and adjust information-sharing, performance systems, and reward
  systems so that the company becomes more responsive to the customer needs
- Five factors affecting organizational design
- There are five factors that greatly impact organizational design. These factors are:
- **Strategy**. Strategy dictates the strategic priorities of an organization. This is the most important influencing factor of organizational structure and design.
- **Environment**. The environment a company operates in influences its strategy but also dictates how it positions itself. In a rapidly-changing environment, the organization has to design for more flexibility, or adaptability, while in a stable environment the organization can optimize for efficiency.
- **Technology**. Information technology is a key enabler for decision making. The state of IT impacts organizational design as well. When systems are in place and decision making is based on data, the organizational structure and design including the potential for hierarchical control will be different from an organization where most of the data is stored in unorganized Excel sheets.
- **Size & life cycle**. The organizational size and life cycle also impact the organizational structure and design. A 20-person company has very different challenges when it comes to design compared to a 200,000-person company.
- **Culture**. The organizational culture is another key element that impacts organizational structure and design and, vice versa, design also impacts culture.

# 3. Discuss the Elements of Organizational Design

If the organization design is planned and implemented properly, it brings forth the alignment of goals and objectives and a poor design often results in ineffective decision-making, lack of trust and rigid work environment.

It is vital to pay emphasis to the key elements of organizational design to gain the upper hand in the industry. Some of the key elements of organizational design are described below

## 1. Line/chain of command

The authority is delegated from top to bottom in an organization where the top management gives instructions to the bottom levels and so on and the accountability flows from downward to upward at each level.

The <u>chain of command</u> is clarified, and everyone knows to whom he should report.

# Advantages of the line/chain of command are

- 1. Clear instructions
- 2. Conflict resolution
- 3. Direct supervision
- 4. Clear communication
- 5. Close monitoring of employee performance
- 6. Increase in productivity and efficiency
- 7. **Boost** in profitability

# The disadvantages of the line/chain of command are

- 1. Increase in office politics because of power <u>centralization</u>
- 2. Fewer initiatives
- 3. Too much dependency on higher authorities
- 4. Less sense of belonging
- 5. Delay in taking decisions
- 6. Rigid control hence lack flexibility

# 2. Formalisation

This element of organizational design deals with mentioning and assigning responsibilities, roles, duties and procedures to the individuals, units, departments, and teams.

# The advantages of the formalization are

- 1. Smooth flow of authority
- 2. Boost efficiency
- 3. Less ambiguity

# The disadvantages of the formalization are

- 1. Formal and rigid relations
- 2. Reduction in employee morale
- 3. Lengthy process in decision-making

# 3. Departmentalization

It is the element of organizational design that deals in dividing the functions as per the responsibility of the job. The common forms of departmentalization are

- 1. Functional departmentalization
- 2. Geographical departmentalization
- 3. Product departmentalization
- 4. Process departmentalization
- 5. Customer departmentalization

# Advantages of the departmentalization are

- 1. Better coordination
- 2. Better control
- 3. Flexibility
- 4. Motivated workforce
- 5. Boost efficiency

# The disadvantages of the

- 1. Slow decision-making
- 2. Misuse of authority
- 3. Overspecialization

# 4. The span of control

This element of organizational design determines the number of managers and levels a company has and how many subordinates will report to a supervisor.

It is to a greater degree dependent upon the complexity of tasks it performs, the geographical locations and the ability of a superior and his team to handle given tasks.

# The advantages of the span of control are

- 1. Clear communication
- 2. Few managers
- 3. Employee empowerment
- 4. Delegation of authority to subordinates by their supervisor

# The disadvantages of the span of control are

- 1. Barriers in decision making
- 2. Too much work for managers
- 3. In need of trained managers to handle responsibilities effectively

#### 5. Centralization

This element of organizational design refers to a system where decision-making and planning are given to a single individual or the top management of the organization.

# The advantages of the centralization are

- 1. Right decision-making for any unplanned decisions
- 2. Managing specialization
- 3. Managing and handling crisis
- 4. Less duplication of tasks

# The disadvantages of the centralization are

- 1. A dynamic and complex environment
- 2. Delay in decision making
- 3. Little sense of belonging

#### 6. Decentralization –

This element of organizational design refers to a system where the decision-making and planning are handed to either middle or low levels of the organization. **The advantages of the decentralization are** 

- 1. Quick decisions
- 2. Competitive culture
- 3. Increase in initiatives by employees
- 4. Improve in employee performance

5. Independent decision-making by managers

# The disadvantages of the decentralization are

- 1. Duplication of work
- 2. High cost
- 3. Ambiguity in processes

# 7. Work specialization

This element of organizational design gives details about how the tasks will be divided into separate jobs. Individuals are entrusted in doing a portion of a task rather than the entire activity.

# The advantages of the work specialization are

- 1. Boost in product quality
- 2. Boost in job satisfaction
- 3. Boost in productivity

# The disadvantages of the specialization are

- 1. Increase in employee turnover
- 2. Increase in costs

# 4.Explain the Types of Organizational Design with abest example.

The organizational design structure is divided into two categories

# **Traditional designs**

# 1. Simple structure

In a simple structure, traditional design, the emphasis is on centralized authority and low departmentalization. It is generally adopted by start-up

and small business entities because the owner tends to be in control of all the major roles and functions. The advantages of the simple structure are

- Wide spans of control
- Greater employee involvement

# The drawback of simple structure is

No standardized procedures or policies

#### 2. Functional structure

In a functional structure traditional design, the similar occupational specialists are grouped in departments that have their workforce to perform roles and duties. The advantages of the functional structure are

- Effectual task <u>distribution</u> because of specialization
- Boost in efficiency levels
- Increase on productivity
- Minimum costs
- Better management functioning

#### The drawbacks of the functional structure are

- Expensive if the specialist staff is recruited
- Increase in conflicts at managerial levels
- Poor coordination

#### 3. Divisional structure

In a divisional structure traditional design, there are semi-autonomous or separate units with their own goals in an organization. It is seen in large organizations where functions are grouped based on <u>projects</u>, <u>products</u> or geographical areas. Each department has its resources and functions, and the manager is accountable for every related decision.

# The advantages of divisional structure traditional design are

- Increased accountability
- Quick decision-making

# The drawbacks of divisional structure traditional design are

- Duplication of tasks
- Increase in costs
- Conflicts in departments
- Mismatch in the goals and objectives of an organization and the department

## **PORTER'S FOUR GENERIC STRATEGIES**



# **Advantages of Organisational Design**

The advantages of organizational design are as follows-

- Increased efficiency
- Clear mission and strategy
- Improved cycle time
- Inspires innovation

- Perfect alignment of the business strategy with the market environment
- Improves communication
- The clarity in reporting relationships
- Excellent and healthy customer relations
- Efficient work processes
- Smooth flow of information
- Employees know to whom they are going to communicate because of a transparent chain of command
- Improved quality of services and goods
- Quick decision-making
- Increase in operational efficiency
- Better growth opportunities for the firm
- Motivated workforce
- Healthy and happy work environment
- Increase in profits
- Decreased operational expenses
- Improved employee engagement
- Safe working environment
- Easy to meet future challenges
- Advancement opportunities for employees
- Improved process management

# Disadvantages of ineffective Organisational Design

The disadvantages of ineffective organizational design are as follows

- Low employee morale
- Redundancies or job loss
- Lack of coordination and confusion within roles
- Failure to share information and ideas
- High employee turnover
- Lack of appropriate knowledge
- Damage of <u>brand image</u>
- Lack of ownership

- Failure of legal compliance
- Blame game
- Ill-defined systems
- Inconsistency in quality of work
- Waste of time
- Mistrust between management and workers
- Ineffective problem-solving
- Below target results
- Inefficient workflow with lots of breakdowns

# 5. Explain the concept of Contemporary designs and fundamentals of organization design.

#### 1. Team structure

As the name suggests, the team structure organizational design is made of various teams where each one of them moves forward towards a common goal and objective. There is no chain of command, and all the teams are held accountable for their work and performance.

#### 2. Matrix structure

In the matrix structure, organizational design specialists are recruited from different functional departments within the organization to work on one or several projects simultaneously.

There are various projects at the same time in a firm, and it is the responsibility of the project manager to allocate the required resources to complete the project. He gathers specialists to complete the project timely and successfully.

## 3. Project structure

In the project t structure organizational design, the members of the teamwork on projects continuously in a team-like structure. Every team has the required members, with specialized skills and know-how, to

complete the project, and once it is finished, they move on to the next project.

# 4. Learning organization

In the learning organization, there is a capacity to change, adapt and learn. There are knowledgeable employees in the company who can share their knowledge with others and apply it effectively in the workplace.

A learning organization encourages an influential culture where every employee aligns with the company goal and is willing to work together through shared information and knowledge.

#### 5. Autonomous internal units

The autonomous structure of the organizational design is generally found in large organization s which are comprised of several business units. The departments are decentralized and work independently without the interference of others.

There is no resource allocation or centralized authority, and each unit has its individual profit goals, competitors, clients, and products.

# 6. Boundaryless organization

In the boundaryless organization, the design is not limited by external, vertical or horizontal designs. The organization uses a team approach instead of departmental units and thus do not have to deal with hierarchy, departmentalization, and chain of commands.

It is an unstructured design with more flexibility.

# **Fundamental principles of Organizational Design**

The fundamental principles of organizational design are as follows-

#### 1. Self-reflection

The first principle of organizational design is based on self-reflection. What are its purpose and objectives, are you interested in making a difference, do you want to set a unique brand image of your company and how are you going to deliver value to your investors, clients, customers, and employees effectively are some questions that will help in self-reflection.

Go beyond your comfort zone, take a bold initiative and prioritize everything to create a perfect organizational design

#### 2. Create a design with the right framework

An essential principle of organizational design is creating an ideal design with the right framework. Firstly identify the required elements and then prioritize them as per their relevance to the firm and now use all the building blocks to make the design

#### 3. Utilize your top talent

Talent is often overlooked in a busy workplace environment. Still, one of the essential principles of organizational design states that one should never forget talent within the company.

Design positions so that the talent, managerial understanding and technical skills of various people can be utilized fully

#### 3. Encourage accountability

It is essential to create an organizational design that encourages accountability. This will ensure that supervisors no longer have to micromanage, and thus lots of time is eventually saved.

When information flows smoothly, it becomes more accessible in improving and executing the strategy of the business.

#### **UNIT-II**

## 1.Explain the nature and causes of Organisational Change with an example.

## **Meaning of Organisational Change:**

Organisational change refers to any alteration that occurs in total work environment. Organisational change is an important characteristic of most

organisations. An organisation must develop adaptability to change otherwise it will either be left behind or be swept away by the forces of change. Organisational change is inevitable in a progressive culture. Modern organizations are highly dynamic, versatile and adaptive to the multiplicity of changes.

Organisational change refers to the alteration of structural relationships and roles of people in the organization. It is largely structural in nature. An enterprise can be changed in several ways. Its technology can be changed, its structure, its people and other elements can be changed. Organisational change calls for a change in the individual behaviour of the employees.

#### **Causes of Organisational Change:**

## (A) External Pressures:

## i. Change in Technology and Equipment:

Advancements in technology is the major cause (i.e., external pressure) of change. Each technological alternative results in new forms of organization to meet and match the needs.

#### ii. Market Situation:

Changes in market situation include rapidly changing goals, needs and desires of consumers, suppliers, unions etc. If an organization has to survive, it has to cope with changes in market situations.

## iii. Social and Political Changes:

Organisational units literally have no control over social and political changes in the country. Relations between government and business or drive for social equality are some factors which may compel for organisational change.

## (B) Internal Pressures (Pressures for Change from Within the Organisation): i. Changes in the Managerial Personnel:

One of the most frequent reasons for major changes in the organisation is the change of executives at the top. No two managers have the same style, skills or managerial philosophies.

## ii. Deficiencies in the Existing Organization:

Many deficiencies are noticed in the organisations with the passage of time. A change is necessary to remove such deficiencies as lack of uniformity in the policies, obstacles in communication, any ambiguity etc.

#### iii. Other Factors:

Certain other factors such as listed below also demand a change in the organisation.

Employee's desire to share in decision-making

Employee's desire for higher wage rate

Improvement in working conditions, etc.

#### **Organisational Change – Nature**

Change is a part of life and provides opportunity for growth. It is a conscious decision by the management of organisation. In any organisation, we have people engaged in production, research, development, administration, etc. The organisation in order to change should prepare a stock of the situation and should effect change in their attitude and style of functioning.

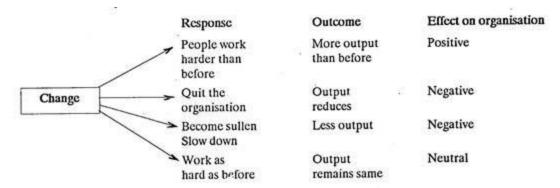
An organisation is an open system which implies that it is in a constant interaction and interdependent relationship with its environment. Any change can occur in its environment, such as change in consumer tastes and preferences, competition, economic policies of the government, etc.

## An organisation consists of interrelated and interacting system, to perform complicated tasks such as:

- 1. Authority and power system.
- 2. Reorganisation of the tool and techniques used in the system evolving proving of better equipment.
- 3. Change in the attitudes and behaviours and interpersonal relationship of people working in the organisation through systematic manpower planning.
- 4. Delayering to flatten structures.
- 5. Change to multiple reporting relationships.
- 6. Jobs designed to grow.
- 7. Increase in job flexibility.
- 8. Increase in organisational flexibility.
- 9. Need for clear, measurable, and flexible standards of performance at all level, etc.
- 2. Explain the process and forces for change.

#### **Response to Organisational Change:**

Every change is responded by the people working in the organisation. These responses may be positive or negative depending upon the fact as how they affect people.

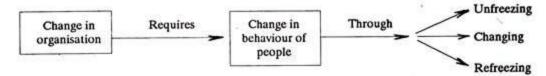


Before introducing a change, the manager should study and understand employee's attitudes so as to create a positive response. Three sets of factors-psychological, personal and social- govern the attitude of people.

#### **Process of Organisational Change:**

Unless the behavioural patterns of the employees change, the change will have a little impact on the effectiveness of the organisation.

A commonly accepted model for bringing change in people was suggested by Kurt Lewin in terms of three phase process:-



## (1) Unfreezing:

The essence of unfreezing phase is that the individual is made to realize that his beliefs, feelings and behaviour are no longer appropriate or relevant to the current situation in the organisation. Once convinced, people may change their behaviour. Reward for those willing to change and punishment for others may help in this matter.

## (2) Changing:

Once convinced and ready to change, an individual, under this phase, learns to behave in new ways. He is first provided with the model in which he is to identify himself. Gradually he will accept that model and behave in the manner suggested by the model. In another process (known as internalisation), the individual is placed in a situation where new behaviour is demanded of him if he is to operate successfully.

## (3) Refreezing:

During this phase, a person has to practice and experiment with the new method of behaviour and see that it effectively blends with his other behavioural attitudes. Reinforcement, for creating a permanent set in the individual, is provided through either continuous or intermittent schedules.

## 3. What are the Reasons for organizational Changewith a best example?

Following are some of the causes of organizational changes which lead to disequilibrium end resistance:

#### i. Change in Tools, Machines and Equipment:

Technological or mechanical changes in machines, tools and equipments may bring change in the organization. For example, installation of an automatic machinery in place of old machinery, may result in displacement or re- placement of people or loss of job to people and may create disequilibrium.

## ii. Change in Methods and Procedures:

Man is a creature of habits. He feels irritated when change occurs in methods and procedures of work of which he is accustomed to. As it takes time to adjust to the new environment, it creates disequilibrium till the complete adjustment to the new environment.

## iii. Change in Business Conditions:

Changes in business conditions such as change in the quality of the product, change in the marketing system or practices, business cycles, change in industrial policy etc. all create disequilibrium in the work-environment and it needs adjustment accordingly.

## iv. Change in Managerial Personal:

Change in the managerial personal in the organization may result in disequilibrium. A personnel may retire or change place or may be appointed afresh, this will all affect the policies, practices, procedures and programmes of the organization and the people are to adjust themselves accordingly.

## v. Change in Formal Organization Structure:

The formal organization structure establish a form and line of command of authority and responsibility in an organization. Along with these lines, channels of

communication and interpersonal relations are established. If there is a change in this formal organizational structure, there will be a change in the formal relationship which creates disequilibrium.

## vi. Change in Informal Organization:

Informal organization is a must in every formal organization and is a very important part of our existence because many of our motivational forces find satisfaction in this relationship. Consequently when management likes to introduce any change that disturbs the informal relationship established among people there is bound to be a state of imbalance.

## A short list of some of the changes which affected almost all organization in the past few decades is given here:

- i. Technological innovations have multiplied, products and knowhow are fast becoming obsolete.
- ii. Basic resources have progressively become more expensive.
- iii. Competition has sharply increased.
- iv. Environmental and consumer interest groups have become highly influential.
- v. The drive for social equity has gained momentum.
- vi. The economic inter-dependence among countries has become more apparent.

## All the reasons for organizational change can be classified into two categories external reasons and internal reasons:

#### a. External Reasons:

A number of changes in the external environment may cause change in the organization. Here, we are mentioning some of the most common and obvious external reasons of organizational change-

## 1. Government Rules and Regulations:

One can catalogue a long list of the Government's rules and regulations necessitating changes in organizations. For example, the recent slashing of grants by the University Grants Commission (UGC) to the Universities have forced them to strengthen their revenue generating functions, such as training programmes, consultancy, offering self-financing courses, etc.

Likewise, the Government's policy to privatise the power sector encouraged Jayprakash and the DLF to diversify into the power sector.

## 2. Competition:

The present time is the survival of the fittest. Organizations need to come up the challenges posed by the competitors to sustain and survive. In 1993, Mudra Communication decided to reorganise itself to counter the threats from its competitors Lintas and HTA.

#### 3. Technological Advances:

Technology has become the buzzword of the time. Rapid changes in technology has posed a question before the organization – either run or ruin. The revolutionary change in communication technology, i.e., communication satellite, cable networking, dish antenna, etc., compelled the Doordarshan to restructure itself by segmenting its services to different categories of viewers and become more competitive.

## 4. Change in People Requirements:

Customers dictate organization what they actually require. With changing requirements of customers, the five-star-hotels have, of late, started to offer new services, such as business centres, conference hall facilities, secretarial services, etc.

#### **b.** Internal Reasons:

Though there may be a host of internal factors that may also cause change in organizations, some of the illustrative ones are listed here:

#### 1. Change in Leadership:

Leadership changes culture and values in the organizations. V. Krishnamurty of SAIL, Tapan Mitra of INDAL, Ratan Tata of Tata Sons are the examples how the change in leadership led to internal changes in these organizations.

#### 2. Introducing New Technology:

Introduction of new technology in an organization is bound to have consequences for other functions as well. For examples, the computerisation of the Examination Division of the M.K. University affected other aspects as well, such as reporting relationships, span of control, co-ordination mechanism and so on.

#### 3. The Domino Effect:

The source of change is change itself. The domino effect means one change triggers off a series of related changes. For example, establishing a new department, e.g., the Department of Business Administration may cause the creation of teaching and non-teaching positions, budgeting allocation, building construction etc. Ignoring domino effect leads to the problems of co-ordination and control.

## 4. For Meeting Crises:

Just like human life, some unforeseen happening, say, crisis in the organization makes continuation of the status quo unthinkable and difficult. Sudden death of a CEO, the resignation of the executives holding key positions, loss of major suppliers, a drastic cutback in budget and civil disturbances are the examples of unforeseen crises.

These make the organizational condition unstable and this instability becomes the stimulus for thorough self-assessment and reform to change the organization to overcome the crisis before it.

## 5. Organizational Life-Cycle:

As human beings pass through certain sequential stages of life-cycle, so do the organizations also. As an organization grows from tiny sized to giant sized or from young to mature stage, according to Larry Greiner, it passes through five stages.

Each stage creates new demands for adjustment for the organization and so, act as a potent sources of organizational change. Each stage culminates in a crisis (which Greiner calls 'revolution'), which the organization must overcome before graduating to the next stage.

## Organisational Change – Reasons for Organisational Change

Many things cause organisational change.

#### These includes:

- 1. Challenges of growth, especially global markets
- 2. Changes in strategy
- 3. Technological changes
- 4. Competitive pressures
- 5. Customer pressure, particularly shifting markets
- 6. To learn new organisationalbehaviour and skills
- 7. Government legislation/initiatives.
- 8. Change in organisational structure
- 9. Change in managerial personnel.

Research indicates that organisations are undergoing major change approximately once in every three years, whilst smaller changes are occurring almost continuously. There are no signs that this pace of change will slow down.

## Hence, organisations have to modify and change to adapt to the changing internal and external environment:

- 1. Technological innovations have multiplied
- 2. Basic resources have progressively become more expensive.
- 3. Competition has sharply increased.
- 4. Communication and computers have reduced the time needed to make decision
- 5. Environmental and consumer interest groups have become highly influential
- 6. The drive for social equity has gained momentum
- 7. The economic interdependence among countries has become more apparent.

## 4. Elaborate the resistance to change in organization.

### **Resistance to Organisational Change:**

Resistance to change is perhaps one of the baffling problems a manager encounters because it can take many shapes. People may resign, they may show tardiness, loss of motivation to work, increased absenteeism, request for transfer, wild-cat strikes, shoddy work, reduction in productivity etc.

#### Classification of Resistance to Change:

Resistance to change may be classified as:

- 1. Industrial Resistance
- 2. Organisational Resistance

#### 1. Industrial Resistance:

Individual resistance may be there because of the following reasons:

#### A. Economic Reasons:

#### (a) Obsolescence of Skills:

When a person feels that with the introduction of newer processes, his skills will just become obsolete, he will resist the change. For example, a twenty years experienced accountant is quite likely to resist the introduction of a computer for preparing the wage bills because he feels that might affect his pay and position.

### (b) Fear of Economic Loss:

People resist change if it opens the possibility of lowering their income directly or indirectly.

#### **B. Personal Reasons:**

## (a) Ego Defensiveness:

A sales manager may turn down the suggestions of a salesman simply because the manager perceives that his ego may be deflated by accepting the suggestion.

## (b) Status Quo:

Most of the people feel comfortable with status quo and strongly resist change as it may involve uncertainty and risk.

## (c) Fear of Unknown:

Change presents unknown and unknown poses a constant threat and sores people. For fear of unknown, a manager may refuse promotion that requires his relocating in another state.

#### C. Social Reasons:

#### (a) Social Displacement:

Introduction of change (e.g., relocating) may result in breaking up of work groups and thus result in disturbance of the existing social relationships of people.

#### (b) Peer Pressure:

Whenever change is unwilling to the peers, they force the individual subordinate employees who are bent of accepting the change, to resist it.

## 2. Organizational Resistance:

Resistance may also be present at organizational level. Some organizations are so designed that they resist innovations.

#### Some of the reasons of organizational resistance are:

#### (a) Threats to Power and Influence:

Some people (especially sitting at the top levels) resist change because they feel that a change might affect their position, power and influence in the organization.

## (b) Organizational Structure:

Some organization structures (e.g., bureaucratic structure) have inbuilt mechanism for resistance to change.

## (c) Resource Constraints:

Non-availability of financial, material and human resources may also act as a resistance to change.

## (d) Sunk Cost:

In some companies, heavy capital is blocked in the fixed or permanent assets. If such an organization wishes to introduce change, then difficulty arises because of these sunk costs.

## Overcoming Resistance to Organisational Change:

Change creates tension and emotional turmoil in the minds of employees. Change thus results in resistance quite frequently, negative reactions doom the success of the change program especially when a manager is unable to handle it properly.

## Some of the techniques to handle the change properly and to deal with resistance to change are:

#### (a) Education and Communication:

One of the easiest techniques to overcome resistance to change is to educate the people who resist it. In many cases, people do not properly understand the change and hence become afraid of its consequences and resist change.

#### (b) Participation and Involvement:

If subordinates are allowed to participate and involve themselves in the change process (decision-making regarding the implementation of the change), their misunderstandings about the consequences of change are cleared, they generally feel satisfied and do not oppose change.

### (c) Support:

Support may be facilitative and emotional. Managers sometimes deal with potential resistance by being supportive. This includes listening, providing emotional support, providing training in new skills etc.

#### (d) Incentives:

Offering incentive is another fruitful way to overcome resistance to change.

## (e) Manipulation:

Managers generally indulge in manipulation when all other tactics have failed to overcome resistance to change.

### (f) Coercion:

At times, there is no way except to deal with resistance coercively. People are forced to accept change by threatening them with loss of their jobs, promotion possibilities and so forth.

## 5. Explain the levels of organization change and development.

'Consistency is the quality of a stagnant mind', says John Sloan. This is rightly said, as it finds great application in the current unpredictable business scenario. Change, resistance to change, and managing change are popular terms and processes in the business world, more so to employees in change-prone organisations.

Well, enthusiasm to change is quite obvious in today's employees. However, whatever it takes to bring out innate change is not ingrained in the change

management programs or organisation's conduct. The initiative to hold change management and performance enhancement programs have never fallen apart but the structure and the content of such programs definitely need refurbishing.

Change is possible only if employees are persuaded to think about their jobs in fresh perspectives. A transformation in the attitudes and behaviour of an individual can bring about a fresh outlook to one's job.

## There can be three levels of change as mentioned below:

#### (i) Lifeless-Change:

Depending on the extent of change desired CEOs could take to any of the three levels of change. The first is related to the outcomes of the business decisions. It has nothing to do with the work patterns or the workplace behaviour of employees. For instance, consider divesting non-core assets to emphasise on core business. In no way does it affect employees change in attitudes or behaviour. This is the least complex, rather the most straightforward level of change that could be brought about in organisations.

#### (ii) Half-Minded-Change:

The next level involves slightly more complex change process. This level demands of employees' adjustment in the existing practices or adoption of new ones to achieve predetermined targets. A financially unstable company for instance, might solicit change in working patterns or look for innovative ways to reduce or even eliminate waste.

## (iii) Abysmal-Change:

The third and the most complex and deepest of all the levels of change is cultural change. Cultural change involves a complete change in employees' behaviour across the board. If a company could become competitive by changing from being reactive to proactive, hierarchical to collegial, or reflective to externally focused, then cultural makeover is the ideal change that one could look for. Since change is collective and affects the culture of organisations, it must aim at transformation of the minds of all those employees involved in the change.

## Organisational Change – Essentials of Organizational Change Senior leaders and their learning partners must keep three key areas in mind as they navigate any major change like:

- 1. Organisational design,
- 2. Leadership capabilities, and
- 3. Employee engagement.

#### 1. Organisational Design:

As an Organisation's strategy shifts to respond to the change, so must its design. The design of an organisation includes a number of important levers that work together to ensure the achievement of the organisation's strategy. These levers include-organisational structure, processes, metrics and reward systems, and people practices. These systems, working in harmony, create focus and harness the collective energy of the organisation.

Realigning these key levers after a major organisational change is often not a top priority, as senior executives are typically focused on the bottom line, shareholder value and employee retention. While a full-scale redesign may not be possible or practical, organisations can begin bringing their systems back into alignment with the new reality by targeting three critical areas-

#### (i) Values:

Having a shared set of values provides a clear sense of purpose to employees and serves as the foundation on which to rebuild the house.

#### (ii) Goals:

Once the foundation has been secured, leaders must ensure that everyone knows what needs to be done to stabilise and start rebuilding. Leaders need to communicate how the goals have changed and how they link to the strategy.

## (iii) Roles:

Leaders must be clear with employees about how they fit into the newly defined organisation. Do they have new roles and new people they need to interact with to do their jobs? Are their roles the same, but are they part of a different team? Have teams merged? Team leaders should understand the scope of change for each person on their team and be sure to clearly identify the level of change to enable maximum productivity.

## 2. Leadership Capabilities:

Challenging times require a different type of leadership. There are five core leadership competencies critical to driving and enabling change. The logic behind these competencies is simple- a layoff, restructuring, or merger or acquisition causes major disruption, and leaders must focus their capabilities on a narrow list of priorities.

## The priorities include:

## (i) Setting Direction:

Leaders must define the focus for the organisation and its people by restating the vision and ensuring that the sense of purpose is clear and articulated.

## (ii) Aligning Employees:

Once leaders have set the course, they must make the goals, objectives and mission clear to employees to gain their support.

### (iii) Motivating and Inspiring People:

Enduring a major change can be difficult for the remaining employees and may drain productivity. Leaders can motivate and inspire people by focusing on the organisation's future success.

#### (iv) Communicating:

Change can be unsettling, but people will be more productive if they know what's going on. Leaders must demonstrate strong communication skills and must be honest with employees about the changes in the organisation.

### (v) Managing Talent:

Leaders must scrutinise the redefined organisation's talent needs and secure that talent.

While simple in theory, in practice, the focus and discipline required to successfully execute on these capabilities is not easy. In all likelihood, formal leadership development efforts are no longer practical. However, targeted coaching, action learning and on-the-job tools can help develop these competencies in real time and not only support leaders through the change, but strengthen their capabilities in the process.

## 3. Employee Engagement:

During a workforce reduction, company leaders can be so focused on the employees they're laying off that they overlook the impact of the change on those who stay. To survive and rebuild, it is vital for the organisation to support its people and teams as changes occur.

One way to do this is by directly enlisting employees to play a role in shaping the future of the organisation. Understand what they need to be more individually resilient and provide the training and support to build this capability. While often formed early in life, personal resiliency can be developed, and strengthening personal resilience enables organisational change to be absorbed with minimal impact on productivity and morale.

#### **UNIT-III**

## 1. Explain the concept of Organization Development:

Development is a continuous process and it accommodates in itself many changes that occur in science and technology, economic, market, political environment, education, knowledge, values, attitude and behaviour of people, culture etc. Organisation development is a part of overall development in general. It cannot remain unaffected by the developmental process. The organisation has to change the beliefs, values and its structure to accommodate the new ideas, beliefs and new technologies for progress.

This is very essential. The organisation must respond to changes. So that it can face the challenges ahead. The management of human resources depends upon organisational effectiveness. Human resources form the main plank of any organisation. Humans are affected by change. Organisation development accommodates and incorporates variety of planned changes based on humanistic democratic values, technology that are sought to improve the effectiveness of organisation and well being of its employees.

According to Dale S. Beach, organisation development (OD) is, "a complex educational strategy designed to increase organisational effectiveness and wealth through planned intervention by a consultant using theory and techniques of applied behavioural service."

According to J I Porras and P J Robertson, Organisational Development, "is a term used to encompass a collection of planned change interventions, built on humanistic democratic values, that seek to improve organisational effectiveness and employee well being."

According to George R. Terry, "Organisational development includes efforts to improve results by getting the best from employees, individually and as members of working groups."

As per Werren G. Bennis, Organisation Development is, "a complex educational strategy intended to change the beliefs, attitudes, values and structure of organisations so that they can better adapt to new technologies, markets and challenges and the dizzying rate of change itself."

Organisation is an open system and therefore must develop itself by adopting various changes to meet the challenges thrown out by the constantly changing environment.

OD incorporates various changes and accordingly takes up management development and training programmes to cope up with the situation.

Organisation development takes the help of social sciences such as psychology and sociology and anthropology. A continuous research and theory building is the crux for OD because it concerns with people.

It helps increasing organisational effectiveness. OD involves the changes over a long period of time in systematic and planned manner in work culture, organisation structure, its people, process, strategy, objectives etc. The help from various other social sciences is sought to develop and maintaining organisational health and soothing climate.

#### **Characteristics of Organisation Development:**

#### Organisation development has the following characteristics:

- 1. Programme is planned involving all the departments and subsystems seeking their coordination.
- 2. The top management is committed to the programmes for organisation development.
- 3. It is related to organisational objectives.
- 4. OD is based on research. Continuous research goes on because interventions are based on findings.
- 5. It utilises change agents to motivate the group of people to accept the changes within the organisation as a part of OD.
- 6. OD lays stress on changing the behaviour of people.
- 7. It seeks interaction between various groups to cope up with the changes that OD will incorporate.
- 8. Propagation is made so that people should know about the developments. Feedback is taken.
- 9. OD through discussions solutions to the problems is sought. All problem solving research constitute action research.
- 10. OD takes pretty long time to implement.

## 2. Explain the Organization Development Values with a example?

Organisation development constitutes various people, professionals, technocrats, researchers, managers and a host of other employees working in the organisation contributing to the accomplishment of organisational objectives. They behave differently. Authority and power, conflicts, control takes backseat during OD process.

#### The following are the values in OD efforts:

## 1. Respect People:

People are the raison d'etre of organisation and they are responsible for creating opportunities for growth. They must, therefore, be treated with respect and dignified manners.

#### 2. Confidence and Support:

Organisations are made up of people and they are to be believed and supported in order to have effective organisation. The healthy environment prevails when people are trusted and taken into confidence and a necessary support is extended to them as and when needed.

#### 3. Confrontation:

Any conflict on any issue should not be suppressed. It should be dealt with openness. Suppression leads to dampening of morale. Identifying the problem and its causes, discussing it openly and finding out feasible solution leads to boosting up morale of the employees and creating good environment.

## 4. Employee Participation:

The participation of employees who will be affected by the OD should be sought in decision-making.

### 5. Expression:

Human beings differ in experience, maturity, ideas, opinions, and outlook. The organisation is at the receiving end. It gains from the differences in quality, ideas, opinions and experiences of its people. Human beings are social animals; they have feelings, emotions, anger and sentiments etc. They should be allowed to express their feelings and sentiments. This will result in building up high morale and the people will be motivated towards hard work ultimately resulting in increased efficiency.

#### 6. Seeking Cooperation:

Managers should learn to seek cooperation from each of the employees working under him in his department. This will develop in creating the atmosphere of cooperation leading to organisational effectiveness and willingness to accept change in the event of organisation development process.

### **Benefits of Organizational Development**

Increasing productivity and efficiency comes with many benefits. One of the best ways to encourage positive results in these metrics is by using a well-thought-out organizational development structure. Organizational development is used to equip an organization with the right tools so that it can adapt and respond positively (profitably!) to changes in the market. The benefits of organizational development include the following:

## 1. Continuous development

Entities that participate in organizational development continually develop their business models. Organizational development creates a constant pattern of improvement in which strategies are developed, evaluated, implemented, and assessed for results and quality.

In essence, the process builds a favorable environment in which a company can embrace change, both internally and externally. The change is leveraged to encourage periodic renewal.

#### 2. Increased horizontal and vertical communication

Of considerable merit to organizational development is effective communication, interaction, and feedback in an organization. An efficient communication system aligns employees with the company's goals, values, and objectives.

An open communication system enables employees to understand the importance of change in an organization. Active organizational development increases communication in an organization, with feedback shared continuously to encourage improvement.

#### 3. Employee growth

Organizational development places significant emphasis on effective communication, which is used to encourage employees to effect necessary changes. Many industry changes require employee development programs. As a result, many organizations are working toward improving the skills of their employees to equip them with more market-relevant skills.

## 4. Enhancement of products and services

Innovation is one of the main benefits of organizational development and is a key contributing factor to the improvement of products and services. One approach to change is employee development – a critical focal point is a reward for motivation and success.

Successful engagement of employees leads to increased innovation and productivity. Through competitive analysis, consumer expectations, and market research, organizational development promotes change.

## 5. Increased profit margins

Organizational development influences the bottom line in many different ways. As a result of increased productivity and innovation, profits and efficiency increase. Costs come down because the organization can better manage employee turnover and absenteeism. After the alignment of an entity's objectives, it can focus entirely on development and product and service quality, leading to improvements in customer satisfaction.

## 3. Elaborate the Organizational Development Process.

A conventional approach in the organizational development process is the action research model. This model is used by many organizations to guide the OD process. It entails what its name describes – research and action.

However, there is much more to the OD process than just research and development. There are multiple loops used to transmit feedback, which makes an organization more responsive to change.

## **Components of the Action Research Model**

The action research model comprises six key components:

#### 1. Problem diagnosis

The organization development process begins by recognizing problems. The method of diagnosis usually takes the form of data gathering, assessment of cause, as well as an initial investigation to ascertain options.

#### 2. Feedback and assessment

The feedback and assessment step often involves proper investigation of identified problems so that there is a deep understanding of the challenge at hand. This can include an appraisal of documents, <u>focus groups</u>, customer or employee surveys, hiring consultants, and interviewing current employees. Information gathered is used to re-evaluate the challenges in the first step.

## 3. Planning

Once an organization defines and understands its challenge, an action plan is put together. The plan lays down all the intervention measures that are considered appropriate for the problem at hand. Usually, the measures include such things as training seminars, workshops, <u>team building</u>, and changing the makeup or structure of teams. Additionally, measurable objectives, which define the expected results, form an integral part of the overall plan.

## 4. Intervention and implementation

Once a plan is in place, the intervention phase commences. Since the organizational development process is complicated, implementation processes are a key element of the model. As an example, if training classes are preferred over other methods, test results will form the basis upon which the training process is

evaluated. The objective at this point is to ensure the required changes take place. If that is not the case, feedback is assessed and used to bring about the required change.

#### 5. Evaluation

As soon as the intervention plan is complete, the outcome of the change in the organization is assessed. If the required change does not take place, the organization looks for the cause. Adjustments are made to ensure the obstacle is eliminated.

#### 6. Success

Success denotes that the desired change took place. A proper plan and efficiency standards are put in place to ensure that the new switch is sustainable. Ongoing monitoring is needed to ensure that implemented changes last. Furthermore, as markets and organizations change, new problems can arise, leading to the push for further development. Great organizations evolve continuously.

## 4. Explain the five phases of OD Strategy.

TD professionals should integrate OD skills with the growing number of L&D, performance improvement, and talent management solutions focused upon increasing organizational effectiveness. The process used by OD practitioners to design and implement organizational development strategies is structured in five phases:

## **Entering and contracting**

The initial stage of OD occurs when an organization recognizes an issue that needs improvement. Examples of such issues include:

- A pattern of similar customer complaints.
- External factors that impact the organization.
- Increasing employee turnover or absenteeism.

- Losing competitive edge from declining innovation.
- Reduced revenue or profits.

After identifying the problem, a meeting is initiated between the leader/manager ("client') you will be working with to establish a collaborative relationship. During this step, you will present and explore the problem and determine an overall assessment of the situation. Then you can determine the expectations and scope of the project.



## 2. Diagnosing

During this phase of the process, you will gather and organize the pertinent data to analyze the underlying situation and determine what steps you should take. You must first understand the current climate of the organization and how the system is working before you can have a clear basis to design the interventions that can solve the problem. This investigation involves collaboration with stakeholders.

Once your diagnosis is established, you will need to communicate it to your client/stakeholders. You don't want to overwhelm your audience with too much information to wade through. Summarize the feedback to reduce the time you need to hold their attention. Be sure to include the insights that will motivate them to endorse the change that needs to happen.

#### 3. Intervening and taking action

Now that you have investigated the situation and communicated your findings to your client, it's time to move into the strategic planning stage. You will transform the diagnosis into an action plan with detailed steps and intervention measures for implementing the change that needs to take place.

Interventions are planned actions or events that intentionally disrupt the usual way of doing things to promote positive change. A variety of these techniques are available, depending on the needs of the organization.

Examples of OD interventions include organizational (structural) design, performance management, wellness interventions, transorganizational change. You can find more examples here.

As you design the interventions, keep in mind questions such as these:

- What are the areas for targeting changes?
- Should we focus on processes, tasks, or relationships?
- What method will be the most effective for delivering the intervention?
- Are there tools or techniques that could be helpful?

Putting interventions into categories can help you identify what type of intervention will be effective for the particular situation at hand.

The Reddy's Cube method classifies interventions in three dimensions:

- The focus of the intervention (individual, interpersonal, group).
- The level of intensity (low, medium, high).
- The type of intervention (cognitive, skill and activity, behavior, emotional/reflective, interpretive).

Here is an overview of the types of interventions stipulated under Reddy's Cube.

- Cognitive An increasing knowledge brings better understanding.
- **Skill and activity** Growing in the ability to do something.
- **Behavior** Making changes to current conduct.
- **Emotional/reflective** Bringing forward underlying emotions and using them for reflection.
- **Interpretive** Replacing the usual way of doing or thinking about things with a paradigm shift.

As you implement your plan, more data will become available. What works and what doesn't will become apparent, and you can use this information to make improvements.

## 4. Evaluating and feedback

Your OD process will need careful monitoring. When the plan has been put in motion, it's time to move into the next phase of evaluation and feedback. At this time, you will analyze whether the interventions have delivered the desired outcomes. Did the required change take place? Evaluate which actions or interventions need adjustments or should continue.

Convene with your client to determine the metrics and measurement methods to use and schedule some reviews that will take place on a regular basis. You will use these meetings to ensure that you and the client are aligned on the data. See if

either of you is missing anything or if there is any discrepancy in the interpretation of the data.

**Reaction** – The people within the system share how they receive the intervention or activity. Experience surveys are one way to gather employee's perceptions.

**Learning** – What have employees learned? Do they have new awareness, insights, experiences, or skills because of the intervention?

**Behavior** – This level indicates how well the intervention was applied by any changes made in thinking, being, and doing. You can use self-assessments or 360-degree feedback to gauge this.

**Results** – These are the final outcomes of the interventions. What impact have they had on either the organization's bottom line or on employees, shareholders, or customers?

## Kirkpatrick's Four-Level Training Evaluation Model



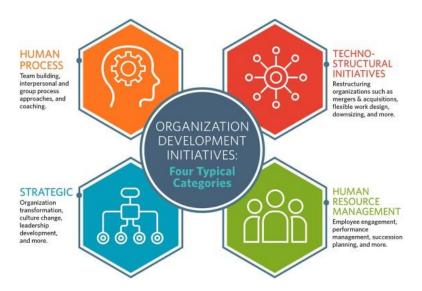
#### 5. Termination/exit

The change that has taken place is now incorporated into normal operations, and you have reached the culmination of the OD process. Finish up with a plan for

efficiency standards that ensure the transformation is sustainable. A method for ongoing monitoring will help ensure that the implemented changes remain intact. You'll need to handle the exit properly to maintain employee trust, productivity, and engagement. Show your support for people in the organization by creating an environment that makes them feel safe:

- Allow people to express their feelings about the change and feel safe doing so by practicing empathetic listening.
- Acknowledge that grief and frustration are understandable reactions to change.
- Cultivate confidential settings that allow people to express themselves without suffering repercussions.

## 5. What Are Some Organization Development Initiatives?



Organization development initiatives are typically categorized as:

- Human process initiatives that include team building, interpersonal and group process approaches, and coaching
- Techno-structural initiatives that include restructuring organizations (for example, mergers and acquisitions, flexible work design, downsizing, business process engineering, total quality management, quality of work life, Six Sigma, and Agile)
- Human resource management initiatives that include employee engagement, employee experience, performance management, employee development, succession planning, coaching and mentoring, career development, and diversity awareness
- Strategic initiatives that include organization transformation, culture change, leadership development, and attraction and retention initiatives.

Most initiatives have elements of each category. TD professionals should ensure that any OD solution is aligned to specific strategic objectives.

## Skills for an OD practitioner

OD practitioners concern themselves with strategic planning and thinking, so these skills are musts for them. The Talent Development Body of Knowledge lists being an change expert, efficient designer, business advisor, credible strategist, and informed consultant as the major capabilities of an OD professionals. Some of the skills included are data collection and analysis, project management, management skills, emotional intelligence, business acumen, communication, collaboration, and facilitation.

OD practitioners create an alignment of strategy, structure, people, rewards, metrics, and management processes to improve efficiency and productivity in the

workplace. These practitioners identify and solve problems that have to do with organizational systems that impact engagement, productivity, and performance, and they may also lead initiatives that benefit individual growth, such as career development, management and leadership development, and performance improvement

OD professionals are adept at designing and implementing employee engagement strategies; facilitating communication between employees and work groups; and articulating and codifying talent and leadership principles, values, and competencies that guide the organization's culture.

#### **UNIT-IV**

## 1. Briefly explain Organizational Development (OD) Interventions.

Organizational development interventions are structured program designed to solve a problem, thus enabling an organization to achieve the goal. These intervention activities are designed to improve the organization's functioning and enable managers and leaders to better manage their team and organization cultures. These OD interventions are required to address the issues that an organization might be facing ranging from process, performance, knowledge, skill, will, technology, appraisal, career development, attrition, top talent retention and the list can actually be pretty exhaustive.

There are 3 types of interventions that an organization should be able to identify and plan to implement.

- 1. **Individual**: Interventions pertaining to an individual.
- 2. **Group**: Interventions pertaining to a group.

3. **Organization**: Interventions related to the organization's strategy and policy.

An organization should be able to identify the kind of OD intervention required. Once the intervention is identified the organization should then plan to address or eradicate the issue at hand in an effective manner. Below mentioned are the OD intervention process that an organization should have to address any intervention.

- 1. **Entering and Contracting**: Here we establish the fact that yes we do require OD intervention to address an issue.
- 2. **Diagnosis**: In this process we identify the intervention and establish the root cause of the issue.
- 3. **Designing Intervention**: In this process we design the approach to address the issue or intervene to sort the issue out and bring value to business.
- 4. **Leading and Managing Change**: Here we establish a focus group with management buy in and implement the designed intervention. OD intervention is a structured programme driven from top to bottom.
- 5. **Evaluating and Institutionalizing Interventions:** Here we evaluate the course of actions implemented and see if we are on track or if we need to re-design the approach so that the objective if met.

There are 4 buckets in which the OD intervention process can be bundled together.

- 1. **Human Process**: Human process related activities are tagged under this group viz.
- a. Job Analysis.
- b. Team Building Activities.
- 2. **Strategic**: Activities related to organizational strategies and policies are grouped under this bucket.
- 3. **Human Resource Management**: Human resource related activities are grouped under this bucket viz.
- a. Reward and Recognition.
- b. Appraisal.

- c. Career Development.
- 4. **Technostructural**: Activities related to technology or where technology is related are tagged under this bucket.

These are some of the aspects of Organizational Development Interventions and the effective mechanism to identify and address the issues at hand. These interventions are unavoidable in totality, however a vigilant and matured organization should be able to apprehend the issue much before it erupts off on bigger scale and should be able to address at the very initial stage when it can be done with minimum efforts. The cost of negligence can have adverse impact in terms of cost, wide spread agitation resulting in to image, reputation, and delivery and branding loss.

# 2. Explain the Types of OD Interventions with a example?

The OD interventions are also lengthy and complex. Cummings and Worley (2009) contend that it is impossible to know the precise number of different types of interventions. But broadly speaking, there are four types of OD interventions:

#### 1. Human Resource Management Interventions

Even though an HR department and organizational development are not the same things, they do coordinate. Within a business, difficulties with "talent development," performance management, child care, and even diversity may be identified that demand the HR department to create an intervention strategy.

Today, diversity is a prominent cultural and business issue. Gender, sexual preference, age, race, disability, and even culture are factors that enter the business world and affect an organization's capabilities to implement its objectives.

Employee wellness is another area of intervention. For employees and other organization members, this involves boosting active lifestyles and stress management, among other health-related issues.

There are three ways to look at all of these interventions. They can bring about transformational change, which implies the organization is "rewired"

completely. They can also take the form of ongoing change, whereby policies and culture are used to progressively reform and adapt the company.

Trans organizational change is the final lens through which adjustments take place through networking, mergers, and acquisitions.

### 2. Strategic change interventions

Through mergers, restructurings, and transformational changes, strategic change interventions combine two or more organizations.

#### 3. Human process interventions

These interventions focus on the dynamics of group performance and interpersonal relationships.

They can be implemented to modify how an individual, such as a manager, communicates with staff members or even how staff members communicate with one another. They can be used to eliminate unproductive habits, develop productive actions, and boost general self-esteem.

Group interventions analyze how groups are created and how they function to achieve their desired goals. The use of team-building strategies to change group dynamics or a diagnosis and management of intergroup communication are examples of OD interventions.

Large groups, such as one consisting of management, employees, and stakeholders, could also be the focus of these interventions.

In some cases, it may be necessary to consult a third party. This may be due to the development of an "observer bias." That simply refers to the willingness of the majority of individuals to perceive what they expect to experience. Consultants offer both a new perspective and a new methodology to the situation.

Conflict resolution is another argument for hiring a consultant. Conflict frequently promotes conversation and results in solutions. Thus, it is often a good thing.

However, it can also lead to shutdowns where no progress is achieved. The topic can be justified by consultants who have no personal interest in the discussion.

#### 4. Techno-structural interventions

These interventions were developed in response to the organization systems' successful implementation of innovations. To do that, it is necessary to assess which technologies should be used as well as to ensure that staff members are qualified to use them.

The interventions also deal with issues with organizational structure. Particularly if the organizational structure and function are effective because it allows the organization to adapt to change. For example, the central authority model is one that certain design organizations use.

This assumes that all administrative decisions are made autonomously by a single individual or small group. Employees are subject to strict control and have little to no input. Decentralized management is a different mindset that gives everyone, including employees, a say in decision-making.

Employees engage with clients and consumers and are interested in the success of the business. Incentives for innovation and improvement are also included in this strategy.

This intervention analyzes quality management and explores whether organizations change quickly to meet demands or if changes are continuous as part of the corporate culture. To improve the quality of life for employees, it also aims to boost productivity while making the job more exciting and challenging.

Several OD interventions target specific organizational resources at various levels. This will depend largely on the issues being addressed, the number of employees forced to engage in the change, and the chosen solution.

However, for an OD intervention strategy to be successful, cooperative management and employees at different levels of the hierarchy should work together.

## The number of people involved

The number of participants in the OD intervention is a key factor to consider. Change takes longer to implement the more people are involved. For example, a human process intervention with a small team will proceed more swiftly in a tech firm than techno-structural interventions.

#### Among the issues being addressed

OD interventions help companies in resolving problems that have a root cause. A significant number of employees resigning from an organization is one example. High employee turnover rates are currently a problem, although OD interventions aim to address the underlying issues of high turnover.

You can expect that the issue of employee resignation will have a complete, all-encompassing impact on a tiny firm. A multinational company, on the other hand, will only be affected in places with a high turnover rate.

#### Solution

Solutions are made after identifying the fundamental cause of a problem. But they might not happen right away. An alternative definition of a solution includes transformational initiatives aimed at forging the organization's ideal future.

Until the change has taken place, senior management and decision-makers are typically more affected than the workforce in the latter scenario.

## 3. Explain the Difficulties of OD Interventions in detail.

## 1. Change is necessary

The fact that managers and corporate officers don't make a case for why the change is important is likely the biggest obstacle that people who wish to influence business change should face. They simply make a unilateral announcement that change will occur.

Furthermore, they make that announcement utilizing language that is loaded with data and facts that some people may not even understand. But everyone needs to agree on the idea for change to stay. This implies that there must be "something to sweeten the pot" for each member.

Fear is a common yet ineffective motivator. People are most motivated to seek change when they can see how it will improve their lives, such as through building their careers and promoting a better work environment.

## 2. Poor Planning

Lack of preparation can occasionally lead to failure. The individuals implementing the change are so intent on making it happen that they do not

invest the necessary time in identifying difficulties, developing solutions, setting targets, and creating timelines.

The project fails because no foundation has been created upon which the OD interventions may be supported.

#### 3. Investing in systems rather than people

Although adding new technology or systems may play a major role in an intervention, managers occasionally overlook the fact that there are also people issues.

For employees to effectively use the technology, they should receive training and support.

#### 4. Limited Resources

Lack of funding for implementing change is another problem facing organizations. The management believes that the change will be affordable and immediate (which it won't be).

Change is a long-term process that necessitates numerous interventions that have been attempted, tested, modified, and reapplied. Many organizations simply lack the resources to do that since it costs money and takes time.

## 5. Poor Management

Strong leadership abilities are necessary for all aspects of affecting change, including problem recognition, issue identification, intervention design and implementation, and success evaluation.

The talents that are frequently referred to as "soft skills," such as the capacity to interact with both individuals and groups of people, inspire and encourage others, and communicate effectively, are necessary for a leader. Visionaries who can turn ideas into reality make strong leaders.

## **Examples of OD Interventions**

When carried out correctly, OD interventions help organizations accomplish their goals, facilitating management, and enhancing overall operations.

As previously mentioned, there are four major categories of OD interventions: human process interventions, techno-structural interventions, human resource management interventions, and strategic change interventions.

Now let's look at some examples of OD interventions from each of the categories.

#### 1. Technostructural Interventions

There can be no doubt that technology plays a significant role in business. To increase their competitive advantage and stimulate growth, businesses all over the world rely on technological innovations.

Technostructural interventions focus on strengthening organizational performance and employee productivity by focusing on technology and the organizational structure.

## **Quality Management at its Best**

Continuous process improvement, lean, and six sigma are other names for total quality management. It is a strategy that prioritizes customer satisfaction to enhance quality and performance. To do this, there is a heavy emphasis on full employee engagement in an ongoing product, process, and workplace culture improvement.

One of the best-known companies that utilize TQM is Ford Motor Company. They envisioned greater product development, a more stable environment, efficient management, and increased revenue.

The DMAIC (Define, Measure, Analyze, Improve, and Control) process was implemented by Art Hyde, Ford's then-chief engineer, to find specific problems before it was presented to the consumers.

## **Work Planning**

The outcomes of an organization are influenced by its work design, with well-designed work promoting increased productivity and financial development. Moreover, it can impact how an employee feels about their job, including whether they are inspired, involved, bored, or stressed out at work.

Sometimes a redesign is necessary for a company to accomplish its goals. The technological and structural interventions are used in this scenario. Redesigning a task, however, doesn't always include modifying how things are done throughout the entire organization.

Instead, simple adjustments to how work is done or how employees interact with one another can have a big impact on the organization's bottom line and the employees who work there.

#### 2. Human Process Interventions

The earliest and best-known OD intervention types concerning the interpersonal, group, and organizational dynamics are human process interventions.

While focusing on enhancing employee performance, organizational development strategy should not be confused with human resource development.

While human process interventions concentrate on improving organizational effectiveness, HR development is much more concerned with the personal development of the employee.

#### **Individual Interventions**

These interventions are targeted at the specific employee and frequently concentrate on enhancing interpersonal communication. The goal of this intervention is to help the person understand their feelings, motivations, and behaviors as well as those of others.

The employee may receive help in determining their professional requirements, establishing complimentary career objectives, and resolving conflicts.

## **Forming A Team**

One of the most well-known organizational growth strategies is **team building**. It refers to initiatives that help teams in enhancing their performance, communication, and employee engagement.

## **Interventions in Intergroup Relations**

Inter-group interventions are used in OD interventions to promote efficiency and cooperation among a few teams within an organization in achieving a common objective.

These interventions typically occur in larger organizations when competing departments are competing just for a few resources or when departments are not aware of one another's requirements.

## 3. Strategic change interventions

Strategic change interventions are measures a company decides to shift to a new organizational structure and mode of operation to establish a competitive edge. Organizational development plays an important role in implementing these changes.

#### **Constant evolution**

This intervention encourages businesses to make minor, ongoing improvements. The most popular example of ongoing transformation is a learning organization.

Businesses that shift away from a top-down hierarchical structure to a learning model are more likely to cooperate, take risks, and grow as well as become more **competitive in the constantly developing workplace**.

Moreover, rather than punishing errors and mistakes, this methodology focuses on experimentation and learning from them.

#### A Transorganizational transformation

Interventions involving two or more organizations are referred to as transorganizational transformation. This can take the shape of business collaboration to accomplish goals as well as mergers and acquisitions.

Allied businesses can be a successful approach to increase brand recognition and expand into new areas without undertaking all the risks.

## 4. Explain the Interventions in Human Resource Management

Through strengthening team members' engagement, performance, and flexibility, **human resources management** initiatives aim to boost an organization's effectiveness and efficiency. Methods that concentrate on managing the individual are primarily used to achieve this.

## **Diversity interventions**

A corporation that values diversity in the workplace hires individuals of diverse color, ethnicity, age, religion, gender, physical abilities, sexual orientations, and other qualities.

OD intervention techniques aim to **boost diversity in businesses** since it promotes creativity, productivity, and increased revenue.

## **Managing performance**

Companies utilize performance management (reviews) to support, among other things, employee training, career development, salary decisions, and promotions.

In general, the performance management process includes developing clear expectations for each employee and providing constant formal and informal feedback.

## 4. Explain the techniques of OD interventions.

#### **Behavioural Techniques**

**Sensitivity Training** 

The purpose of **sensitivity training** sessions or **T-groups** (T for training) is to **change the behaviour of people through unstructured group interaction**. Members (ten to fifteen individuals) are brought together in a free and open environment, away from work places, in which participants discuss themselves freely, aided by a facilitator. No formal agenda is provided.

The **objectives** of the T-groups are

- To provide the participants with increased awareness of their own behaviour
- How others perceive the, greater sensitivity to the behaviour of others
- Increased understanding of group processes.

Role Playing

Role playing may be described as a technique of **creating a life situation**, usually one involving conflict between people, and then having persons in group play the parts or roles of specific personalities. In industry, it is used primarily as a technique of or modifying attitudes and interpersonal skills.

For instance, two trainees may play the roles of a superior and a subordinate to discuss the latter's grievances.

The purpose of role playing is to aid trainees to understand certain business problems and to enable observers to evaluate reactions to them.

Role-playing is generally used for **human relations and sales training**. This technique makes trainees self-conscious and imaginative and analytical of their own behaviour.

## **Management by Objectives (MBO)**

Managing by objectives is a dynamic system which integrated the company's need to achieve its goals for profit and growth with the manager's need to contribute and develop himself.

Management by objectives (MBO) is a technique designed to

- 1. increase the precision of the planing process at the organisational level.
- 2. reduce the gap between employee and organisational goals.
- 3. MBO encourages performance appraisal through a process of shared goal setting and evaluation.

#### Grid development

Grid organisational development is based on Blake and Moution's model of leadership called the managerial Grid. Their model depicts two prevailing concerns found in all organisations-concern for productivity and concern for people.

Some managers are high in concern for productivity but low in concern for people; others are high in concern for people but low in concern for productivity.

Besides helping managers evaluate their concern for proper and productivity, the Managerial Grid stresses the **importance of developing a team-management leadership style**.

In grid OD, change agents use a questionnaire to determine the existing styles of managers, help them to re-examine their own styles and work towards maximum effectiveness.

#### **Non-Behavioural Techniques**

Organizational Redesign

The organisation's structure may be changed to make it more efficient by redefining the flow of authority. There are call also be **changes in functional responsibility**, such as a move from product to matrix organisational structure.

Organisational structure often reflects the personal desires, needs, and values of the chief executive. Changing structure, therefore, may create resistance and concern because people are worried about their power or status, or how the change will affect their work groups.

#### Job Enrichment

Job enrichment implies increasing the cents of a job or the deliberate upgrading of the responsibility, scope and challenge in work.

Job enrichment is a **motivational technique** which emphasises the need for challenging and interesting work. It suggests that jobs be redesigned, so that intrinsic satisfaction is derived from doing the job.

In its **best application**, it leads to a vertically enhanced job by adding functions from other organisational levels, making it contain more variety and challenge and offer autonomy and pride to employee.

The job holder is given a measure of discretion in making operational decisions concerning his job. In this sense, he gains a feeling of higher status influence and power.

## Work Design

Work design is a broad term meaning the **process of defining tasks** and jobs to **achieve both organisational and employee goals**, it must, therefore, take into account the nature of the business (organisational interest), the

organisational structure, the information flow and decision process, the differences among employees, and the reward system.

Within the board scope of work, design is the design of individual jobs, that is, job design.

- Job analysis is the process of obtaining information about jobs.
- **Job redesign** makes use of job analysis to redefine a job in terms of tasks, behaviours, education, skills, relationships, and responsibilities required.

#### **Miscellaneous Techniques**

Survey Feedback

Survey feedback is one of the most popular and widely used intervention techniques, in the field of OD.

It involves two basic activities:

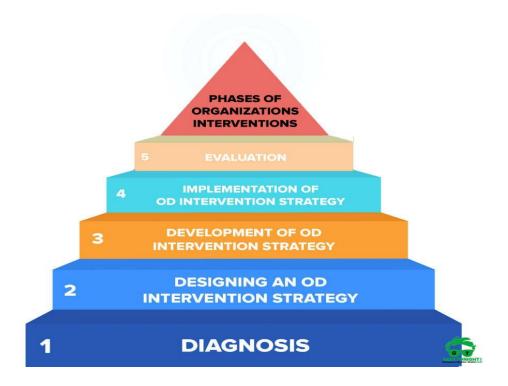
- collecting data about the organisation through the use of surveys of questionnaires, and
- conducting feedback meetings and workshops in which the data are presented to organisational members.

Survey feedback is useful in as much as it helps bring about changes in attitudes and perceptions of participants. Used along with team building the impact of the survey feedback is much more positive.

## 5. Explain the Process of OD Intervention Techniques.

OD intervention techniques is designed only after scientific research and diagnosis of a problem. This action research helps to understand the current system of an organization.

- 1. Diagnosis
- 2. Designing an OD intervention strategy
- 3. Development of OD intervention strategy
- 4. Implementation of OD intervention strategy
- 5. Evaluation



#### Process of OD Intervention

#### **Diagnosis**

The search for performance gaps is called as diagnosis. These gaps help to know where the client's performance is less than desired. For an accurate diagnosis of the current scenario, there should be a trustworthy relationship between the consultant and client^^This relationship helps in collaboration to find out the real need of the change.

## **Designing an OD intervention strategy**

Diagnosis leads to designing an OD intervention strategy that is problem based. Objectives of OD intervention strategy are developed to have a direct link with business goals. Designing an OD intervention strategy represents the best solution, outlines specific outcomes, and role of each component in the entire process. Designing also gives specific points to keep watch on for evaluation of the process.

## **Development of OD intervention strategy**

Design is a blueprint of developing an OD strategy. The OD intervention strategy is designed and developed with the evaluation objectives. The development of OD intervention strategy is a crucial step as it is directly related to desired outcomes.

## Implementation of OD intervention strategy

The action takes place and progress is evaluated, organizational members can be engaged at this stage. The deployment needs a high level of energy and creativity

of participants. Participants need to have a clear picture of change and their role at each step. Accountability with meaningful feedback is reinforced for the process to be effective. Evaluation can be conducted by constructing pilot studies and data collection.

#### **Evaluation**

It can be studied by understanding the impact after implementing OD strategy. It can be done be checking immediate feedback or learning gained through the process, or by evaluating performance. This is a continuous process.

#### **Strategic Intervention**

These types of interventions are designed to change various characteristics of organization settings such as employees, technologies, products among others by focusing on the organization's interaction with the external environment. According to (McNamara, 2009), these types of interventions are applied mostly in cultural change and strategic planning et cetera.

Here we discuss interventions that shape the competitive and collaborative strategies of organization:

- Integrated Strategic Change
- Organization Design
- Culture Change



## Strategic Intervention

## **Integrated Strategic Change**

This comprehensive OD intervention describes how planned change can make a value-added contribution to strategic management. It argues that business

strategies and organizational systems must be changed together in response to external and internal disruptions.

A strategic change plan helps members manage the transition between a current strategy and organization design and the desired future strategic orientation.

#### **Organization Design**

This intervention addresses the organization's architecture or the extent to which structure, work design, human resource practices, and management and information systems are in alignment and support each other.

It is a systemic view of the organization that attempts to direct member behaviour in a consistent and strategic direction.

#### **Culture Change**

This intervention helps organizations develop cultures (behaviours, values, beliefs, and norms) appropriate to their strategies and environments. It focuses on developing a strong organisational culture to keep organization members pulling in the same direction.

#### **UNIT-V**

## 1. Explain concept of organization life cycle in detail.

The organizational life cycle is a theoretical model based on the changes organizations experience as they grow and mature.

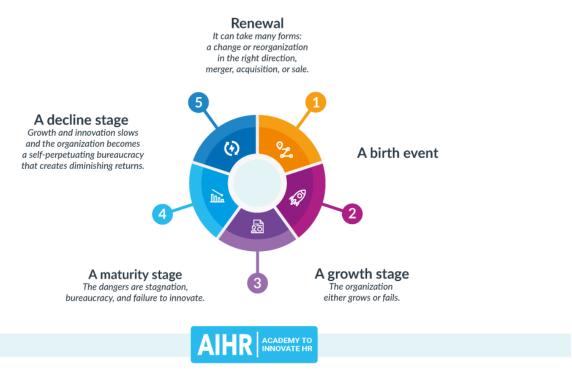
Just as living organizations grow and decline in predictable patterns, so do organizations.

Modern sources generally recognize Mason Haire's 1959 *Modern Organizational Theory* as the first study using a biological model for organizational growth.

However, the first historical reference we have of organizational life cycles is Alfred Marshall's 1890 *Principles of Economics*, in which he compared organizations to trees in the forest.

The few that survive eventually grow tall enough to dominate their neighbors "and seem as though they would grow on forever," but ultimately, they decline and fall.

## Five Phases of Organizational Life Cycle



Since most of today's industry disruptions are in technologies, life cycles and the conditions that shape them are even more critical because of the speed of change. Cycles that once lasted years or decades can now pass in months.

As you will see, if a business fails to take a proactive stance toward organizational life cycle changes, it is likely to fall into crisis and decline.

Organizational life cycles are the product of human behavior. In organizations, that behavior has predictable patterns that result in foreseeable crises. Preparing for

those crises can determine whether an organization moves to the next stage of development or fails.

For example, in a stable, mature organization, people fall prey to the misconception that the "way we do things" is the way it will always be. The inevitable result is stagnation.

If leaders and the people understand the issues that can arise before they happen, the change to the next phase need not be a crisis.

#### Moving on at the right time

An organization can prepare for moving from one stage to another.

For example, when people hold on to policies and procedures to protect their fiefdoms, you have a sure sign that stagnation is taking hold and can take preventative measures by transitioning management before the crisis.

You can also take a proactive stance by seeking to constantly renew, with parts of the company experimenting with new ideas without disrupting the entire organization.

## Organizational life cycle models

From the 1960s to the 1990s, scholars and consultants proposed many models of life cycles. Although the models have many similarities, there are differences in the perspectives and the research methods.

We present here some of the most well-known models for comparison.

#### **Lippitt and Schmidt model**

In 1967, Gordon L Lippitt and Warren H Schmidt applied personality development theories to the creation, growth, maturity, and decline of a business organization.

Their purpose was to predict the results of handling critical concerns of critical issues in the lifecycle stages of birth, youth, and maturity.

They found that the managerial handling of six predictable crises determined the organization's developmental stage rather than their size, market share, or sophistication.

#### Birth

In the birth stage, the critical concerns are creating the new organization and surviving as a viable system. The key issues are deciding what to risk and what to sacrifice.

#### Youth

In the organization's youth, those concerns are gaining stability, reputation, and pride.

It is also concerned about how to organize and evaluate itself.

## **Maturity**

In maturity, the organization must concern itself first with achieving uniqueness and adaptability. It must decide how to change itself to sustain its competitive position.

And, it must choose how to contribute to society by selecting what to share.

Here is a summary of the developmental phases according to Lippit and Schmidt:

## **Greiner Growth Model**

Larry E. Greiner based his growth model on the age and size of the organization on the premise that organizational practices change over time and that "management problems and principles are rooted in time."

He based his theory on European psychologists who hold that past events and experiences shape our behavior.

Greiner showed that leaders hold on to obsolete structures to consolidate their power.

So, instead of looking inward to develop the organization, they focus exclusively on external forces. The consequent stagnation leads to revolutionary phases that shake up the organization.

# 2. Explain the phases of organization life cycle with suitable diagrams.

Greiner presents five phases of growth, interspersed by periods of revolution. Each phase results from the previous one and causes the next.

## **Phase 1: Creativity**

In the creativity stage, the organization creates a product and a market.

Leadership is entrepreneurial and visionary, reacting to the market.

The lack of structure and management creates a leadership crisis.

#### **Phase 2: Direction**

If the entrepreneurs are savvy enough to engage skilled business management, a structure begins to form, with systems, work standards, and a hierarchical reporting structure.

## **Phase 3: Delegation**

A crisis of autonomy occurs when decision-making is too centralized to be effective.

Organizations try to adapt with delegation, but if the organization isn't ready, talent will leave.

Successful delegation allows companies to expand but often results in autonomous managers with a parochial attitude, creating a "silo" effect resulting in a crisis of control.

#### **Phase 4: Coordination**

A successful reaction to the control crisis is formal systems for planning, control, and resource management.

Eventually, a divide grows between headquarters and field managers, and a "redtape crisis" results from the organization becoming too large and complex to operate under formal and rigid systems.

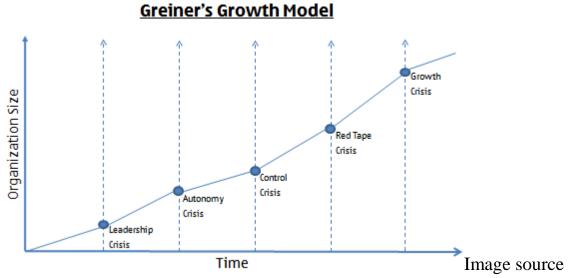
#### **Phase 5: Collaboration**

If the organization survives the fourth revolution, red tape is supplanted by collaboration, social control, and self-discipline.

Greiner correctly predicted that Phase 5 would create a crisis in the psychological saturation of emotionally and physically exhausted employees breaking under the burden of excessive teamwork and pressure to innovate.

We are already seeing the result of the revolutionary phase as companies now focus on employee wellbeing, rest, and revitalization.

We observe that Phase 6 is already well underway with a different social contract between the organization and its employees, as leaders understand that people *are* the organization.



Adizes ten stages model

Dr. IchakAdizes created his model in 1979 and continues to use it today.

However, his model changes with the times and embraces current technologies and organizational practices.

Adizes theorized that changes in the life cycle occur because of four activities:

- producing results,
- acting entrepreneurially,

- administering formal rules and procedures, and
- integrating individuals into the organization.

## 3. Briefly explain Kotter's 8 step in change model with a example?

The 8 steps in the process of change include: creating a sense of urgency, forming powerful guiding coalitions, developing a vision and a strategy, communicating the vision, removing obstacles and empowering employees for action, creating short-term wins, consolidating gains and strengthening change by anchoring change in the culture. Kotter's 8 step model can be explained with the help of the illustration given below:

## **Kotter's 8-Step Change Model**



1. Creating an Urgency: This can be done in the following ways:

- 1. Identifying and highlighting the potential threats and the repercussions which might crop up in the future.
- 2. Examining the opportunities which can be tapped through effective interventions.
- 3. Initiate honest dialogues and discussions to make people think over the prevalent issues and give convincing reasons to them.
- 4. Request the involvement and support of the industry people, key stakeholders and customers on the issue of change.

## **Forming Powerful Guiding Coalitions**

This can be achieved in the following ways:

- 0. Identifying the effective change leaders in your organizations and also the key stakeholders, requesting their involvement and commitment towards the entire process.
- 1. Form a powerful change coalition who would be working as a team.
- 2. Identify the weak areas in the coalition teams and ensure that the team involves many influential people from various cross functional departments and working in different levels in the company.

#### **Developing a Vision and a Strategy**

This can be achieved by:

- 0. Determining the core values, defining the ultimate vision and the strategies for realizing a change in an organization.
- 1. Ensure that the change leaders can describe the vision effectively and in a manner that people can easily understand and follow.

## **Communicating the Vision**

- 0. Communicate the change in the vision very often powerfully and convincingly. Connect the vision with all the crucial aspects like performance reviews, training, etc.
- 1. Handle the concerns and issues of people honestly and with involvement.

## **Removing Obstacles**

- Ensure that the organizational processes and structure are in place and aligned with the overall organizational vision.
- Continuously check for barriers or people who are resisting change. Implement proactive actions to remove the obstacles involved in the process of change.
- Reward people for endorsing change and supporting in the process.

#### **Creating Short-Term Wins**

- By creating short term wins early in the change process, you can give a feel of victory in the early stages of change.
- Create many short term targets instead of one long-term goal, which are achievable and less expensive and have lesser possibilities of failure.
- Reward the contributions of people who are involved in meeting the targets.

## **Consolidating Gains**

Achieve continuous improvement by analysing the success stories individually and improving from those individual experiences.

## **Anchoring Change in the Corporate Culture**

- 0. Discuss the successful stories related to change initiatives on every given opportunity.
- 1. Ensure that the change becomes an integral part in your organizational culture and is visible in every organizational aspect.
- 2. Ensure that the support of the existing company leaders as well as the new leaders continue to extend their support towards the change.

#### Advantages of Kotter's Model

- It is an easy step by step model which provides a clear description and guidance on the entire process of change and is relatively easy for being implemented.
- Emphasis is on the involvement and acceptability of the employees for the success in the overall process.
- Major emphasis is on preparing and building acceptability for change instead of the actual change process.

## Disadvantages of Kotter's Model

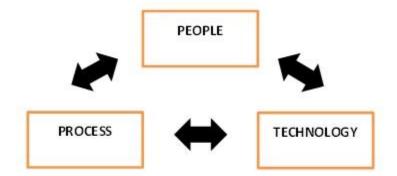
- Since it is a step by step model, skipping even a single step might result in serious problems.
- The process is quite time consuming (Rose 2002).
- The model is essentially top-down and discourages any scope for participation or co-creation.
- Can build frustration and dissatisfaction among the employees if the individual requirements are given due attention.

## 4. Explain the importance and types of organizational transformation.

Organizational transformation is a gradual and systematic change which companies undertake in their corporate culture and organization structure to adopt to changing competitive landscape and customer needs. Organizational transformation takes place when there is a change in the way the business is done or in the event of a reengineering or restructuring activity. Some key elements which undergo a change are the company values, mission, vision and the overall culture of the organization.

#### **Importance of Organizational Transformation**

In order to gain competitive advantage, it is essential that companies keep on evolving. While product & service innovation are critical, it is important to ensure that the organization, employees and business processes are also up to speed. Organizational transformation focuses on changing the way the employees of a company operate in. Along with the structural changes, the attitude of the employees, their perspectives as well as the culture of the organization undergoes a significant change. It's about re-modelling an organization in its entirety. Organizational transformation can ensure enhanced employee performance, positive work culture, competitive advantage and in the end a higher business.



## **Types of Organizational Transformation**

The three main areas which need to be addressed which planning a strategic transformation are people, process and technology.

## **People**

The culture and value change in an organization are critical when we look at organizational change. Employee feedback, good work benefits, regular feedback, well defined organizational structure etc. are ways ensuring that employees have a high motivation.

#### **Process**

Improving existing processes and adopting agile processes is another important aspect of organizational transformation. Better processes can increase efficiency, productivity and overall performance of a company.

#### **Technology**

Innovation, technical expertise and automation are essential elements which can boost a business. A business having less technological advancements can stagnate and end up losing any competitive advantage they might have.

Organizational transformation is a continuous process and companies must consciously strategize and prioritize these changes to remain relevant in a competitive market.

## 5. Explain the concept of innovation in organization change management.

Innovation refers to the introduction of a new quality of a good or a new good, market, method of production, source of supply, and organization in an industry. The most promising thing about the innovation process is being able to actualize an idea into a successful concept.

In this blog, I will explain, Importance, steps involved, its types, examples with risks and solutions involved in the innovation process.

"Innovation takes birth in sync with the evolution of customer's expectations and demands or vice versa. Either way, organizations around the world have to continually innovate themselves and keep up with the people's wants. The failure to do so or being indifferent to your customer's needs will make your competitors win. And then, customers become indifferent to you with a high-risk gamble to play at."

## **Adapting To Change –**

Change is inevitable and innovation is the method to not only keep your business afloat but also ensure that it remains relevant and profitable. So, when you develop an innovation culture, you remain relevant at all times.

## **Maximizing On Globalization** –

Markets all over the world becoming more interlinked and greater opportunities are emerging in these new markets.

For instance, if your company hopes to tap into this market share, innovation is a must to enable you to capitalize on the opportunities opening up.

## **Facing Up The Competition –**

To retain or establish your company's cutting edge, you can compete strategically by having a dynamic business that can make strategic and innovative moves and thus cut above the rest.

#### **Evolving Workplace Dynamics –**

The demographics in the workplace are constantly changing. Innovation is therefore critical to ensure the smooth running of the company.

Customers' changing tastes and preferences: The current customer has a great variety of products and services available to him. Hence, the company must keep itself abreast of these evolving tastes and also forge new ways of satisfying the customer.

#### **Steps of Innovation Process –**

#### **Step 1: Idea Generation And Mobilization** –

New ideas are created during <u>idea generation</u>. Successful idea generation should involve the pressure to compete and the freedom to explore.

Mobilization occurs when the idea is moved to a different logical or physical location.

For instance, how Apple waited three years after MP3 players were introduced to create the iPod, which was attractive, intuitive, and offered capacity for up to 1,000 songs.

## Step 2: Advocacy And Screening –

Advocacy and screening help to evaluate the <u>feasibility of a business idea</u> with its potential problems and benefits.

Hence, a decision can be made about an idea's future. Companies looking to develop a culture can establish a few best practices.

For instance, Employees should have plenty of avenues to receive advocacy and feedback. Also, organizations must understand the difficulties involved in evaluating truly innovative ideas. Also, organizations need to build transparent evaluation and screening protocols.

## **Step 3: Experimentation –**

The experimentation stage tests the sustainability of ideas for an organization at a specific time. Experimentation generates new ideas with the information that is gathered on the results and feasibility of the original idea.

For instance, when Amazon tested its grocery delivery service in certain Seattle suburbs. After this, Amazon Fresh expanded to Los Angeles, San Diego, and New York City.

#### **Step 4: Commercialization –**

Commercialization develops market value for an idea by focusing on its impact. An important part is establishing the specifications of any given idea.

Commercialization is the stage that involves the change of focus developments to persuasion. After the idea is clarified and a business plan is developed, it will be ready for diffusion and implementation.

#### **Step 5: Diffusion And Implementation –**

Diffusion is the company-wide acceptance of an innovative idea, and implementation sets up everything needed to develop the innovation.

Diffusion and implementation allow the organization to determine the next set of needs for customers. Receiving feedback, indicators for success metrics, and other benchmarks enable the organization to stimulate the innovation process.

## **Types and Examples of Innovation**

#### **Product Innovation –**

Product innovation is either the development of a new product, such as the Fitbit or Amazon's Kindle, or an improved version of the existing product, such as an increase in the digital camera resolution of the iPhone.

Examples of product innovations:

The first electric vehicles introduced in the car's market were also innovative, and new batteries with longer ranges that keep coming out are also an example of innovation.

#### **Process Innovation –**

The process involves a combination of skills, facilities, and technologies used to produce, support, and deliver a product or service.

## **Examples of Process innovations:**

<u>Henry Ford's</u> invention of the world's first vehicle assembly line. This process changed the vehicle assembly and shortened the time necessary to produce a single vehicle from 12 hours to 90 minutes.

The <u>Differential</u> company built a mobile sales dashboard for the leading Grupo Bimbo. Having a mobile sales dashboard gives the team quick access to the sales information and other KPI's for each country.

#### **Business Model Innovation –**

In a Business model innovation capabilities, or processes optimized to make a company successful and profitable will become the targets for transformation.

#### **Examples of Business Model innovations:**

Amazon found a new channel through technology by eliminating the traditional retail distribution channel and developing direct relationships.

IBM has managed changes in customer offers from mainframes to personal computers to technology services.

#### **Organizational Innovation-**

Organizational innovation refers to the development of a new organizational strategy. This involves changes in the company's business practices, organization of work, and relationship with external stakeholders.

#### **Examples of organizational innovations:**

#### The companies adopted a four-day week working schedule.

The companies that started to use the power of digital and allowing employees to skip the office and work from home.

## **Marketing Innovation –**

Marketing innovation means developing a new marketing strategy that produces changes. For instance, designing, packing, and other decisions regarding the price or promotion of a product.

## **Example of marketing innovation:**

Touch Packaging Design has partnered with Nestlé Ice Cream to create a reusable, durable container for its Häagen-Dazs brand that can be used in the new Loop circular shopping platform.