

Unit 4 : Organisational Development

INTRODUCTION

Organisations are complicated systems of intertwined processes and streams of work. And at their cores lie people. In many instances the social systems, ways of working, cultures, methods of communication, relationships, human knowledge and behaviors within organizations determine how effective and competitive they are.

The development of an organization, thus, is a key issue for the overall development of the human resource and to enhance the goal achievement and profitability of an organisation.

Organisational development, often referred to as "OD", is a broad phrase that captures many things.

Fundamentally though, organizational development can be thought of as intentional work designed to change and improve an organization so that it is better at what it does.

MEANING AND DEFINITION OF OD

According to Burke, "Organisational development is a planned process of change in an organisation's culture through the utilisation of behavioural science technology, research and theory."

According to Warren Bennis,

"Organisational development is a complex strategy intended to change the beliefs, attitudes, values, and structure of organisations so that they can better adapt to new technologies, markets, and challenges."

CHARACTERISTICS OF OD

OD approach to the management change has the following characteristics:

1. Planned Change.

Organisational development is an educational strategy for bringing about planned change. Planned change concept makes it different from other approaches for change in organisations.

2. Encompasses the Whole Organisation.

OD is the development of the whole organisation so that it can respond to change effectively. OD tends to ensure that all parts of the organisation are well co-ordinated in order to solve the problems and opportunities that are brought by change.

3. Long Range Change.

OD is a long term process. It may take months or years to implement it. OD is never intended to be a stopgap arrangement or measure.

4. System Orientation.

OD is concerned with the various groups in the organisation and their interactions with each other. It is concerned with formal as well as informal or social relationships. It is concerned with group structures, processes and attitudes. OD

emphasises on the relationships among the groups not on the groups themselves.

5. Change Agent.

The services of outside experts are obtained, generally, to implement the OD process. In OD, "Do it yourself" programmes are discouraged. When the primary change agent is a consultant from outside the organisation, he can operate independently without ties to the organisational hierarchy and politics of the organisation.

6. Problem Solving.

OD emphasises on problem solving rather than just theoretical discussion of the problems. The focus on real, on going problems rather than the theoretical or artificial ones is called actions research.

7. Experiential Learning.

In the traditional approaches, training was provided to the people by lecture and discussion method, in which people talk about only abstract ideas. But in OD, particularly learn by experiencing in the training environment the kind of human problems they face on the job.

8. Collaborative Management.

In contrast to the traditional management structure where orders are issued at upper levels and simply carried out by low levels, OD stresses collaboration among levels.

9. Group Process.

In OD, an effort is made to improve interpersonal relations, open communication channels, build trust and encourage responsiveness to others.

10. Organisational Culture.

OD assumes that the culture of every organisation is different from the culture of the other organisations. The assumption that a particular solution can be applied to the problems of all the organisations is generally not made in OD. Instead the culture of each organisation must be understood and relations consistent with culture be developed.

11. Feedback.

In OD, feedback is given to all the participants about themselves, which provides them a basis for their next activities. They generally base their decisions on this concrete data.

12. Team Building.

The basic objective of OD is to build better team work throughout the organisation. OD tries to tie all the groups, small and large, working in the organisation, together to make one integrated and cooperative group.

LIMITATIONS OF ORGANISATIONAL DEVELOPMENT

1. OD is based on the behavioural sciences concepts. Behavioural sciences themselves have many limitations, which are passed on to and applicable to OD also.
2. OD requires the use of certain diligent and highly motivated persons, who can take initiative to bring about change. But in organisations, people are, generally, complacent who are not willing to make the required efforts and they are not helpful in implementing organisational development.
3. OD cannot be applied without giving due consideration to the circumstances existing within the organisation. The local circumstances may pose a problem in adapting to change. Task of the organisation and the characteristics of its membership also put limitations on the effectiveness of OD.

ORGANISATIONAL DIAGNOSIS

Organisational 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. It is an effective way of looking at an organization to determine gaps between current and desired performance.

Thus organisational diagnosis is an exercise attempted to make an analysis of the organisation, its structure, subsystems and processes in order to identify the strengths and weaknesses of its structural components and processes and use it as a base for developing plans to improve and/ or maximise the dynamism and effectiveness of the organisation.

Typically, organizational diagnoses can be done when leadership has identified issues that they would like to fix, or when things are going well within an organisation but they want to continue to further improve their performance.

ORGANISATIONAL DIAGNOSTIC MODELS

Different diagnostic models can be used in different situations depending on the wants, needs, and goals of the organisations. Diagnostic models can be within open systems or closed systems.

These are discussed as follows:

1. Open system models

Open system models suggest that all components within an organization are interrelated and that a change in one component will almost definitely have an effect on other components. Most systems, however, comprise many interrelated elements, making them far more complex.

Additionally, open systems models consider the environment external to the organization and consider those effects on decisions and changes. In effect, the external environment surrounding an organization will have an effect on the inputs to an organization, the internal operations of an organization (strategies, HR systems, processes, etc.), and organisational outputs (products, advertisements, etc.).

2. Closed system model

The closed systems model focuses only on the internal components of the organization and ignores the external environment completely. This model does not promote any type of flexibility and adaptability. In today's day and age, ignoring external forces is a sign of a weak organization that is doomed for crisis or failure because it will not be adequately prepared to deal with changes as they come.

Additionally, closed systems models support the concept of one right way of doing things. This limits the organization and its team member's growth because it is not promoting any sort of development or fostering any organizational learning- which again is imperative in today's ever changing world.

STEPS IN THE DIAGNOSTIC CYCLE

The usefulness of an organizational diagnosis process lies in the action that it induces.

The major steps of a diagnostic cycle include:

- Orientation
- Goal setting
- Data gathering
- Analysis/ Interpretation
- Feedback
- Action Planning
- Implementation
- Monitoring/ Measure
- Evaluation

LEVELS OF ORGANISATIONAL DIAGNOSIS

Organisations can be diagnosed at three levels.

(i) Organisational level diagnosis:

Organisational level 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. The Organisational level is looked at in three phases: Inputs, System Designs and Outputs.

(ii) Group level diagnosis:

The second level of diagnosis is on the Group level. On this level the focus would primarily be on the input of organizational design. It emphasises or how the organization is designed to function within the general structure of the organisation with a greater focus on its inner workings.

(iii) Individual level diagnosis:

The Individual level of diagnosis is important to ensure that the right people are fitted to the right job which in turn promotes good attitudes and work environments that are conducive to productivity.