

S. Ramnarayan  
T.V. Rao

Revised  
and  
Updated  
2<sup>nd</sup>  
edition

# ORGANIZATION DEVELOPMENT

Accelerating Learning and  
Transformation



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*This book provided a comprehensive account of the experience of applying OD processes in the Indian Environment.*

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# **ORGANIZATION DEVELOPMENT**

(Second Edition)



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Accelerating Learning and Transformation

(Second Edition)

**Edited by**

**S. RAMNARAYAN**

**T.V. RAO**



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To  
Our Dear Mentor  
Professor Udai Pareek  
for his long, sustained, and significant contributions  
to the field of Organization Development

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## Preface

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This book was originally conceived as the second edition of our previous book *Organization Development: Interventions and Strategies*, edited by S. Ramnarayan, T.V. Rao, and Kuldeep Singh, published in 1998. It is highly gratifying that the book continues to be received well even today. The volume was put together within a few years of the liberalization initiated by the Indian government in the early 1990s. Faced with the challenges of growth in an emerging, liberalized competitive environment, Indian organizations needed, more than ever before, to be sensitive to mobilizing the energies of individuals, groups, and larger collectivities in organizations. Our volume of original essays by leading OD/HRD experts provided quite a comprehensive account of the conceptual frameworks and practices, so that readers could gain insights on what it takes to apply OD process to get organizational members ready to take on challenges. We included a number of short case illustrations in our essays. There was also a conscious attempt to bring out practice issues. But the focus of the volume was primarily on discussing concepts and interventions that the discipline of OD had created to build individual, team, system, and process related competencies and thus take organizations to higher levels of performance. The book has consistently done well ever since it was published. That is why we were asked by the publishers to bring out a revised edition.

To begin the process of working on a second edition of *Organization Development*, we talked to a cross-section of professional colleagues from the worlds of academia and practice. It became quite apparent to us that the book needed more than just a revision. The world is no longer the same. For instance, we have today organizations like Google, eBay, or Wikipedia that work with an entirely different social architecture that organizes large numbers of people for mass collaboration. These firms were nonexistent in the early 1990s when our first edition was taking shape. At the present juncture, workforces in the emerging world are four times larger than those in the West. It is expected that emerging economies' share of global GDP will have risen to 61 percent (at purchasing power parity) by 2025. While several firms in the advanced economies are staring at stagnant growth, many in the emerging markets are experiencing exponential growth.

India and Indian managers have also come a long way since our earlier volume was published. As Professor Harbir Singh of the Wharton Business School, University of Pennsylvania, mentioned to us, after conducting research for the book *India Way*, his Wharton colleague, Professor Peter Cappelli, concluded that progressive Indian organizations were actually implementing what academics on strategic human resource management are saying should be done. In other

words, leading Indian organizations were operating at the cutting edge of OD and HR field. The Wharton study goes one step further and states that HR heads in India are far more oriented to OD and learning function as compared to the HR heads of US companies. What explains this rather unexpected finding? Strategy and OD have to go hand in hand. Despite huge growth potential available to organizations in India, organizational leaders point out that talent pools are shallower than they appear at the first glance. The talent supply–demand gap exists not necessarily in terms of total numbers, but in terms of quality. As researchers point out, attracting talent within this milieu is tough; at higher levels, the problem is particularly serious. People even in mid-sized companies are finding it difficult to get managers. They are forced to put people who are under-qualified into particular roles because the growth rate is very high. Faced with unacceptably large gaps in the provision of education and training, companies have to take numerous initiatives to fill talent gaps themselves.

As a leading OD leader in an Indian organization points out in Part 3 of this book, businesses have been pursuing an agenda of growth and transformation, and so have come up with innovative and interesting OD practices and processes to prepare for the change agenda. But for carrying out these OD projects, they need professionals with requisite skills and values, and this has remained a problem. As he puts it, “There is Diwali out there in the marketplace, but the firecrackers are in huge short supply.”

Another OD leader whom we have interviewed in Part 3 brings out another dimension of the issue. He is concerned about how organizations can actually build leaders and make them available at a speed that is faster than ever before. Growing companies need lots of leaders to take charge at different levels. At the same time, he likens leadership as almost like teakwood taking 20 years to season and gain strength. When organizations are in the midst of challenges, it is not possible to ask them to wait for a long time to obtain adequate quality and numbers of leaders. What can be done to accelerate learning and transformation?

A number of organizational leaders point out yet another key challenge for OD in the present context. With rapid changes in the business context and challenges, the need for a new mindset has become more important than ever. For instance, in banks, frontline bankers have to perform sales and marketing roles. Senior leaders of technology-intensive organizations have to learn not to remain merely preoccupied with technical and operational aspects, but to learn to focus on financial and institution building considerations as well. Managers at all levels have to learn to take accountability for building bridges with other functions/units, creating service and innovation orientation, developing team members, and coping with changes all around. A mindset is needed that fosters adoption of a style that is inclusive, transparent, empowering, aligning, and trust building. Leaders have to learn to become facilitators, not bosses. And organizations experience a sense of urgency to bring about such mindset changes.

In today’s organizations, leaders are confronted with the challenges of making complex joint ventures, mergers, and acquisitions work. They search for ways to overcome silo thinking, dismantle walls that exist among different functions or levels, and build emotional connections and collaboration. They are sometimes required to fundamentally alter the business models of the firm and align values at top/senior levels. They take on the challenge of involving

employees at different levels in setting the directions for the firm or in creating a larger vision. In a traditional organization, there may be a concern as to what can be done to induct professionals and professional thinking in the most effective manner.

The field of OD is concerned with inquiry into such issues. We felt that our new volume should address these in an effective manner. So we have included concepts, interventions, cases on a variety of aspects; short learning resources to provide checklists for practice; and interviews with some OD leaders to provide a comprehensive coverage. The book has been organized into three parts: Part 1 deals with “OD Concepts, Issues, and Theoretical Foundations”; Part 2 has “Cases and Learning Resources”; and finally, Part 3 has “Interviews” with OD Leaders.

For putting together our first part, we looked at our earlier edition on concepts and interventions with a critical eye, deleted those chapters that no longer address the central concerns, added chapters that discuss new developments, and finally modified every single chapter to include recent developments. In the past, readers have appreciated our numerous illustrations to bring alive the concepts. We have retained this feature and strengthened it, wherever possible, with fresh examples.

In the second part, we begin with certain learning resources. Unlike usual chapters, these learning resources are comparatively shorter write-ups and are more akin to checklists for aiding practice. For instance, we have learning resources on capability building, creating ownership, designing participative processes, strengthening execution, measuring readiness for change, etc. Following the learning resources, we have included a wide array of cases spanning private companies, public organizations, and non-governmental institutions. All the short cases describe real changes/OD initiatives in real organizations. Our attempt has been to provide the readers with variety in terms of key issues, interventions employed, and the change goals envisaged by the OD practitioner. Some of these cases have been recently used in classes and were received enthusiastically.

The third part includes conversations with renowned OD practitioners in India and worldwide. They are designed to not only enhance our understanding of the field, but also give a feel of the practice issues. The interviews provide a holistic understanding of OD theory, interventions, challenges, and future directions. They provide keen insights that encourage and inspire us to explore different facets of this vibrant field. We hope this comprehensive volume provides you a rich and broad understanding of this important discipline.

A number of people have contributed to the completion of this book. First, we would like to thank the contributors for accepting our request to write for this volume. As mentioned above, a few of the contributors have even taught their cases in our classes in the last few months, and we were delighted to note that these were received with great enthusiasm. Several organizational leaders generously shared with us their experiences and helped shape our ideas. Dr Gopal Mahapatra, senior OD professional based in Bengaluru, India, provided invaluable support to get us started on the project. Prof. Charles Dhanaraj, who heads the Centre for Leadership, Innovation, and Change at the Indian School of Business (ISB), Hyderabad,

India, enthusiastically encouraged and supported the book project. Prof. E.S. Srinivas of ISB, Hyderabad, India, provided interesting insights, valuable feedback, and shared useful references. Ms Neha Gupta and Ms Rekha Krishna Naga, researchers at the ISB's Centre for Leadership, Innovation, and Change, helped with high quality research. Neha, in particular, ensured that the coordination of the book-writing project progressed smoothly, effectively, and almost effortlessly. The completion of the book owes a great deal to her abilities and resourcefulness. Dr Sugata Ghosh of the SAGE Publications nudged us toward completion patiently and persistently. His help in framing some of our ideas were very significant. We are deeply grateful to all of them.

**S. RAMNARAYAN and T.V. RAO**

February, 2011

# OD Concepts, Issues, and Theoretical Foundations

Organization Development (OD) has a long and venerable history. OD with its theoretical underpinnings in social and behavioral sciences equips organizations with the capability to foster individual and organizational effectiveness. Part 1 deals with concepts, issues, and theoretical foundations of OD. It acts as a primer for practitioners and academicians interested in gaining an understanding of the fundamentals of the field. This part sketches the journey of OD since its inception to the challenges facing the field today. It describes a wide array of OD interventions enriched with illustrative cases. This section covers the whole gamut of issues such as the stages of an OD process, person-based and role-based interventions, action research, survey feedback, power and politics, and eight myths that keep OD consultants from doing their best work.

Chapter 1 traces the roots of OD to concepts of group dynamics by Kurt Lewin and chronicles the evolution of three generations of OD. The first generation OD focusing on incremental changes; the second generation OD dealing with interface issues and macro-aspects; and the third generation OD with an emphasis on large-scale issues are discussed in detail in the chapter.

OD is planned change. But, planned change can run into unanticipated problems or unexpected resistance. Beginning with a description of four OD experiences, Chapter 2 analyzes the stages of an OD process. A comprehensive checklist of issues in planned change is presented in a question and answer format to assist in implementing OD initiatives. “Rethinking Resistance” throws new light on the old and familiar issue of resistance. The chapter distinguishes among three levels of resistance along with a repository of ways to deal with them.

The next few chapters are devoted to key OD interventions, namely, person-focused OD interventions, role-focused OD interventions, process consultation, survey feedback, HRD audit, and action research. The discussion on person-focused and role-focused interventions by Udai Pareek provides insights not only into the technique but also on various relevant dimensions like team roles and strategies for coping with role stress.

The chapter on “Process Consultation” and “Action Research” outline the key premises underlying two of the most important approaches to OD. With the help of illustrations, they also articulate guidelines for managers to act as process consultants and action researchers.

Ever since Rensis Likert published *New Patterns of Management*, survey feedback reigns as one of the most effective and popular OD interventions. The chapter on survey feedback by T.V. Rao is replete with his personal experiences in using survey feedback as a tool for sensing organizational climate, changing organizational culture/strategy, and so on. In the last two decades, HRD audit has been instrumental in ensuring that the HRD systems and subsystem create a learning culture that fosters organizational change. This chapter narrates a few successful HRD audit interventions and also presents a detailed account of the audit methodology.

The subsequent chapters examine the important topics of power and politics in OD and leadership roles required for successful OD intervention.

Systems thinking, with Look–Think–Develop–Act loop as the underlying pillar, requires choice of interventions that suit the inherent characteristics and specific situation within the organization. This approach is highlighted in the chapter titled “Systemic Approach to OD.”

Marvin Weisbord and Sandra Janoff present eight long-held myths about OD prevalent across the globe. Myths like “change requires diagnosis by an expert,” and “organizations learn and not people” are explored and counterviews are offered based on experience and literature. The chapter by Jagdeep Chhokar traces the origins of OD and quality movement to demonstrate the convergence between two movements like continuous improvements and participative methodologies. Although OD is more generic in nature compared to quality movement, the article contends that both disciplines can learn and contribute to each other.

Part I concludes with an exploration of OD in the past, at present, and in the future. It defines what OD is and what it is not. It also explains why decision-makers should care about OD, explores how OD and human resources (HR) are converging, and offers thoughts on global OD and dilemmas facing OD practitioners in India. The section closes on the note that “*OD remains as relevant now, as it was in the past.*” Indian organizations face the problem of plenty—there are numerous opportunities, but organizations need to learn and transform quickly and effectively to be able to tap and build on those possibilities. OD is, thus, key to managing the future.

# Introduction to organization development

S. Ramnarayan and Neha Gupta

Organizations have certain characteristics: they are groups of persons organized for a particular purpose; they are made up of elements with varied functions that contribute to the whole or to collective functions; they have a structure through which individuals cooperate systematically to conduct business (McLean 2006). Every aspect of our life is intertwined with the products and services offered by the organizations. We rely on organizations for work, education, transportation, health care, electricity, entertainment, and so on. In the process of carrying out their activities, organizations encounter a wide array of problems. It includes poor team performance, interdepartmental conflicts, inappropriate leadership styles, low morale among employees, cultural mismatch between two merging companies, ineffective communication, improper decision-making, or lack of a guiding vision. The pervasiveness of organization in various aspects of our lives highlights their importance. Organization development (OD) is fundamentally an organization improvement strategy that utilizes a diverse set of applied behavioral sciences. OD epitomizes planned and deliberate interventions in organizations to improve their current state.

The emergence of OD in the circa 1960 has been a significant development of 20th century. It marked the ascension of the social and behavioral sciences out of the confines of academia and, into the arena of application for dealing with the human aspects of individuals, teams, and larger collectivities like departments or business units in organizations (D'Souza and Singh 1998). Traditionally, behavioral sciences were not concerned with the functioning of the organizations. But OD sought to develop concepts, tools, and techniques that are effective in resolving the increasingly complex societal and organizational problems. This is achieved by enhancing individual and organizational effectiveness with the help of OD interventions.

## OVERVIEW OF OD

Kurt Lewin's dictum (1946) "*No action without research and no research without action*" laid the foundation for the field of OD. OD emerged as an interdisciplinary field that draws from

several behavioral and social science disciplines including psychology, anthropology, political science, social psychology, sociology, organization behavior, system theory, management science, and so on. It emanated from the human relations movement and is founded on the concepts of group dynamics and theory of planned change in the late 1950s and early 1960s. In those early years, OD was primarily an education strategy in response to the problems perceived by organizational members. Sustainable and continuous development of individuals, teams, and organizations became the ultimate objective.

In today's era of accelerated change and dynamic environment, there is a growing need for organizations to adapt quickly to the changing environment to sustain growth and remain competitive. OD addresses this issue by fostering adaptation and self-renewal of organization. It leverages the principles of behavioral sciences to design intervention and develop the capability of organizational members.

## **DISTINGUISHING FEATURE OF ORGANIZATION DEVELOPMENT**

Amidst a slew of organization improvement and management development programs, OD stands out on account of the distinctive nature of client–consultant relationship (French and Bell 2001). One of the fundamental differences between OD and other organization improvement programs lies in the model of *helping relationship*. OD calls for collaborative problem solving between the client and consultant to remedy the organizational problem. OD facilitator may be an external consultant or an internal employee who is an expert in behavioral sciences, process observation, problem solving, and OD interventions. Whether the consultant is internal or external to client system, s/he is always external to the unit where the change is being implemented. It ensures that the consultant maintains an objective outlook during gathering data, diagnosis, and action planning. The consultant takes established social science theory and methods, and custom designs it for the client setting seeking to improve profitability, productivity, morale, quality of work life, and so on.

Schein (1998) identified three models of consultation:

1. **Purchase of Expertise:** The client identifies the problem, decides the solution, and approaches the consultant with the required expertise to implement it.
2. **Doctor–Patient Model:** The client perceives a problem, describes the symptoms to consultant, the consultant diagnoses, and prescribes the solution to the client like a doctor.
3. **Process Consultation:** The client and consultant engage in joint diagnosis and problem solving like partners. It is based on developing a helping relationship and collaboration.

Among these three models, OD espouses the underlying philosophy of *process consultation*. Unlike other consultancy models, an OD consultant does not act like a typical expert who

enters the organization, rectifies the problem with low/no involvement of client, and terminates the relationship once the results have been achieved. Instead, the OD consultant behaves like a partner by facilitating the diagnosis and action taking, and honing the client's problem solving skills. The consultant assumes the role of a collaborator and a co-learner in the process of resolving the problem. S/he forges a helping relationship with the client to promote an honest and open exchange of ideas, opinions, suggestions, and knowledge. OD differs from traditional consulting because client involvement is encouraged throughout the process.

The prime objective of the OD consultant is to help the client help herself/himself. S/he aims to foster the self-renewal capability of the individuals and the organization by involving the client in the process. The consultant need not be an expert in the subject matter related to the issue but s/he is a specialist in the domain of organization behavior, organization change, organization dynamics, and system theory. S/he is adept at structuring learning situations toward full realization of clients' potential. S/he is proficient at passing on her/his skills in organization processes and problem solving to the client. Hence, the role of the consultant in the organization is the foremost distinguishing feature of OD.

## **EVOLUTION OF ORGANIZATION DEVELOPMENT**

The term *organization development* emerged in the 1960s although its origin cannot be established chronologically with absolute certainty. The term was coined to describe the seminal works of behavioral scientists such as Robert Blake and Jane Mouton, Herbert Shepard, Douglas McGregor, and Richard Beckhard (Porter 1974) in different organizations around the same period. The label was assigned to distinguish the system-wide developmental thrust of OD from other contemporary approaches for working with organizations.

The intellectual roots of OD, however, can be traced back to organizational and behavioral theories, frameworks, and experiments in the early part of 20th century. In 1911, Frederick Taylor (1947) expounded the *Principles of Scientific Management* emphasizing the adoption of scientific methods to improve work efficiency and employee productivity. He proposed "time and motion studies" and "breaking up of jobs into small-repetitive tasks" to remedy inefficiency and devise the best way of doing every job. Its application illustrated the positive impact of examination and deliberate intervention by external experts in the work processes of organizations on human efficiency and productivity.

After improving work productivity, the behavioral scientists advanced the field by studying the social and psychological aspects of the work context. The landmark findings of Hawthorne experiments (Roethlisberger and Dickson 1939) around 1930s revealed that simple yet repetitive tasks left employees dispirited. They found that work had lost much of its intrinsic meaning due to mechanization, so social relationships on the job became very important. Hence, employees were more responsive to the social forces of the peer group than to the incentives and controls of management. This opened up the possibility of improving organization performance by satisfying employee's needs for belonging, acceptance, and a sense of identity.

Gradually, employee well-being, social relationships at workplace, and organization culture gained prominence with the realization that change in organization culture implies permanent change (McLean 2006). According to Schein's cultural iceberg (1998), culture has been identified as the most intractable element in organizational change. The difficulty arose because the behaviors were visible but the assumptions/beliefs underlying those behaviors were invisible and inaccessible to an onlooker. Therefore, the challenge facing OD consultants was to understand the underlying assumptions, beliefs, and values in order to effect a permanent change in the client's system. Burke (1994) went to the extent of calling OD as a "*process of fundamental change in organization culture.*" In addition, the complex performance and environmental challenges encountered by the organizations demanded enlargement of OD's individual humanistic focus to large collectivities and external environment. These changes led to the evolution of OD from incremental reactive changes for individuals or small groups to proactive transformation of the total organization.

The entire continuum of developments in OD interventions till date can be classified into three generations. The primary targets and impetus for change (Seo, Putnam, and Bartunek 2004) act as the distinguishing characteristics across generations. First generation's area of focus has been individual and small groups whereas second and third generations focus on the entire organization. First generation seeks to fulfill internal needs whereas second and third generations emphasize fulfillment of external needs. Despite the common thrust on transforming the total organization, second and third generations differ in their perspectives on organization's past. Second generation endorses the view that the past has to be discarded to ensure organization's success in future. But, third generation advocates that past can play an instrumental role in organization's present and success of future initiatives (Bartunek, Austin, and Seo 2008). Participation also lends a distinctive hue to every generation. Participation in first generation was oriented toward open-ended exploration and greater acceptance of decisions among employees. In the second and third generation, the participation was intended at incorporating the knowledge of organizational members and disseminating learning within the organization.

- **First Generation OD:** It deals with the adaptive, incremental change in the organizations. The primary focus of this generation was on the micro aspects of the organization like an individual or a small team. It strove to improve the functioning of the organizational groups within a preexisting framework for action without paying attention to the organization's past (Bartunek, Austin, and Seo 2008).
- **Second Generation OD:** It deals with macro-aspects of organizations to help them respond effectively to the external needs in terms of competitors, technology, stakeholders, etc. It pays explicit attention to the organization's environment and organization's alignment with it. This generation took cognizance of the impact of leadership on organizational change (Bartunek, Austin, and Seo 2008).
- **Third Generation OD:** It focuses on large-scale changes and transformation in organizations. However, its distinction lies in the emphasis it places on the past as opposed

to the other organizational transformation approaches which advocate discarding the past (Bartunek, Austin, and Seo 2008). The interventions of this generation build on the ideas and successful interventions from previous generations.

First generation OD has four major stems (French and Bell 2001) depending upon its roots in the applied behavior science.

- **Emergence of action research:** Action research, conceptualized by Kurt Lewin (1946) in 1940s forms the basic premise on which the process of OD is established. Action research is a collaborative approach which follows a scientific and cyclical process—gathering data; feeding back the data to client system; discussing and analyzing the data with client, and jointly devising and executing an action plan; and evaluating the results to identify new problems. The scientific and integrative framework of action research, combining action and research, offered several advantages. It resulted in enhanced understanding of the situation, more efficient resolution of practical problems, insights into the ground realities for social scientists, capability building of client, creation of new knowledge for theory building, and learning for all the participants (D’Souza and Singh 1998). Several OD interventions (implicitly or explicitly) follow the iterative cycle of action research model to continuously improve organization’s performance.
- **Application of sensitivity/laboratory/T-group training:** Sensitivity training emerged as an outgrowth of workshop conducted by Kurt Lewin and his colleagues at MIT at the request of Connecticut Interracial Commission. The success of the workshop in improving the interracial relationships and leadership among members of different communities paved the way for use of T-groups in corporate. Sensitivity training is essentially an unstructured, small group situation without an explicit agenda or express goal. In T-groups, participants learn about themselves and small group processes through their interaction with each other. Under the guidance of a facilitator, the participants are encouraged to share with the group their observation and emotional reactions which arise in response to their fellow participants’ actions and statements. This facilitates participants’ personal learning through observation of group members and feedback from fellow participants. It has been found to improve interpersonal relationships, increase self-awareness, and understanding of group dynamics among participants (French and Bell 2001). Two of the best-known successes of sensitivity training were at Esso’s refineries by Herbert Shepard and at Union Carbide by McGregor (D’Souza and Singh 1998).
- **Invention of survey feedback:** Survey research and feedback, pioneered by Rensis Likert at the Survey Research Centre of the University of Michigan around 1940s forms another pillar of OD. The Centre introduced the method of using structured questionnaire surveys for diagnosing the state of an organization (French and Bell 2001). It is a specialized form of action research used to elicit data, otherwise inaccessible to the consultants and/or organizational members. The data collected with the help of

questionnaire surveys are fed back to the client in a phased manner through a series of conferences with various relevant groups of organizational members. The results of the survey, the data analysis, and their implications are discussed at the conferences. Then, the organizational members work together to chart out an action plan with the help of an OD consultant. The consultant shares her/his expertise in the process observation and research methodology (data collection and analysis) with the client.

- **Evolution of Tavistock's sociotechnical and socioclinical approaches:** In the 1950s, Tavistock Clinic in UK, under the leadership of Wilfred Bion, John Rickman, and others, experimented with Lewin's theories to provide help to families and organizations (French and Bell 2001). A significant outcome of the work at Tavistock was the development of Sociotechnical systems' approach to restructuring work. The application of principles of group dynamics by Eric Trist to resolve problems in coal mines led to its emergence. Trist's experiments with work redesign and the use of semi-autonomous work groups revealed the positive effect of social relationship and autonomy among workers on productivity (D'Souza and Singh 1998). The Sociotechnical approach focuses on the non-executive ranks of the organization in general and work redesign in particular. It takes into account the entire system and frequently rearranges roles/tasks/sequence of activities to minimize alienation and facilitate social relationship among employees.

Second Generation OD focuses on the organization as a unit of analysis to effect large-scale changes in organizations. It is multifaceted and more complex compared to the adaptive, incremental nature of first generation OD. This generation professes interest in the areas mentioned below (French and Bell 2001).

- **Organization transformation:** Organization transformation has been described as a second-order change that is multi-dimensional, multi-level, discontinuous, and radical in nature (Levy and Merry 1986: 5). It is akin to large-scale changes impacting the entire organization. It involves a paradigm shift in the organization strategy and organization culture. It requires greater commitment of top leadership, increased involvement of employees, deployment of additional time and other resources, and simultaneous management of variables (stakeholders, organization structure, policies, etc.) with a bearing on the consequences of the action plan (French and Bell 2001). The organization transformation seeks to create a greater impact by revolutionizing the organization as opposed to fine-tuning by the first generation interventions.
- **Total Quality Movement (TQM):** In the past, several organizational behavior scientists have drawn parallels between the field of OD and TQM. Burke (1994) points out that the success of the quality movement is dependent on the processes and an OD practitioner is an expert in observing, understanding, and changing processes. Ciampa (1992) argues that the successful total quality efforts in organizations encourage true employee involvement, demand teamwork, seek to push decision-making power to lower levels in the organization, and reduce barriers between people. The participative aspects

of TQM are congruent with the values embraced by OD. The second generation OD encompasses the total quality movement as it brings about continuous improvement in the organization by actively engaging the organizational members.

- **Visioning:** Visioning is particularly significant in today's era of numerous M&A, restructuring, and downsizing. Visioning helps the organization by defining the shared goals after incorporating the inputs from employees. Visioning not only helps in driving the organizational members toward a larger goal but also assists in aligning and gaining the commitment of the disparate units to achieve the common goals. Senge (1990) claims that a vision is not effective till the personal visions of the employees are linked to the organizational vision. He concurs with OD in arguing that the process of sharing and defining the vision is paramount to the vision itself.
- **Future Search:** "Future Search conference" by Marvin Weisbord (1989) draws on the works and ideas of Ronald Lippitt, Edward Lindmann, Ronald Fox, Eric Trist, and Fred Emery. In a two-to-three-day conference, the participants are asked to build a database of what they want. Then, they analyze and interpret the database and jointly formulate an action plan. All the participant work together in deciding about the formation of task forces and assignment of tasks to different members. Thus, future search conference involves the entire organization in the process of change and qualifies as a large group intervention.
- **Getting the "whole system" in the room:** The literature points out the importance of the large group meetings in catalyzing the process of change. Marvin Weisbord's emphasis on *getting the whole system in the room* (Weisbord 1987) implies that top management and all the organizational members should come together in a one-day session. They should collectively decide the future action plans and allocation of responsibility to different people to carry out the tasks. It suggests bringing the entire system in the same room including employees from all the levels, departments, and functions. This concept builds on the idea of *the confrontation meeting* by Richard Beckhard.

Third generation OD (Seo, Putnam, and Bartunek 2004) is participative in nature and extends self-reflection across the organization and individuals as well. Contrary to the second generation approaches, it utilizes past experience in improving the organizational effectiveness. Learning organization and appreciative inquiry bring out the characteristics of third generation interventions.

- **Learning organization:** Senge (1990) defines learning organization as "an organization that is continuously expanding its capacity to learn." The interest in the creation of learning organizations has intensified with the need for organization to quickly learn and adapt with the changing milieu. Learning organization places a premium on development of individual and group learning capacity. The ultimate focus of the intervention is at the system level and at building the continuous learning capability of the organization. The OD consultant structures conditions and situations to facilitate

learning by individuals, teams, and organizations. It signifies the extension of action research by promoting continuous and collective learning in the organization.

- **Appreciative inquiry:** Appreciative inquiry is rooted in the philosophy that every social system has positive elements. It believes that change can be implemented by leveraging the strengths of the organization instead of being preoccupied with the areas of improvements. It consists of the sequence of five processes (Watkins and Mohr 2001): (a) Choose the positive as focus of inquiry; (b) inquire into stories of life giving forces; (c) locate themes that appear in stories and select topics for future enquiry; (d) create shared image of a preferred future; and (e) find innovative ways to create that future. The storytelling in the second stage of the process illustrates the narrative aspect of this generation. Identification of common themes and creation of ways to achieve future involves self-reflection. It also concurs with the action research model by looking for new topics, leading to the next cycle of inquiry.

## IMPLEMENTATION MOTORS ASSOCIATED WITH OD

OD interventions use multiple motors to successfully implement change in organizations. Table 1.1 presents the four implementation motors (Austin and Bartunek 2003) underlying a few important interventions in three generations of organization development. The four key motors are utilized by all the generations either in isolation or in combination with each other.

- **Participation:** Participation of organizational members in the change initiative is rooted in the assumption that participation enhances the acceptability of decisions and commitment to the plan. It has been a common theme across all the generations.

**Table 1.1** Three Generations of OD and Implementation Motors

<i>Generation of OD</i>	<i>Implementation motor</i>			
	<i>Participation</i>	<i>Self-reflection</i>	<i>Action research model</i>	<i>Narrative</i>
<b><i>1st Generation</i></b>				
T-group	✓	✓	×	×
Survey feedback	✓	✓	✓	×
Sociotechnical system	✓	×	✓	×
<b><i>2nd Generation</i></b>				
Organization transformation	✓	✓	×	×
Large group interventions	✓	×	✓	✓
<b><i>3rd Generation</i></b>				
Learning organizations	✓	✓	✓	✓
Appreciative inquiry	✓	✓	✓	✓

Source: Adapted from Austin and Bartunek (2003).

- **Self-reflection:** Self reflection is centered in the rationale that it will help the leaders in assimilating the experiences in creating permanent changes in the organization. It will result in enhanced learning by reflecting on the experiences and existing knowledge and foster problem solving capability.
- **Action research:** Action research model consists of data collection, diagnosis, alternative generation, action, and evaluation with learning as the primary goal. It is a popular first generation intervention whose sequence of activities is emulated by several OD interventions.
- **Narrative:** Narrative or storytelling helps in collective sense-making of organizations' past and future. It involves the organizational members in sharing the stories and, thus, creates the pathway for action and change.

## DEFINING ORGANIZATION DEVELOPMENT

The field of OD has progressed continuously to keep up with the changing milieu. It is reflected in the multitude of definitions given over a period of time. A selection of few early and recent definitions of OD are presented below.

- The classic definition by Beckhard (1969) describes *Organization Development as an effort (1) planned, (2) organization-wide, and (3) managed from the top, to (4) increase organizational effectiveness and health through (5) planned interventions in the organization's processes, using behavioral science knowledge.*
- Bennis (1969) defined OD as *“a response to change, a complex educational strategy intended to change the beliefs, attitudes, values and structure of organizations so that they can better adapt to new technologies, markets, and challenges, and the dizzying rate of change itself.”*
- According to Burke and Hornstein (1972), *Organization development is a process of planned change—change of an organization's culture from one which avoids an examination of social processes (especially decision-making, planning, and communication) to one which institutionalizes and legitimizes this examination.*
- Beer (1980) articulated that the *aims of OD are (1) enhancing congruence between organizational structure, processes, strategy, people, and culture; (2) developing new and creative organizational solutions; and (3) developing the organization's self-renewal capacity.*
- As per Cummings and Worley (2005), *OD is a systematic application of behavioral science knowledge to the planned development and reinforcement of organizational strategies, structures, and processes for improving an organization's effectiveness.*

The recent definition by French and Bell (2001) encompasses all the major characteristics of OD. They describe *“OD as a long-term effort, led and supported by top management, to improve an organization's visioning, empowerment, learning, and problem solving processes, through an ongoing, collaborative management of organization culture—with special emphasis on the culture of intact*

*work teams and other team configurations—using the consultant-facilitator role and the theory and technology of applied behavioral science, including action research.”*

The contours might have taken different shapes to incorporate the developments in the field but the central core of understanding about OD has remained unaltered. All the definitions agree that OD applies behavioral science to achieve planned change. The constant emphasis on organization culture in both the early and recent definitions of OD elucidates the significance of culture in implementing a permanent change in the organization. The reference to visioning by French and Bell highlights the broadening horizon of OD from being a reactive to a proactive improvement strategy. The call for alignment among strategy, culture, structure, and processes in the recent definitions underscore the system theory context, that is, *changes in one part results in changes in other parts of the system*. The congruence among different components of the system is required to initiate and implement large-scale changes in organizations. Rooted in applied behavioral sciences, OD qualifies as a deliberate intervention in the human and social processes by the consultant to enhance organization’s capacity and adaptability for continuous growth. As rightly pointed out by Vaill (1989), OD is fundamentally a process of improving processes in the organization to achieve the twin goals of increased organizational effectiveness and individual development.

## OD PROCESS VERSUS OD CONTENT

Organization Development comprises of two components—OD processes and OD content. Although, quite often there is overlap between process and content, this section intends to merely outline the fundamental differences between the two.

- **OD Process:** The sequence of activities that an OD consultant undertakes while intervening in the client system constitutes the OD process. The process deals with *how the intervention is being executed* to resolve the problem.
  - *For example*, the OD consultant could follow the action research model. S/he could embark on the task starting with data collection, analysis, action planning, action taking, and evaluation to assess the results. The sequential progression from one phase to another is described as the OD process.
- **OD content:** The content in organization development refers to *what is being done* as opposed to *how it is being done* in the OD process. The content in OD encompasses vision, mission, strategy, meeting agenda, target setting, team building activities, and so on. The OD content can be further divided into two categories.
  - **Organizational content:** Organizational content represents the domain of the organization that the OD consultant focuses on for data gathering and diagnosis of the problem. It could range from individual’s performance to organization’s vision.

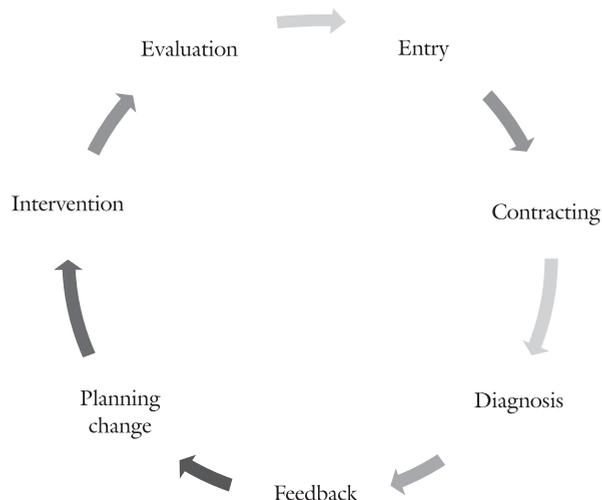
- *For example*, the OD consultant could probe into the organization culture, organization's mission, team's strategy, individual/group performance, etc., to collect data. Organizational content will help the consultant in identifying/ conceptualizing the problem and its root cause.
- **Interventional content:** Interventional content refers to what is being done as part of the intervention to address the problem. It includes all the initiatives/activities undertaken in the client system that provide leverage for change.
  - *For example*, collection of valid information by the consultant, effective execution of team building exercises, selection of right change leaders, training of organizational members, etc., constitute the interventional content of OD.

## PHASES OF ORGANIZATION DEVELOPMENT

Organization development follows a virtuous cycle intended at continuous improvement of the organization. According to Burke, one cycle of OD consists of seven distinct phases (Burke 1994). Figure 1.1 displays the sequence of activities constituting a typical cycle of OD.

- **Entry:** Entry refers to the preliminary contact between client and consultant after the client has perceived some problem in her/his setting. This phase provides an opportunity to explore the situation with the consultant before initiating the cycle of OD. It is

**Figure 1.1** Phases of OD



Source: Burke (1994).

a critical phase where the client and consultant jointly analyze the issue, and agree on the requirements to rectify it. Once the client has assessed the suitability of consultant and vice versa, they proceed to the next phase. In case the client, the consultant, and the situation do not fit in together, the client can backtrack and contact another consultant who will be more appropriate to alleviate the problem. The entry of the consultant in the organization signifies to other organizational members that someone in the client system has perceived a problem and requested for consultant's help to resolve it.

- **Contracting:** Once the client and the consultant have ascertained the suitability, they enter into a contractual relationship. They jointly draft a contract stating the terms and conditions of their association. Contracting helps in setting expectations right, delineating the roles and responsibility of each party, and reaching an agreement on allocation of time and other resources. Essentially, this phase seeks to clarify any ambiguities regarding the project to build trust and understanding between client and consultant. At the outset of the process itself, the contract outlines the condition for termination of relationship if either party views the project as futile and/or is uninterested in pursuing the project further.
- **Diagnosis:** Diagnosis attempts to articulate the problem after analyzing the current state of the organization in terms of structures, policies, culture, systems, and processes. It is the fact finding phase that aims to explore the implicit and explicit facets of the problem. Diagnosis can be subsequently divided into two stages—data gathering and data analysis. It is a collaborative process between client and consultant to gather and analyze both qualitative and quantitative data. The purpose of diagnosis is to promote joint understanding on the part of the consultant and the client about the problem. The emphasis is on generation of valid data by establishing credibility in the client system and ensuring confidentiality of the respondents. The diagnostic methods in OD may lack the rigor of scientific research but they are based on the scientific research tools and techniques. This freedom from the orthodoxy of scientific research provides flexibility to OD consultant to experiment with a variety of data collection and analysis methodologies.
- **Feedback:** Feedback emerged with the success of T-groups where every participant received feedback from group members at the end of the session. It represents the process of giving back the collected and analyzed data to the client system. In this phase, the consultant engages a broader section of client system for further data exploration. It involves sharing the data and analysis with the client, exploring the information to deepen understanding, involving the client in sense-making. The involvement of organizational members ensures that they own the problem and develop a clear picture of the situation. Since the environment plays a critical role in the acceptance of feedback, this phase is carefully planned and choreographed by the consultant. The consultant presents her/his analysis to the concerned organizational members in a nondefensive and nonreactive environment. This allows the organizational members to receive, examine, and assimilate information in a constructive manner before proceeding to next phase.

- **Planning change:** The main objective of this phase is to generate alternatives and analyze their consequences and implications in order to decide upon an intervention to rectify the problem. Planning change involves the client in collaboration with the consultant to chart out an action plan on the basis of information s/he has received during the feedback. It provides the organizational members an opportunity to identify and assess the gaps, devise fixes to overcome those shortcomings, and analyze the implications of the suggested alternatives so that they can make an informed choice. This phase deals with planning suitable action to achieve the desired changes rather than implementing the chosen action.
- **Intervention:** Action takes place through interventions. Interventions are defined as sets of structured patterns of activities in which members of the target organization or unit engage in activities related directly or indirectly to organizational improvement (French and Bell 2001). It involves implementation of the action plan devised in the previous phase. It is one of the most critical phases of the entire cycle as the goal of the intervention stage is to rectify the problem that warranted the entry of the consultant into the organization. During this phase, all the activities are carried out as per the plan of action. The intended consequences of this stage are the primary goals of OD, that is, individual development and organizational effectiveness.
- **Evaluation:** After the intervention has been implemented in the client system, its results are evaluated to assess the gaps between the desired and the actual changes. If the changes are not congruent with the results projected at the outset, the entire cycle is repeated. The next cycle is intended to rectify the new problem or achieve the desired results outlined initially. This phase also assists in identifying the unintended consequences of the action which might have cropped up in a unit closely/remotely linked to the unit which underwent change in the first cycle. It is necessary to measure and determine the effects of the action as it will initiate the system into the next cycle to bring about continuous improvement in the organization.

## KEY CHARACTERISTICS OF OD

Despite the presence of a multitude of definitions and interventions in OD, there is a general agreement among the consultants about the key characteristics of OD. These are outlined below:

- **Applied behavioral science:** Behavioral science knowledge forms the base of organization development. The focus is on applied science which is primarily concerned with organization improvement with unrelenting focus on aspects that have a bearing on human and social improvement. OD is an amalgam of theories, principles, and concepts drawn from the sciences of psychology, sociology, and anthropology, other social sciences such as economics and political science, and largely from organization behavior and

management. OD, despite its scientific base, is not limited by the rigor of the scientific research and methodologies.

- **Systems context:** The practice of OD is closely related to the open system theory which prescribes that change in one part of the system will result in change in another part of the system. It recognizes that organizations are influenced by the environment and do not work in silos. Cognizant of the systemic nature of the organization consisting of different subsystems such as individuals, tasks, technology, and structures, an OD practitioner approaches the unit of analysis, be it teams or organizations as an open system. Hence, the interventions are carried out with the knowledge that change in one area cannot be sustained without supporting changes in other areas that are directly or indirectly linked to the unit undergoing change. OD looks beyond intact work teams and focuses on enhancing interdependencies across units and levels (French, Bell, and Zawacki 2000).
- **Humanistic field:** The field of OD is rooted in humanistic and democratic values which act as a guideline for designing and implementing action programs in organizations. The set of core values outlined below are associated with the practice of OD.
  - Pareek (1996) introduced the OCTAPACE framework to define the values associated with OD. It stands for Openness, Confrontation, Trust, Authenticity, Proaction, Autonomy, Collaboration, and Experimentation.
  - French and Bell (2001) mention seven basic values underlying OD. They are respect and inclusion of organizational members' opinions and perspectives; collaboration with the client; authenticity; self-awareness; empowerment; democracy; and social justice.
- **Participatory approach to building client's capability:** OD recognizes the importance of involving organizational members in achieving long-term change in the organization. Participation implies commitment of organizational members to ensure that the change takes place consistent with the collaborative and client-centered approach of OD. It fulfills the aim of building the clients' capability by giving them an opportunity to "learn by doing." The development of client's problem solving skills ensures that the changes are sustained in the organization even after consultant's exit. OD seeks to engage the client along with the consultant in gathering data, diagnosis, problem solving, and action taking to help him acquire the skills for tackling problems in future.
- **Normative-reeducative strategy:** The "normative-reeducative" strategy (French, Bell, and Zawacki 2000) is centered in the notion that social norms are one of the strongest reinforcers of human behavior. Sustainable and long-term improvement requires reconstruction of norms because people internalize new norms of behavior. Since norms impact the culture of the organization, improvement implies a change in organizational culture. It can be achieved by reeducating people so that they question, modify, or discard old norms to replace them with more effective ones. The choice of the normative-reeducative approach is in preference to the other two approaches: (a) the

power coercive approach which relies on force of authority, and (b) the empirical–rational approach which relies on influence by a few experts. While the latter two approaches may succeed in bringing about rapid changes in organizations, such change tends to be temporary (D’Souza and Singh 1998). OD reeducates the client toward expanded self-awareness and self-understanding to facilitate modification in organization culture resulting in permanent changes.

- **Cyclical approach to sustainable change:** Consistent with the goal of building client’s capability, the iterative spiral of OD aims to achieve sustainable change in the organization. The cyclical nature of the process helps in identifying new behaviors (both desirable and undesirable) among the organizational members. A new behavior implies a new problem and new problem implies new behavior and thus, the spiral continues resulting in continuous improvement. The iterative nature of the process and evaluation at the end of each cycle ascertains that the changes are sustained after achieving the targeted results.
- **Helping and collaborative relationship with client:** OD offers a prescription for forming a helping relationship with the client. As discussed previously, the OD consultant seeks to maintain a collaborative relationship of relative equality with the organizational members (Porter 1974). The consultant is driven by the desire to help the client in solving the issue and honing her/his problem solving skills. That is why the consultant in OD is aptly referred to as a “facilitator” or a “catalyst.” Both the client and the consultant work actively to resolve the problem where the client possesses knowledge about the organization and the consultant is a specialist in process observation and behavioral sciences.
- **Organizational effectiveness:** The primary goal of OD is to enhance the organizational effectiveness by intervening in the ongoing processes of organization. Irrespective of the chosen intervention, the improvement of organization performance lies at the heart of the OD’s approach to change. At the outset, the OD consultant identifies either the processes that are suffering from problems or the ones that can be further improved. Then, s/he sets out on the task of individual and organizational development by passing on his skills. The focus on organization culture, structure, processes, organization members, and the environment serves to achieve the goal. Table 1.2 summarizes the key characteristics of organization development.

## TYOLOGY OF OD INTERVENTIONS

The expansive field of OD with a large number of interventions allow for classification along several dimensions like focus, degree of change, and size of client group. OD interventions can be classified into seven categories according to the size and complexity of the client group (French and Bell 2001). Table 1.3 lists out a few important interventions to improve the effectiveness of each client group.

**Table 1.2** Overview of Key Characteristics of OD

<i>What is OD</i>	
Underlying philosophy	Total system change
Orientation	Long-term and sustainable changes
Approach	Planned action, client centered, problem focused
Target	Human and social processes, organization culture and structure
Focus	Developing the self-renewal capability of the organization
Setting	Real organization
Outcome	Individual and organizational effectiveness
Emphasis	Change in organization culture so that change is permanent
Conceptual framework	Action research
Theory	Open systems theory

**Source:** Prepared by Neha Gupta based on French and Bell (2001).

**Table 1.3** Classification on the Basis of Complexity of Client Group

<i>Client group</i>	<i>Illustrative list of interventions to improve the effectiveness</i>
Individuals	T-group, coaching and counseling, transactional analysis, role analysis technique, behavior modeling
Dyads or triads	Process consultation, transactional analysis, third-party peacemaking, interviews
Teams and groups	Team building, survey feedback, collages, visioning, interviews or questionnaires, process consultation
Intergroup relations	Survey feedback, interviews or questionnaires, intergroup activities, organizational mirroring, process consultation
Total organization	Confrontation meetings, team building at all levels, appreciative inquiry, total quality management, survey feedback

**Source:** French and Bell (2001).

1. Individuals
2. Dyads or triads
3. A self-managed team
4. An intact work team, *including the formal leader*
5. Intergroup configurations (*two or more interfacing units*)
6. All of the managers of an organization
7. Everybody in the total organization

According to the type of the causal mechanism underlying the intervention (Chin and Benne 1976), OD interventions can be categorized as follows:

1. **Feedback:** It refers to receiving new information about oneself, others, or group from relevant people. It can result in positive change if it is not too threatening and is presented in a constructive manner.

2. **Awareness of changing norms:** The techniques that enhance the awareness of changing norms have the potential for permanent change. They can lead to alteration in behaviors, attitudes, and values. In essence, they are instrumental in modifying the organizational culture.
3. **Interaction and communication:** Increased interaction and communication with the organizational members engenders commitment to change. Thereby, it leads to development of attitudes and behaviors conducive to implementation of change plan.
4. **Confrontation:** The set of techniques categorized as *confrontation* help in removing the obstacles to effective interaction and communication. They surface the differences in values, beliefs, and attitudes among different organizational members and/or consultant. They provide an opportunity to deal with emotions especially negative feelings.
5. **Education:** It is designed to impart the knowledge, hone the skills, and upgrade the outdated beliefs and attitudes of organizational members. Overall, it develops and improves the problem solving capability of the client.

OD interventions have been divided into nine categories (Blake and Mouton 1964) depending upon the nature or characteristic of the intervention.

1. **Discrepancy intervention:** It draws attention to a contradiction in attitude or action and then undertakes exploration to remove the discrepancy.
2. **Theory intervention:** It refers to the existing theory and frameworks in the behavioral sciences to explain the present behaviors and the assumptions underlying those behaviors.
3. **Procedural intervention:** It involves critiquing and assessment of how something is being done to find out if the best method is being used or not.
4. **Relationship intervention:** It focuses attention on interpersonal relationship, especially to unravel the negative feelings and issues for exploration and resolution.
5. **Experimentation intervention:** It experiments with two different interventions to analyze their consequences in order to make an informed choice about the better intervention.
6. **Dilemma intervention:** An imposed or emergent dilemma is used to force a comprehensive study of the possible choices and the assumptions underlying them.
7. **Perspective intervention:** It draws attention away from immediate actions to look at historical background, context, and future objective to assess if the actions are on target.
8. **Organization structure intervention:** It calls for examination and evaluation of structural causes that breed organizational ineffectiveness.
9. **Cultural intervention:** It examines the different aspects of organization culture such as traditions, norms, practices, etc., in a direct and focused approach.

## FUTURE CHALLENGES

The perusal of literature suggests that OD practitioners need to overcome a host of challenges to ensure its survival and growth. Greiner and Cummings (2004) identified six red flags which threaten OD’s relevance in future. Hence, the following six issues merit the attention of OD practitioners lest it is rendered irrelevant in the long run.

1. Strategic planning
2. Mergers and acquisitions
3. Top management decision-making
4. Globalization
5. Corporate governance
6. Personal integrity

Beer and Nohria (2000) argue that change initiatives broadly fall under two archetypes of change: “Theory E” (based on economic value) and “Theory O” (based on organizational capability). Traditionally, OD followed Theory O which laid emphasis on the development of individuals and organizations. But, to enrich the field of OD and add more value to the organizations, it is imperative to integrate the desirable aspects of Theory E without diluting OD’s value based approach. Table 1.4 briefly summarizes “Theory E,” “Theory O,” and a combination of two theories which can act as a guideline for OD to further its effectiveness and utility in future.

deKler (2007) contends that emotional trauma (due to downsizing, restructuring, mergers, and acquisitions, etc.) can adversely impact an individual’s performance. It can in turn

**Table 1.4** Two Archetypes of Change

<i>Dimension of change</i>	<i>Theory E</i>	<i>Theory O</i>	<i>Theory E and O combined</i>
Goals	Maximize shareholder value	Develop organizational capabilities	Explicitly embrace the paradox between economic value and organization capability
Leadership	Manage change from top-down	Encourage participation from bottom-up	Set direction from top & engage the people below
Focus	Emphasize structure and system	Build up corporate culture: Employees’ behavior and attitudes	Focus simultaneously on the hard (process & structure) and the soft (corporate culture)
Process	Plan and establish programs	Experiment and evolve	Plan for spontaneity
Reward system	Motivate through financial incentives	Motivate through commitment (use pay as fair exchange)	Use incentives to reinforce change but not drive it
Use of consultants	Consultants analyze problems and shape solutions	Consultants support management in shaping their own solutions	Consultant are expert resources who empower people

**Source:** Beer and Nohria (2000).

trigger a decline in organizational performance. To heal the emotional trauma and improve the performance, OD practitioners must acknowledge its existence. They should provide a safe climate for employees to discuss their feelings, put it in perspective, and then allow for dealing with emotional responses. For example, the consultant can ask employees to draw pictures of what they feel about a particular situation and then discuss it in a group. It will help them express their emotions in a legitimate way and seek help from organizational behavior experts in dealing with them. The field of OD is yet to recognize the emotional needs of employees and design interventions to address them.

The concept of “Liberation Management” by Tom Peter adds another perspective to the future challenges facing OD (Bradford and Burke 2005). He portends that tomorrow’s work in organizations will be done by ad hoc teams which will be frequently formed and disbanded. These teams will be multi-functional, temporary, and constantly shifting from one project to another. The term “*Multifunctional projectization and horizontal systems*” has been used as a label to distinguish these teams. Therefore, OD consultants should introduce new interventions to empower the people in reconceptualizing their roles in different projects. They should devise best strategies to ensure that such teams work effectively without impairing organization performance in the transition.

Over the last 60 years, OD has progressed from micro to macro aspects but, it is yet to transgress from continuous to discontinuous change. TQM and Learning organizations in second and third generation of OD respectively aim at continuous improvements in the organization. This brings out the limitation of OD with respect to discontinuous change driven by major shifts in environment. Discontinuous change mandates alteration in the organizational structure, culture, and processes to realign the strategy to suit the environment. They require directive change led by the leader and thereby, defy the conventional model of OD that advocates participative change. Kotter and Schlesinger (1979) list “*manipulation and co-optation*” and “*implicit and explicit coercion*” in six approaches for dealing with resistance to change. Despite being successful in achieving results in certain scenarios, these approaches are not congruent with OD’s framework of ethical concern for people. Therefore, OD’s inherent humanistic value base and participative characteristic constricts its efficacy in the face of discontinuous change.

Burke (2010) articulates an eight-pronged agenda for OD consultants. He attempts to evoke a sense of urgency among the consultants to address the modern organizational consulting issues by defying the conventional model and challenging the long-established foundations of the field. Table 1.5 summarizes the consulting issues and the proposed agenda for OD practitioners (Burke 2010).

The time is ripe to augment OD’s humanistic values with economic and societal concerns about employee welfare, trust, employability, cultural clash, downsizing, reengineering, corporate governance, and environmental sustainability. In short, new times require new paradigms to encounter organizational problems. Box 1.1 presents a checklist for OD practitioners to help them successfully intervene in the organizations.

**Table 1.5** Agenda for OD Consultants vis-à-vis Organizational Consulting Issues

<i>Consulting issue</i>	<i>Agenda for OD consultants</i>
Reengineering	Focus on specific change targets that are critical to the success of reengineering effort. Example: Roles and responsibilities, organizational structure, measurements and incentives, etc. They have also been identified as levers of reengineering.
Downsizing	Confront the rationale behind the decision—ensure that the organization is not cloning what is being done by others. Emphasize dignity and fairness in treatment meted out to employees.
Community	Work to bind people together; initiate meetings; promote interaction and relationship among employees at all levels. Do not restrict your role to only facilitating meetings/interactions.
Employer–employee social contract	Seek clarity regarding task expectations and goals. Provide help in providing regular feedback to employees. Promote reward system based on merit. These actions will foster employer–employee relationship. It is important because company loyalty does not receive adequate attention.
Employability	Foster employability by helping employees to understand their strengths, their personal and professional goals, and work-life balance desired by them. Revisit the career development literature and link it with OD practices.
Trust	Espouse and practice openness to build trust. Coach and provide feedback to executives regarding congruence between their words and actions as the precursor to building trust.
Cultural clash	With the surge in globalization and M&As, it is imperative to integrate and manage cultural differences. Place emphasis on the interrelationship of cultures to avoid any potential conflict. Increase knowledge of cross-cultural dynamics and hone skills in negotiation, mediation, conflict management, and conflict resolution.
Corporate power	Reflect on the values espoused by global corporations which are becoming more powerful than states and nations. Assess the implications for OD in the face of stockholder wealth creation and financial goals as the dominant values. Review and rethink about the OD values that are being confronted.

**Source:** Burke (2010).

## CONCLUSION

Organizations eternally strive to stay ahead of the change curve. It has become a wild-goose chase due to the fast pace of change in the organizations, technology, and environment. In the current scenario, the development of self-reflective, self-analytic, and self-corrective capability in the organizations comes to their rescue. The spiral of OD initiates organizations into a virtuous cycle of diagnosis, problem solving, and active learning. The participative and collaborative approach of OD empowers organizational members in managing the formidable task of implementing change vis-à-vis the dynamic environment in which they operate. In a nut shell, OD is a journey of self-renewal which propels the organizations on the path of enhanced organizational performance and effectiveness.

### Box 1.1 Checklist for OD Practitioners

- Enlist commitment of the top management—time and resources.
- Employee involvement is necessary because people support what they build.
- Remember the Murphy's Law—planned changes but unplanned consequences.
- Beware of “change fatigue” to sustain the momentum of the change initiatives.
- Ineffective communication has been cited as foremost barrier to corporate excellence.
- Understand the power dynamics because negative politics in organization can dampen the change plan.
- Establish authentic, open, trustworthy, and helping relationship with the client.
- Select and coach a change leader who enjoys credibility among employees.
- Integrate and manage the boundaries within the organization to avoid any conflicts.
- Observe and utilize the informal networks (linkages and influence) to mobilize support and expedite the execution of change plan.
- Develop a transactive memory, that is, “who knows what” and “who is suitable for doing what” to identify the right person for every task.
- Align rewards with motivation to ensure continued employee participation.
- Facilitate *action learning* in the organization.
- Create synergy among disparate units of the organization—individuals, teams, departments, products, functions, regions, etc.
- Undertake assessment of improvement in organization performance using different metrics like balanced scorecard, productivity ratios, employee turnover, etc.
- Create a safe climate for learning, feedback, and change to foster individual and organization development.
- Challenge the status quo to encourage new ways of thinking without evoking resistance from organizational members.
- Provide psychological safety to organizational members especially during the transition period.

**Source:** Prepared by Neha Gupta as a summary of key OD principles and practices.

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## OD as planned change: Checklist for practitioners

S. Ramnarayan

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### Caselet 1

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The general manager (GM) of a company in the FMCG sector approached an OD consultant to help his team of senior managers identify the strategic challenges in the new environment, and to plan appropriate organizational interventions to prepare the unit to face them. A workshop was organized for this purpose. But the managers saw the workshop merely as a training program, and did not take up analysis of the real issues facing the corporation. They behaved like “spectators” rather than as “actors,” and relied on the GM for identifying key issues and planning actions. When asked to explore organizational problems in small groups, they came up with diagnosis and suggestions so general and abstract that they did not contribute in any way to the understanding or resolution of the targeted issues. With the first workshop itself not achieving the intended objective, the change initiative fizzled out.

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### Caselet 2

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The human resource development (HRD) manager of a pharmaceutical firm was expected to function as an internal OD consultant for setting up a performance appraisal system. He planned to involve a few line managers in key positions in the development of the system, because he believed that with their participation and contributions, the system would be designed in a manner that would respond to the actual needs. The managers liked the idea and expressed their willingness to associate with the project. But the CEO rejected this proposal, not wanting to spare his key managers for the task. He said that it was the HRD manager’s job to design the system and complete the assignment on his own. At this stage, the line managers also distanced themselves from the project. The HRD manager felt frustrated at the turn of events because he saw the line managers’ involvement as necessary for enriching the design and implementation of the system.

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### Caselet 3

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A steel company sought the help of an OD practitioner after it had failed to develop a process that could facilitate the innovation of new products. In the preliminary diagnosis, the consultant noticed sharp differences in the views of the production, marketing, and R&D executives with regard to new-product development process. Each pointed fingers at the weakness of the other two functions. As the OD practitioner believed that effectiveness of the process was linked to the management of interface among these departments, he arranged a series of diagnostic and action planning workshops involving participants from the three functions. This was the first such experiment in the organization—involving all the three functions in a single problem solving workshop—and it produced rich insights on the systemic nature of the problem. The participants jointly came up with effective ways of dealing with problems. Thus, the workshops also contributed to stronger relationships among members of different functions and removal of negative stereotypes held by each function about the others.

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### Caselet 4

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In a medium-sized state-owned organization with a strong command-and-control culture, an OD consultant helped set up a corporate planning department, organized on organic principles (considerable autonomy, flexible rules/procedures, team-based approach, collegial working, etc.) in line with the nature of the department's functions. The experiment was actively supported by the chief of personnel to whom the department reported and on whose credibility, depended the department's interface with the rest of the organization. The corporate planning department did outstanding work for two years. But at the start of the third year, the personnel chief retired and the OD consultant withdrew from the assignment. The new head of personnel introduced major changes in the structure and processes of the corporate planning department with the objective of ensuring uniformity across the different functions, thus making its functioning more mechanistic. Within the following six months, a number of corporate planners quit the organization in frustration, and the department's working came practically to a standstill.

## PLANNED CHANGES AND UNPLANNED CONSEQUENCES

It is truism to state that *planned changes often result in unplanned consequences*. As the above illustrations demonstrate, the program for planned change can run into rough weather at different stages. In the first caselet, the OD practitioner and the GM had ideas about devising joint action plans to face the challenges posed by the environment, but the senior managers of the organization did not appear to perceive the needs or subscribe to these views. They

were largely indifferent to the need for organizational change. The decision-makers realized eventually that there was little point in initiating interventions to involve senior managers in diagnosing issues and planning actions, unless their perspective and sense of ownership with regard to organizational reorientation was first influenced.

In the second caselet, the CEO viewed the development of performance appraisal system as a technical task to be performed exclusively by the HRD manager. He may have seen the request for involvement of his key managers as an attempt to get extra help or to “pass the buck” for the assignment. The CEO might have rejected HRD manager’s proposal to impose stricter accountability for task completion on the HRD manager. Thus, the CEO implicitly followed “purchase model,” in which the HRD manager was a supplier of service that he had ordered whereas HRD manager followed “process consultation” where he would engage other employees in the process of change. But this episode was highly frustrating to the HRD manager who saw himself as an OD facilitator involved in a collaborative relationship with the senior management of the company. The absence of shared understanding of the nature, objectives, and conditions of working relationship created problems for the change program.

In the third illustration, an appropriate platform was created that ensured not only collection of valid data from the relevant parts of the organization, but also effective integration of the different views by the actors themselves. The common platform helped in pooling insights from all the functions to identify key issues, create a sense of ownership, and plan meaningful follow-up actions. The workshop with representation from all the three departments provided an opportunity for confrontation and joint problem solving. It successfully brought the conflicting members together and engendered collaboration in the organization.

In the final caselet, the change program showed promising results in the initial stages. But unfortunately, the OD practitioner and the personnel chief had not taken adequate steps to stabilize the change process. The new department was still excessively dependent on the personnel chief; and with his departure, a sudden vacuum was created. The new personnel chief was not adequately prepared to support the change. He initiated some quick actions that hit at the very roots of the organic setup that had been created. Hence, a number of corporate planners quit out of frustration in the next six months seeing their efforts being reversed. Thus, as key aspects influencing the stabilization of change were left to chance, the change ended up as a mere flash in the pan.

## **CHECKLIST OF ISSUES IN PLANNED CHANGE**

An OD practitioner or a change leader in the organization who rushes headlong into action without sufficient planning, understanding, and reflection on key ingredients of the process is likely to stumble on the roadblocks to change. The dynamics of planned change have been extensively studied and discussed in OD literature. This chapter gives a brief summary of the ideas on the subject, and presents a checklist of issues that an OD practitioner should abide by, to avoid falling into certain common traps. These issues can be broadly organized under

the following four heads. Figure 2.1 outlines the sequence of activities for an OD practitioner to successfully manage a planned change in organizations.

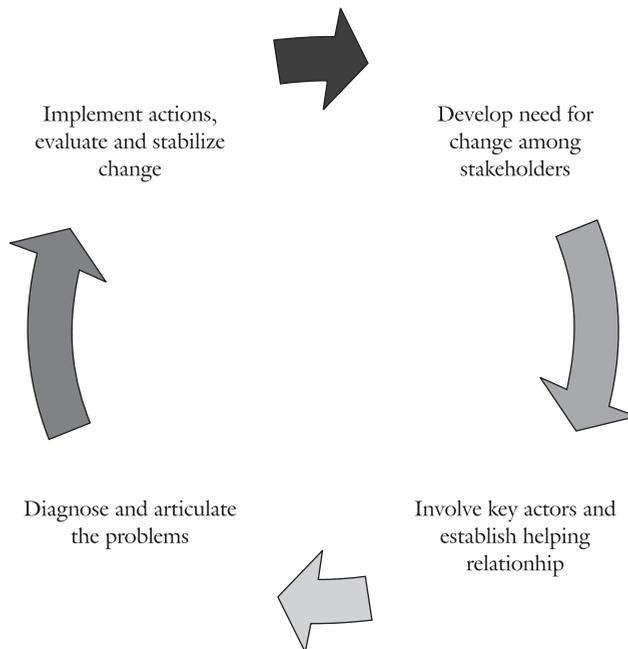
1. Developing the need for change among all the relevant stakeholders.
2. Involving key actors, and establishing helping relationships with organizational members.
3. Diagnosing and articulating problems, and enlisting support for action.
4. Implementing actions, and evaluating and stabilizing change.

## 1. Developing the Need for Change

*1A) Is the need for change experienced at an emotional/affective level, or is it merely an intellectual concern? What has triggered the desire for change? Is the trigger powerful enough to ensure organization's involvement and commitment to change?*

Management literature suggests that only issues experienced at emotional, affective, or gut level have the energy to drive action. When there is only an intellectual concern, but no psychological ownership of the problem, the members are unlikely to invest or commit themselves

**Figure 2.1** Sequence of Planned Change



Source: Author.

to solving the problem. This behavior was evident in our first illustration when the senior managers misunderstood the problem solving workshop as another training program to discuss ideas at an abstract level.

Thus, the process of generating shared felt need among team members begins sometimes when key persons in the organization “feel” dissatisfied with the current state of affairs and experience a strong need for change. For the process to gain momentum, this individual feeling must spread to other members of the group. So the individual must find ways of communicating relevant environmental signals, information, or insights to the team members. As the communication is mainly addressed to the “feeling” (and not merely the “thinking”) part of the individual, emotionally charged communication is helpful especially in situations such as crises or potential crises, or exciting opportunities that could be tapped if the organization makes the right moves.

Researchers point out that this feeling of dissatisfaction/excitement about change may be triggered when individuals experience some form of failure or receive critical feedback or undesirable outcome. In the case of organizations, this may occur, say, when there is steep decline in sales leading to downsizing which in turn causes a sharp dip in the morale and motivation of people. At that stage, the issue ceases to be just an intellectual concern about increasing market size and impacts members at an emotional level. The expansion of concern from intellectual to emotional level generates greater readiness and openness to organizational change to tackle the real issues. This tends to make individuals and groups more introspective. The trigger may also be in the form of a desire to increase one’s competitive advantage by improving productivity or efficiency coherent with one’s self image.

Organizations can undertake certain activities to trigger the desire for change. Individuals and teams become reflective when they are confronted with results of benchmarking exercises or organization surveys using questionnaires or interviews. A well-structured meeting with clear and focused agenda of improvement can also generate the felt need for change. It can create readiness in the team in terms of willingness to devote time, energy, and committed involvement to the problem solving processes. For example, in a few manufacturing firms, employees from production shop floor are exposed directly to customers to find out how the product quality is perceived by customers and how the product quality affects the customers’ work, so that they feel and develop a shared need for change.

A plant manager once remarked:

Though the sales personnel had earlier given me feedback on poor product quality, I took it merely as their usual complaining attitude. But as a part of the organization-wide programme, I visited a few customers and saw myself how our materials were creating difficulties at their end. As we discussed the problem, the customer also realized some of the improvements that could be implemented at his end. More importantly, the interaction helped me in identifying specific changes that we could make to meet the customer specifications and surpass his expectations. As I later made those technical changes, I thought of the delighted customer, and that gave me a special feeling of satisfaction.

The change program requires the cooperation of organizational members; without motivation, people are unlikely to cooperate and work toward making the change program succeed. Hence, it is the responsibility of the change facilitator to ensure that people understand *why change is necessary and beneficial*. The organizational members should be willing to challenge the status quo and embrace change as an opportunity instead of threat. As John Kotter (1995) notes, change agents tend to underestimate how hard it can be to drive people out of their comfort zones. Sometimes they grossly overestimate how successful they have been in increasing urgency, and at others, lack the patience to cope with feelings of indifference in the early stages. If they have been unable to elicit the support of employees, there is no escaping from indifference, inaction, and resistance.

*1B) Is there a feeling of confidence in the organization to achieve a more desirable state of affairs? Does the change facilitator enjoy credibility and trust among the stakeholders affected by change?*

An OD practitioner assisting a NGO tried to mobilize the members of a village community to improve the irrigation system through their own collective efforts. Though the villagers attended the few meetings called for this purpose, no concrete actions were forthcoming. It was only after a few months of inconclusive meetings, long-drawn discussions, and pseudo-agreements—without commitment to those decisions or follow-up actions—that the OD practitioner understood the reality. The villagers did not really believe change was possible and lacked faith in their collective strength. They felt that the problem was too big to be solved by their internal efforts. As a result, the community found it difficult to even find a leader to steer the plan. Some of the influential members who were hesitant to assume accountability for coordination/leadership position stated that they were quite sure that other villagers would not put in any efforts, and the entire task would become their sole responsibility. At that stage, the OD practitioner designed a set of small tasks, and convinced a few influential villagers to take charge. When success of those tasks was reported in the following meeting, a faint glimmer of hope emerged in the community, leading gradually to earnest efforts by everyone.

The above experience reveals that mere awareness of problem does not automatically translate into a desire for change. The key actors need to be confident of being able to move to a more desirable state of affairs. The relevant stakeholders must trust the leader and have no doubts about his/her capability or intentions. Distrust in the credibility of change facilitator will hinder his/her ability to get things done as the organizational members will lose hope and confidence even before getting started. The feeling of confidence emerges when members are open and trust their group. Building a trusting relationship requires free and frank exchange of concerns, feelings, ideas, and suggestions. Evidently, OD practitioners/change leaders should invest time and devise a well thought-out strategy to create a feeling of confidence and a favorable climate for change.

*1C) Has the need for change been clearly specified and articulated? Has the organization moved from a general level of dissatisfaction to specific identification/articulation of issues to be addressed?*

An OD practitioner may often sense a general level of dissatisfaction among organizational members. But, the members are unable to pinpoint the areas where efforts should be focused. For example, a group may talk of predominant production orientation, poor interdepartmental relations, outdated technology, hierarchical decision-making processes, absence of cohesion among members of teams, and so on, in the same breath. A problem needs to be defined at the right level of abstraction. If the definition is too general and broad, it becomes difficult to focus and channelize the energies of organizational members to remedy the problem. It is important to ensure that members do not load all the organizational ills on a single change program. On the other hand, if the problem definition is too narrow, the larger perspective and the sense of excitement and challenge are lost.

The OD practitioner may clarify the need for change by either encouraging the key organizational members to explore their understanding of the problem, or by obtaining information about the activities within parts of the organization. Group interviews are often needed, in which persons occupying different positions in the system stimulate a discussion and articulate each others' perceptions of relevant issues, problems, and priorities. Before initiating any action in the client system, the OD practitioner should articulate the problem in specific terms to ensure that everyone looks at the same picture of challenge and opportunities.

*1D) Do influential members of the organization believe that external help is available to address the organizational issue? Is there a feeling of defensiveness with regard to wanting to seek help?*

The need for change may be experienced when there is free and frank exploration of potentially unpleasant facts about rising attrition, shrinking margins, decreasing market share, flat earnings, reduced productivity, or other relevant indices of a declining performance. Executives of some companies rely on external agents—financial analysts, customers, and consultants—to deliver unpleasant information to the organizational members.

After the need for change has been communicated and established, the influential members of the organization whose decisions have a bearing on the change process must believe that external help is relevant and available. Key managers of the organization must also have a degree of confidence in the consultant in terms of his/her credibility, capability, sensitivity, and trustworthiness. Even where there is awareness of problems and genuine desire to do something about them, there may be resistance to the idea of outside help. A senior manager, for instance, may feel that an appeal for outside help is an admission of his/her failure as a leader. Hence, the OD practitioner should make special efforts to ensure that the relationship with the clients is such that they feel like partners in the change process.

## **2. Involving Key Actors and Establishing Helping Relationships**

*2A) Have the key actors in organization and OD practitioner understood each others' needs, aspirations, and expectations? How do they move toward agreement on the nature, objectives, and conditions of the working relationship?*

This phase refers to the development of a collaborative relationship between the OD practitioner and the client organization. It involves attempts by the organization to know the OD practitioner and helping him/her to know the organization, in a manner that will lead naturally to a mutually agreeable and beneficial contract. It is a time to move from assessing the potential benefits of relationship to declaring the interests and initiating the change process. This process is facilitated if the OD practitioner and the key members of the organization jointly explore concerns to arrive at shared understanding on key issues. If the organization members are also aware of OD practice, then mutual sharing of expectations is an easy task. The change process can be initiated in one of the following ways:

- An OD practitioner may discover a certain difficulty in the client organization and offer help directly, or take steps to stimulate an awareness of the problem in the organization.
- A third party associated with both the OD practitioner and the client may become aware of the organization's difficulty and bring the two together.
- The client organization may sense a problem in its system and seek help from an external OD consultant.

Irrespective of the source of change, the need for help should be communicated in a manner that leads to clear and correct understanding. The client and consultant should agree upon the type of assistance each party may be able to provide. Alternatively, in cases where the OD practitioner has taken the initiative to stimulate a need for help, the client organization must try to assess the validity of the OD practitioner's preliminary diagnosis and the implications of the approach being recommended.

The OD practitioner is generally external to the client system. At the same time, the person should be easily approachable and also tuned into the culture and norms of the client organization. The initial dialogue between OD practitioner and key organizational decision-makers should be such that it leads to the understanding of the efforts to be invested and commitments to be made. This often involves mutual influence exercised by both the parties. While influence may flow from different sources (e.g., positional power, expert power, etc.), trust-based power is particularly critical to the success of planned change efforts where the involvement of all the stakeholders is the precursor to system's performance improvement.

*2B) Is there clarity on expectations from the relationship? How is the working relationship established? Is there agreement on commitment of resources—financial, human, technical, and time?*

The establishment of an effective working relationship requires setting of broad goals and elaborating these in terms of desirable outcomes with timelines. This necessitates joint thinking on the action priorities, pathways for reaching the goals, areas of strength, and areas of improvement. A successful working relationship requires clarity and shared understanding on the following aspects:

- How much time and energy the OD practitioner is ready to put in?
- Who would be involved from the organization in planning and implementing the intervention?
- What interventions are being planned to resolve the problem?
- What support would be provided by the top and senior management in terms of time, financial or moral commitment?
- What level of commitment can be expected from organizational members?

*2C) Is the progress of working relationship reviewed and renegotiated on an ongoing basis for making necessary mid-course corrections?*

As the change effort progresses and new information is gathered, the relationship should be reviewed so that the contract can be renegotiated if deemed necessary by either party. For instance, the nature of the problem may change, the resources needed for its solution may increase or decrease, the consultant's particular expertise may become irrelevant for the organization. There should be an appropriate time perspective and accountability to arrive at some criteria for evaluation to decide about the termination or continuation of the relationship. It is useful to schedule regular review sessions right from the outset so that the OD practitioner and the organization have an opportunity to assess the interim results, and initiate necessary mid-course corrections.

*2D) Does the OD practitioner understand the key dimensions of the relationship with the client? Is s/he aware of the implicit yet powerful aspects impacting change like power dynamics in the organization?*

Exploration and agreement on mutual expectations is important for the client system and OD practitioner to develop an effective working relationship. The relationship should be based on the following four criteria. There should be a match between:

1. What the client needs and what the OD practitioner has to offer
2. Project demands and client influences, resources, and organizational readiness
3. OD values and the client's management philosophy
4. The personalities of the consultant and the client

The identification of these interrelationships is particularly useful for OD practitioners in order to introduce change in systems where power structure and human relationships are ambiguous or diffused. For example, if a social worker enters a village and makes an initial contact that offends the power structure (say, having a meal at the home of a deviant or low-status member before formally meeting with the leaders), his/her intentions may be questioned or support may wane. This problem of decoding the power dynamics is relatively less acute in structured organizations. But it is still important that the consultant exercises caution in

choosing the entry point, develops awareness of how a person/group is perceived by the organization, deciphers the power held by an individual/group within the organization, and decodes the organization's receptivity to change.

*2E) Which model dominates the client–practitioner relationship—Purchase Model; Doctor–Patient Model; or Process Consultation Model?*

In the second caselet, the CEO followed a “purchase model” in terms of his expectations from HRD manager in designing a performance appraisal system. In the “purchase model,” the client defines a need—an activity to be carried out or a solution to be implemented. If they feel that the organization lacks the time or the capability, a consultant with the required expertise is approached to fulfill that need.

In the doctor–patient model, the client decides to invite a consultant to “have a look” at the perceived problem. It is similar to a patient going to a doctor for an annual medical check-up. The consultants are expected to find out ailment and the ailing part of the organization, and then like a physician, recommend a medicine or therapy. Often the manager singles out some unit of the organization where s/he is facing difficulty and asks the consultants to determine what is wrong with that unit.

In both the purchase model and doctor–patient model, the organization and practitioner are not viewed as collaborators in the analysis of the organization's problems and opportunities. The purchase model puts the OD practitioner in a one-down position and places the burden of defining the major parameters of the problems with the client, while the doctor–patient model does the reverse. The process consultation model overcomes this shortcoming by building a relationship of mutuality. In this model, the client and the consultant act as collaborators. Both the consultant and client engage in joint diagnosis and problem solving like partners. This model is espoused by the OD practitioners as it is congruent with the OD values of employee involvement and participation.

### **3. Diagnosing, Articulating Problems, and Enlisting Support**

*3A) How can the OD practitioner promote the acceptance of the need for formal diagnosis? Is s/he effective in enlisting the support of the organization members?*

The OD practitioner needs to diagnose the client organization's difficulties, in collaboration with the organization's key members in order to articulate the problem and increase its acceptance. Sometimes, the OD practitioner and the key actors are confronted with low motivation for executing diagnostic work. The organizational members might believe that the problem is too pervasive or too fundamental to be remedied. This feeling of helplessness and defeatism could manifest as rejection of all diagnostic interpretations. The challenge, then, is to overcome extreme inaction, and generate openness and willingness to take a fresh look at

the organization's difficulties. The OD practitioner should foster the image of change as an opportunity.

*3B) Which aspects of client system warrant attention during the diagnostic process? How is the organizational problem diagnosed by the OD practitioner?*

Diagnosis of an organizational issue requires attention to four basic elements:

1. Client's felt problem
2. Client's goal and priorities
3. Client's resources, for example, financial, human, or time
4. OD practitioner's resources, for example, skill set or time

The client's felt problem means much more than the initial formulation or description of the issues by a few key members. It involves appreciating the organizational culture and language so that one can see events the way the client sees them. The consultant should be able to speak the client's language. This empathy enables the OD practitioner to motivate the client to engage and contribute during diagnosis.

The second aspect is to define the goals and priorities of the client organization. If goals are well-defined, they can place the problem in the context of the organization's total development, and facilitate emergence of meaningful and lasting solutions.

The third and fourth elements assessed in the diagnostic process are availability of the client's and practitioner's resources for improving the situation. The motivation and readiness for change in both the parties are necessary for successful change. The practitioner should look for resources internal to the client organization which can be developed and utilized to solve the problem. It achieves the dual objectives of OD—accelerates the development of internal resources and obviates the dependency on practitioner.

In the diagnostic process, the OD practitioner should identify the implicit and explicit organizational characteristics relevant for change. The explicit elements may, for example, include: mission, vision, and goals of the organization or its subunits; organization and division of work among departments, groups, and individuals; and standards for performance. The practitioner should pay an equal amount of attention to implicit aspects like communication patterns, conflict management, influence tactics, informal networks, group norms, and interpersonal and group processes.

For the success of the diagnostic phase, it is necessary to pay attention to both "what" and "how" of data collection. OD literature recommends that the diagnostician should consider using a combination of methods like interviews, surveys, observation, or focus groups. Similar results obtained from different methods increases confidence in the validity of the diagnosis. The sequence of multiple methods should also be considered and planned. Methods like the interview and participant observations can be helpful in building the OD practitioner's relationship with the client, while questionnaire method tends to be impersonal. Exhibit 2.1

presents a conceptual framework that can be used by the OD practitioners to examine organizational issues.

*3C) Is the OD consultant effectively managing the relationship with the client during the diagnosis of the organizational problem?*

Relationship management is an integral part of the change process including the diagnostic phase. Therefore, the OD practitioner must also be sensitive to how his/her relationship with the client is managed during diagnosis. A liaison person or a group is a common way of effectively managing the interface. The validity of the data collected is a function of the quality of relationship between the OD practitioner and the client. If the OD practitioner is trusted by the organizational members, s/he might gain access to sensitive information which is otherwise not disclosed to outsiders.

*3D) What are the different data collection methodologies? How can the OD practitioner become successful in generating valid data?*

The repertoire of data collection methodologies is quite extensive.

- A structured interview uses closed-ended questions that tend to be directed at factual material.
- An unstructured interview uses no direct questions, but rather attempts to discover the dominant concerns of the interviewee.
- A semi-structured interview uses open-ended questions to obtain factual information, as also discover “unasked” questions.
- Questionnaires can be of different types—Likert-type scales, forced or multiple choice, open-ended, and projective (for example, sentence completion or TAT).
- There are also other methods like unobtrusive measures and participant observation.

Structured forms of data collection, such as questionnaires and archival research, produce data that can be easily analyzed and compared across groups and time periods, but is qualitatively not very rich. Less structured approaches, such as observation and interviews, provide rich information at the expense of ease of analysis and comparability. If the same conclusion is implied by multiple means, there is greater confidence in the conclusions.

Finally, diagnosis tends to become more accurate over time and iteration. When an OD practitioner is involved on a long-term basis with an organization, s/he is likely to produce better understanding for a number of reasons—respondents develop greater trust and willingness to share sensitive information. Moreover, the success or failure of actions based on previous diagnosis provides feedback on the adequacy of the diagnostic tool. With time, OD practitioners gain experience in conducting diagnosis in the client setting. Box 2.1 presents guidelines to develop questionnaires and conduct interviews.

**Box 2.1** Guidelines for Questionnaire Construction and Interview

- Generate questionnaire items from a variety of sources—different sets of people, write-ups, reports, conversations, previous questionnaires, etc.
- Try to maintain the language of the organization.
- Keep items simple—an “and” or “or” in an item may well imply that you are asking two questions in one. This contributes to low reliability.
- It is better to have 3–4 items focusing on the same variable.
- Use a format that makes for a consistent and standardized set.
- Keep the questionnaire short. One questionnaire need not answer all organizational issues. A lengthy questionnaire tends to turn people off.
- Questionnaire items that do not correlate with anything, seem irrelevant, or are ambiguous to participants may be dropped after the pilot study. Thus it is a good idea to run a pilot round with a similar group to weed out and revise items, and shorten the questionnaire.
- Statistical analysis (correlations, items analyses, factor analysis, etc.) give insights on the different dimensions/aspects of the questionnaire.
- As the purpose of the interview is to obtain valid information, the interviewer should be neutral, non-evaluative, non-confrontational, and accepting.

Source: Author.

*3E) How are goals and priorities established, alternatives generated, and plans made for action? Are actions being initiated in an integrated manner by the key actors in organization and the OD practitioner?*

The organization has to translate its diagnostic insights first into alternative courses of action, and then into a definite action plan to change in specified ways. Effective goal setting and planning of action by the OD practitioner mandates the following two steps in consultation with the client.

1. **Clarifying and elaborating goals:** The organization reviews where it is, what its problems are, and where it wants to be. Typically, looking ahead is aided by surveys of what is desired by the multiple stakeholders, the difficulties that are being experienced, the projections of future, and the aspirations of organizational members.
2. **Planning for action and involvement:** Once goals have been agreed upon and set, the next step is to develop an action plan for achieving them. Often simultaneous activities are required to be implemented by different members/groups. Criteria for assessment of goals must be defined to serve as indicators for deviation from the right path or corrective changes in the direction.

A critical and elaborate phase of planning is akin to an anticipatory rehearsal. It helps to foresee the implications, and answer the questions about who should be involved and how

to involve them. Subsequently, the selected course of action should be implemented in an integrated manner by the key actors in organization and the OD practitioner.

*3F) How are goals translated into actual change efforts? Have we developed ownership and championship within the organization for the proposed action plan?*

The intentions and goals have to be translated into specific action steps, and ownership of each of these steps needs to be clearly established for effective implementation. Successful change efforts are supported by a coalition of key organizational members—individuals with requisite expertise, reputation, information, influence, and credibility. Moreover, the involvement of the employees helps in developing ownership of the change.

The guiding coalition does not always cater to the established hierarchy in the organization. Some coalition members contribute by getting people together and helping them develop a shared perspective of the company's problems and opportunities. Some foster trust and communication. Others lend their expertise to specific functions. Kotter (1995) points out that teamwork does not always exist at the top, and therefore the importance of powerful coalitions is not adequately recognized. The guiding coalition develops a picture of the future that is relatively easy to communicate, and appeals to all the stakeholders including customers and employees.

A clear and shared vision is required so that OD effort does not dissolve into a list of incompatible projects that takes the organization nowhere. The guiding coalition communicates that vision in a credible manner to mobilize the organizational members at the operating levels.

*3G) Are the implications of change efforts anticipated and studied by the OD practitioner?*

Once, a mayor of a German town introduced a law that any citizen who wanted to cut a tree over 12 years old should obtain clearance from his office. The mayor hoped that this law would lead to an increase in the number of trees. To his shock and dismay, he found out after a year that there had been a sharp decline in the number of trees in the town. Upon investigation, he found that the citizens felt that they would lose their choice after the tree was 12 years old. Therefore, they mowed down any young tree that they were uncertain of wanting to have for all time to come.

Thus, failure of most plans lies in the unanticipated consequences of the change effort. For example, individuals introducing technical changes may not always anticipate the social changes they cause. It is therefore necessary to monitor the processes closely so that the OD practitioner and the key members have their fingers on the pulse of the change program.

## **4. Implementing Actions, Evaluating, and Stabilizing Change**

*4A) Have we developed appropriate skills within the organization to sustain the change after OD practitioner's departure? Has the organization developed expertise to solve problems that fall within the same ambit as the original change problem?*

Stabilization of change mandates development of new knowledge, skills, and attitudes. For example, a shift from “*confidential report*” system to “*development-oriented performance appraisal*” system requires managers to acquire skills for planning activities and performance criteria for the year ahead in collaboration with subordinates. In caselet 4, the new personnel chief had to understand the underlying logic of an organic structure adopted for the corporate planning department. In the absence of the requisite knowledge, skills, and attitude, a change program may end up as a one-shot activity without long-term benefits. A number of change efforts fail to yield benefits over time because change agents move on to other priorities before the change gets stabilized/institutionalized. The challenge to stabilizing change tends to be less glamorous, and very few people apply themselves to this important task.

OD practitioners emphasize the “dependency syndrome” as one of the major impediment to stabilization of change. It is common in client organization to rely solely on OD practitioner’s expertise for resolving problems. One of the prime objectives of the practitioner is to become progressively redundant by building the client’s capability in problem solving for the maintenance of change. An OD practitioner designs for this in a variety of ways:

- Training employees to take over the functions performed by outsiders.
- Setting time-bound development activities right from the beginning to ensure decreased involvement of outside helpers over a period of time.
- Organizing a celebration to mark the termination of the successful collaborative effort.
- Establishing a periodic maintenance plan, such as quarterly/annual review sessions.

The designing of support systems for the continuity of change should be initiated by the OD practitioner. This involves documentation and communication of what, how, and why of the successful implementation of change. The OD practitioner should facilitate transfer of “*know-what, know-how, and know-why*” of change to key members of organization before terminating the relationship.

*4B) Have we put in place sufficient checks and balances in the system to evaluate the results of the change program? Do we have monitoring and review mechanisms for obtaining feedback to introduce mid-course corrective actions?*

The criteria for evaluating the effectiveness of actions should be jointly decided by the client and consultant at the beginning of the implementation phase. There is need for evaluating the change program consciously by involving the key stakeholders, so that necessary mid-course corrections can be made. Situations change constantly, and evaluation should therefore not be carried out sporadically. The purpose is to review the experiences, obtain learning and insights, and initiate necessary follow-up steps to support the change program. The mid-course evaluation should also assess the level of skills within the organization to identify the skill gap and undertake development activities for sustenance of the change.

Even if lot of attention has been paid to the change program at the design and initiation stage, it cannot be neglected before the change has been institutionalized. Constant monitoring

and review sessions between the client and the consultant are required for an in-depth understanding of how well the new structure, system, or process is working. It is useful to involve organizational members to secure feedback at strategic points because involvement ensures that sensitive information is not held back. The feedback is of use only if it is utilized rapidly to reexamine goals, to revise action strategies, and perhaps to activate decisions concerning the mobilization of additional resources and changes of assignments and roles. Bringing an external analyst can also help in obtaining an objective and unbiased perspective on the progress of change.

*4C) Have the changes been reinforced by structures, processes, and norms? Have we initiated processes to ensure that the positive elements of the change program are diffused to other parts of the organization?*

The stabilization of change can be supported by structural/systemic changes. To facilitate the internalization of the change by the organization, the changes can be integrated into the standard operating procedures. Establishing normative and structural support for the change can help maintain the momentum of the change process. Normative support can be extended by involving organizational members in the planning and implementation of the action steps, so that they feel committed to the new norms. Structural support may take the form of new organizational arrangements such as new reporting and accountability relationships in line with the new cultural norms.

The stabilization of change depends upon the diffusion of ideas to neighboring units or to other organizational subunits. Its acceptability by other units encourages the members to invest in sustaining the changes. If the idea has spread to several neighboring communities, there is a strong likelihood that the change will be respected and sustained. Box 2.2 presents a set of guidelines for leaders in organization to sustain change.

*4D) Can the change leaders or the OD practitioners hang the boots once the change has been institutionalized in the organization?*

**Box 2.2** Guidelines for Organization Leaders to Sustain Change

- Be the champion for change right from outset till the end.
- Inform people why change is necessary and beneficial along with how it'll be done.
- Demonstrate your intentions through symbolic actions. For example, open door policy.
- Foster a new culture that encourages new and effective ways of thinking/doing.
- Reinforce behavior by rewarding actions conducive to change.
- Communicate regularly in heavy doses to remove people's fears arising out of uncertainty.
- Be receptive to feedback from all the stakeholders regarding change and its impact.
- Bridge the "trust deficit" if any—make attempts to build trust among employees.
- Make clear commitments regarding time and other resources and stick to them.
- Celebrate small wins to keep the spirits high throughout the process and sustain impetus for action.

**Source:** Neha Gupta has prepared this checklist based on Maurer (2009).

“*Change is the only constant*” should be the dictum of the change leaders and the OD practitioners. Since, the organizations are open systems which operate in dynamic environments; the changes introduced today might be rendered irrelevant after a few years. Hence, the key members in the organization should watch out for signals which indicate that it is time to move on to something new. Constant upgradation of the skills, systems, and processes is the only way to stay competitive in today’s era.

## CONCLUDING OBSERVATIONS

The original formula as created by Gleicher and authored by Beckhard and Harris (1987) is  $C = (abd) > R$ . According to him, for  $c$  (change) to occur,

$$a \times b \times d > R$$

where,

- $a$  = shared felt need for change or level of dissatisfaction with the status quo;
- $b$  = shared sense of goal or clearly understood desired state;
- $d$  = implementable, practical first steps toward the desired state; and
- $R$  = the resistance to change or the cost of changing.

Thus, a planned change program requires attention to the creation of a shared felt need. This may be achieved by survey feedback technique, sharing market intelligence about competitors, etc. The objective is to create enough dissatisfaction with the current state of affairs to mobilize energy toward change. Once commitment to change has been mobilized through joint diagnosis of problems, the next step is to develop a shared perspective of goals and action plan. This requires clear articulation of problems, status quo, and desired state of affairs. The goal should be consistent with the values and priorities of the organization. Finally, detailed action plan needs to be worked out so that ideas do not remain merely at an abstract level. In the above formula, the multiplicative sign is also significant. If  $a$ ,  $b$ , or  $d$  is zero, the product is zero which implies no change. In other words, there may be a strongly felt need and even shared sense of goal, but unless implementable first steps are worked out, no change is likely to occur.

The OD literature has outlined the following stages in the planned change program:

- Preliminary diagnosis to determine whether key organizational members are interested in change and whether they perceive change as feasible and worthwhile.
- Clarifying the role of the OD practitioner and the mutual expectations of the key managers and the OD practitioner regarding the change.
- Defining the organizational problem to be addressed clearly, defining goals for the change program, and identifying resources required for undertaking the change.
- Planning and implementing change interventions; this requires understanding and dealing constructively with resistance to change, and also identifying possible consequences of changes on other parts of the organization and taking appropriate steps.

- Monitoring the interventions and initiating necessary corrective actions.
- Continuous attention to feedback on the progress and ensuring that the change is supported and reinforced through other structural and normative means.

The OD practitioner should ascertain that the change program is not reduced to a set of mechanistic rules. Box 2.3 presents a checklist of caution and action points for change facilitators in organizations.

**Box 2.3** Caution and Action Directives for Change Facilitators

Caution!! I invented fire and all they saw was destruction	● <i>Action</i> Engage people right from the outset to ensure clarity about motives, goals, and benefits
Caution!! Resistance and support are two sides of the same coin: change	● <i>Action</i> Understand the root cause of resistance to garner support
Caution!! Flight/Fight syndrome can topple your applecart	● <i>Action</i> Display and encourage an appreciative outlook toward change
Caution!! Don't dig for hours only to realize at the end that you dug your own grave	● <i>Action</i> Inform people WHY the change has been initiated before HOW to implement it
Caution!! I invited my friends and family to the wedding, but forgot the priest	● <i>Action</i> Identify all the stakeholders and involve them in the process of change
Caution!! We might be looking at the same mirror but standing on opposite sides	● <i>Action</i> Bridge the gap between how you see change and how others perceive it
Caution!! A pinch of salt adds flavor but a spoonful may be the recipe to disaster	● <i>Action</i> Share information but do not bog down people in a morass of mind-numbing details
Caution!! We had a happy marriage. I spoke English and she only understood French.	● <i>Action</i> Connect to people by speaking their language else you risk losing their interest
Caution!! You can lead a horse to water but you cannot make it drink	● <i>Action</i> Look for cues signifying people's buy-in to ensure that they commit to decisions
Caution!! It's the last straw that drowned the boat	● <i>Action</i> Do not go overboard with change and burden your employees with change

Source: Neha Gupta prepared this checklist based on Maurer (2009).

## Exhibit 2.1 Weisbord's Model for Organizational Diagnosis

Marvin Weisbord (1976) compares organization with an open system which exists in an environmental context. It helps OD practitioners and organizational members to visualize organizations as a systemic whole with interdependent and interacting parts. This approach to organization as an open-system is consistent with OD's underlying framework. He recommends two parameters for examination of organization:

- **“Fit” between organization and environment**—the extent to which processes and structures support high performance and ability to change with conditions
- **“Fit” between individual and organization**—the extent to which people support or subvert formal mechanisms intended to carry out organization's purposes.

In Weisbord's model, the organization is represented by six boxes: *purposes, structure, rewards, helpful mechanisms, relationships, and leadership*. He believes that, for each box, the organization should be diagnosed in terms of both its *formal* and its *informal* systems. The formal system requires some informed guessing, based on knowledge of what the organization says—in its statements, reports, charts, and speeches—about how it is organized. The informal system focuses on the frequency with which people take certain actions in relation to how important these actions are for organizational performance.

1. **Purposes:** Two issues pertaining to purpose of organization are important.
  - i. Goal clarity—How well and clearly are the goals articulated?
  - ii. Goal agreement—Do people understand and support the organization's purpose?
2. **Structure:** The organizational structure should be aligned with the goals of the company.
3. **Relationships:** Three types of work relationships are important:
  - i. Between people—peers or boss-subordinate
  - ii. Between units doing different tasks
  - iii. Between people and their technologies (system or equipment)

To understand relationships, one needs to “diagnose” in the following order: 1) *required interdependence*, 2) *quality of relations*, and 3) *modes of conflict management*.

4. **Rewards:** Rewards should be diagnosed in terms of similarities and differences between:
  - i. What organization *formally rewards*—performance bonus, incentive systems, and the like?
  - ii. What organizational members *feel they are rewarded or punished for* by the organization?

5. **Leadership:** Leadership may make the difference between an organization that “works” and one that does not. Management literature has identified four important leadership tasks:
- i. Defining purposes
  - ii. Embodying purposes in programs
  - iii. Defending institutional integrity
  - iv. Resolving internal conflict

A successful leader has to develop a precise understanding of his/her role. It is important to examine the extent to which understanding results in his/her using mechanisms designed to keep formal and informal systems in balance.

6. **Helpful mechanisms:** There are four processes that require helpful mechanisms, which every organization must necessarily attend to. Each of them has the potential for helpful (formal intent) or unhelpful (informal result) outcomes. These processes are:
- i. Planning
  - ii. Budgeting
  - iii. Control
  - iv. Measurement (information)

In diagnosing helpful mechanisms, two situations need special attention:

- The lack of any rational planning, budgeting, control, or measurement systems.
- The organization has budgeting and controls, but no overarching goals that the people agree are organizationally relevant to them.

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## Rethinking resistance to change

S. Ramnarayan and Christian Harpelund

In an engineering organization, the top management had decided to change the way the company developed its new products. The company had constituted a New Product Development (NPD) team in each of its business divisions. The different business divisions were located in small towns across India. The NPD teams were assigned two major tasks. First, they were expected to develop ideas for new products. Second, they would run new product trials in close collaboration with line departments. It was anticipated that four to six promising ideas for new products would be ready within a year. After the new product ideas get approved by the leadership team, they would be taken up for commercial production.

The NPD teams from different business divisions met at the company headquarters to work out their strategy and approach. In one of the business divisions, the leader of the newly constituted NPD team called a meeting to present the broad approach to the line managers. He pointed out that the present organization was not geared to develop new products. He then outlined the role and importance of the new initiative. He added that members of the NPD team will approach them initially for obtaining data and their views. After a few months, they will request them for help with conducting trials. He paused to see if there were any questions.

An employee at the meeting turned to Employee C sitting next to him and whispered: “What do you think this means?” His friend C responded: “I have no idea. What is he talking about? We are still number one in our market. How will this new team help in any way? And why do they need a series of meetings with all of us? Don’t they know what they want to do?”

On another table, Employee E slouched back in his chair in apparent disgust. The person next to him raised his eyebrows to nonverbally inquire why he seemed so distressed. “I am sick of these knee-jerk changes,” was E’s response. “Why is this necessary? We have been coming up regularly with new products. What does he mean by saying that we’re not geared to develop new products? I have personally contributed to two new products. You have done that. They will destroy the present arrangement. And this team idea is totally harebrained.”

At the very back of the room, two other colleagues looked at each other. Employee P seemed quite annoyed. “Do they seriously expect to come up with new products with this team?” he asked. “We know how some persons have got on the team, and whose ideas they’ll keep parroting.”

It is a joke to believe that we are going to entrust the strategic direction of the company to this group. The management clearly has some ulterior motive.”

Most of us would say that the three employees are exhibiting resistance, and resistance is the primary reason why most changes fail. Rick Maurer (2009), a change scholar, would only partly agree with the above statement. It is true that 70 percent of all major changes in organizations fail. It is also true that failure is caused not due to the lack of technical skills or resources, but due to the fact that people do not put their minds and hearts behind the change. Is this not resistance? Well, who is resisting whom? According to Maurer, it is often the leaders who plan and initiate changes in ways that create inertia, apathy, and opposition.

For instance, when a change is announced, people respond in different ways: 30 percent tend to support and cooperate; 50 percent will be neutral and adopt a “wait-and-watch” attitude; and the remaining 20 percent will generally be against the change. Among the 70 percent who do not support the change, some get confused and question as to why this is being done. Some express immediate criticism. A few persons say “yes,” but do just the minimum. There may even be sabotage or disruption through noncooperation and negative corridor talk. Individuals may also respond through silence. In some cases, they may deflect or duck the issue.

When they are faced with such resistance, managers typically respond by pushing the change even harder. They use their power or apply the force of reason by giving complicated arguments for change. They may choose to ignore the resistance. Unfortunately, such responses only increase the opposition. The more the change leaders continue to lead in the same way and, thus, persist with their old approaches, the more the resistance intensifies. Of course, it may manifest in silent ways, and not necessarily as open revolt or blunt criticism. Ultimately, the change fails without people’s backing. To manage change effectively, it is important that we should rethink resistance.

This means that the change leader must recognize the following in this case:

1. Employees C, E, and P are not born resistors, whose only mission is to ruin the organization’s change initiative.
2. It is possible that they do not have the same foundation to understand the NPD initiative.
3. Perhaps C, E, and P are in the early part of the change journey, while the leader of the NPD team is far ahead in the journey. Consequently, effective communication is not taking place.
4. The quality of relationship between the change leader and the employees is not sufficiently strong to make C, E, and P to venture into the unknown landscape.
5. Resistance is a natural human reaction. If change leaders understand resistance, and the personal and interpersonal processes that change implies, they will be able to deal with resistance effectively.

Rick Maurer points out that there are three types of resistance. We discuss these now. In his framework, the leader of the NPD team should ask himself: “Can I make C understand? Can I make E like it? Can I make P trust me?”

## COGNITIVE RESISTANCE: “I DON’T GET IT!”

Cognitive Resistance pertains to the world of information—facts, analysis, ideas, descriptions, presentations, or logical arguments. For example, in the opening case example, Employee C did not understand how the NPD team could help. The person heard that the team members will have a series of meetings, but had no idea of the purpose of those meetings. When persons have not understood, or “have not got it,” it does not mean that they lack competence or ability to understand. We live in an age where there is too much information. Despite having information, we do not always engage or connect with the process of making sense of it.

As we would see in the example given ahead (Kurien 1996: 383), a number of reports had been sent to the prime minister on the reorganization of the dairy sector. But he had not reflected on the matter and arrived at a conclusion for himself. At the start of his personal exploration, it would appear that he had a different hypothesis in his mind. For the change to occur, however, it was necessary for him to gain the new perspective.

Mr. Lal Bahadur Shastri, the then prime minister (PM) of India had received a report from Dr. Verghese Kurien about the importance of instituting co-operative principle in the dairy sector. The PM was aware that while the milk co-operative in Anand had been growing from strength to strength, the other dairies set by the government with huge funding support had been unmitigated disasters. Despite all the reports that he had received, the PM still did not understand how Anand had achieved its success. In an unprecedented move, he decided to spend a night in one of the villages in Anand as a guest of a small farmer. This would give him an opportunity to explore the issue at the grassroots level and gain a first-hand understanding. He walked around the village, spoke to several farmers and tried to discover the secret of Anand’s success.

When the PM met Dr. Kurien the following day, he mentioned that he had failed to learn the secret. “I looked at the soil here; it is good but not as good as the Indo-Gangetic plain,” said the PM. “I looked at your climate, and there is nothing special there. The rainfall pattern is similar to what it is in large parts of India. I expected this place to be green with contented cows grazing, but this place is brown. Your buffaloes don’t look as good as the buffaloes I remember in Uttar Pradesh. While farmers are all good people, your farmers don’t appear as hard working as the Punjabi farmers. So I cannot find a single reason why Anand is such a great success.”

Dr. Kurien responded: “The main difference is that this dairy is owned by farmers, and managed by their elected representatives. They have employed me as a professional manager to run this dairy. I am an employee of the farmers, not on deputation from the government. If I don’t satisfy the farmers, I don’t get merely transferred—I lose my job. When they produce more milk, I am expected to find market. I can never say that I can’t collect more. When they tell me to increase productivity, I have to think of ideas such as cattle feed or inputs to farmers. So this dairy is sensitive to the needs of the farmers. In the other dairies in India, this is not the case. In the absence of responsiveness and support in obtaining the inputs, managing their processes or marketing their outputs, farmers are unable to improve their production and productivity. Anand shows that what is true of New Zealand or Holland is true of India also.” Once the PM was convinced that the co-operative principle was at the heart of Anand’s success, he got Dr. Kurien to set up the National Dairy Development Board (NDDB). The formation of NDDB was a significant factor in creating the white revolution in the country.

Thus, giving people information or helping them discover the actual reasons is the most common way of providing cognitive clarity. We present a summary of the causes of cognitive resistance and how this resistance can be dealt with in Box 3.1 and Box 3.2, respectively.

**Box 3.1** Cognitive Resistance: Possible Causes

- *Problems with information:*
  - Perceived as not relevant for the issue under consideration
  - Different sources indicate seemingly contradictory trends
  - Viewed as coming from noncredible sources, and critical information missing
  - Given too early—without an overarching pattern, does not make sense
  - Overload—more data than what individuals can handle
- *Disagreement with regard to interpretation of data:*
  - Confusion about the actual purpose of the proposed change effort

**Source:** Prepared by S. Ramnarayan based on Maurer (2010).

**Box 3.2** Dealing with Cognitive Resistance

This requires gaining mindshare and then creating a coherent picture in the minds of people receiving information.

- *Rationale for the change:* Before stating “what” changes are needed, explain “why” they are required. Is there a compelling case for change? Does your team feel an urgency to change? Do not make it too complex.
- *Orienting the audience:* Attention is a scarce resource. We are constantly bombarded with information, and to maintain our sanity, we deliberately ignore some information. Highlight why your audience should pay special attention to the change-related information. Help them appreciate why they need to pay attention.
- *Language:* Present ideas in a manner that is understandable to the participants. This requires attention to the contexts in which the participants function and to their experiences.
- *Multiple ways to make your case:* These may include data, best practices, and opportunities for interaction/conversation—the greater the variety, the greater the comprehension. Different media and different styles appeal to different people.
- *Patience:* Give people time to digest the information. We tend to demand a response from others before they have had time to make coherent sense of what has been presented.
- *Free exchange:* Let there be conversations among people to think through their concerns.
- *Repetition:* Reinforce the message at periodic intervals. If you have already said it, make somebody else say it.
- *Psychological safety:* Sometimes fear prevents people from asking questions such as “Are we the only ones who have not understood the message?” or “Are our questions stupid?” Create safe forums for people to legitimately explore their doubts.

**Source:** Prepared by S. Ramnarayan based on Maurer (2010).

## EMOTIONAL RESISTANCE: “I DON’T LIKE IT!”

Occasionally, well-meaning leaders give more information, hold more meetings, and make more presentations. But, sometimes, they find that these efforts do not work—often because the issue has become one of emotion, not cognition. Often, emotional resistance arises from fear—loss of face, status, control, or even their jobs and future well-being.

When emotional resistance kicks in, people can get into a fight, flight, or freeze mode. They may get into angry outbursts or arguments (fight); they may stop listening (flight); or they may feel like their very survival is at stake (freeze). Emotions can produce intense reactions. Since organizations do not encourage people to respond emotionally, they get expressed as “rational” concerns. The change leader requires empathy to read between the lines and pick up anxieties or fears. As we can see in the following example (Nilakant and Ramnarayan 2006), it is completely inappropriate to use logical arguments to deal with emotional resistance.

A decision had been made to merge two software firms of equivalent size. The senior and middle level personnel of both firms had come together to sort out merger-related concerns and issues. The meeting was organized in a large hall. At one point during the discussion, someone expressed a concern: *“As a multinational, we have had a certain culture in our firm. But you are an Indian firm largely owned by a single family. What would be our new culture after merger? Are we expected to forget about our old multinational culture?”* It was clear that the person did not like the idea of giving up elements of the earlier culture.

A top manager of the “Indian firm” (as it was referred to by the person raising the issue) got up immediately, walked up to the podium and said, *“How can you say that our firm is not a multinational? We operate in more than a dozen countries and have offices in all those locations; at any given point of time, a third of our employees work abroad; and we earn 100 per cent of our revenues from overseas work. So we are as much a multinational as you are.”* He went on with more facts and figures to bolster his argument. It seemed as if he wanted to use his finely honed debating skills to bury the cultural issue once and for all in that meeting.

But the top manager’s rational argument only pushed the issue underground. Many people simply withdrew from the discussion. The change leader lost a great opportunity to explore what the actual concerns were. Perhaps people were anxious about possible loss of autonomy in the merged entity. People may have wondered and worried whether key personnel decisions would be made on personal likes and dislikes. The merging entities should have had a dialogue on the cultural integration issues that people considered important. As they did not do this, several individuals concluded that the merger would be bad for them. The organization lost a large number of highly skilled people to competing firms. And several months after the merger, the firm has still not achieved the strategic advantages that the merger was anticipated to provide.

In Box 3.3 and Box 3.4, we outline the common causes of emotional resistance and what we can do to turn resistance into support, respectively.

### Box 3.3 Emotional Resistance: Possible Causes

- Participants find it difficult to cope with scope and complexity of change—feeling of too much change and too many demands
- Directly or indirectly, change threatens something that is valuable—for example, loss of power, control, or status
- Idea behind the change seen as worthless or not credible
- Fear of isolation or abandonment as a result of change—feeling of losing face/respect
- Bad experience in the past with similar changes

Source: Prepared by S. Ramnarayan based on Maurer (2010).

### Box 3.4 Dealing with Emotional Resistance

Acknowledge the concerns and actively draw out people's engagement:

- *Speak about the emotional aspects*: Since organizations do not encourage people to respond emotionally, issues may be couched in rational terms. While it is not easy to talk of issues that are frustrating, stressful, or tough, it is not advisable to brush those under the carpet. Have conversations on how change is perceived from different perspectives.
- *Be honest*: Even if sharing the truth would be uncomfortable, it is advisable to be straightforward. Doing so can stop rumors. In the long run, it will also improve leadership credibility.
- *Recognize the loss*: Some people may experience defeat or grief. Even if it is hard, you should acknowledge those feelings.
- *Time and space*: Do not expect people to get quickly reoriented. Allow time and space for reactions.
- *Appreciate the stakes*: Certain issues are most important for certain participants. Wherever possible, find creative ways of protecting those stakes. This will minimize the feeling of loss. If it is possible, you may redesign change to make participants more secure or implement it to accommodate inputs and ideas from participants.
- *What is in it for them*: Ultimately, there must be value proposition. Change must benefit in some way. To minimize fear and maximize excitement about positive aspects, emphasize what is in it for people with whom you are conversing. Certain things may become easier; there may be improvement, new opportunities will appear, or the uncertainty may reduce.
- *Involvement in the change process*: People support when they have a hand in building.

Source: Prepared by S. Ramnarayan based on Maurer (2010).

## PERSONALLY ORIENTED RESISTANCE: “I DON’T LIKE YOU”

Personally Oriented Resistance reflects absence of trust and confidence in the change leader. It is possible that people are okay with the change, but not with the change leader. That makes this resistance a hard pill to swallow. Without trust, there is no way that change can be managed successfully.

Lack of trust does not necessarily mean that people dislike the change leader. It may be the past dealings that make them suspicious. It is possible that the change leader is from the

head office, and people are sceptical of anything that the head office initiates. It is important to remember that perception is reality. If people perceive that the change leader is not trustworthy, then they will behave as per their perception or belief until they are proven otherwise. As we see in the following case illustration (Ramnarayan 2008), the experience with and the image of the leader can be moved in a positive direction and this reduces personally oriented resistance.

A new unit leader had assumed charge about six months earlier. He organized a meeting with departmental and sectional heads to plan for the following year. Though the plan was more or less ready, there was little or no excitement about it. The leader felt that the members had reservations, but they were not expressing them. He was also aware that the earlier unit leaders had followed directive leadership styles. Though annual planning exercises were carried out as rituals, inputs and ideas from members were not considered. Decision making was concentrated at the level of the unit leader.

Realizing the futility of trying to win people over through logical arguments, the leader tried a “reverse brain storming” session. He asked the departmental and sectional heads to get into smaller sub-groups and brainstorm on the *reasons why the plan would fail*. Though the group initially thought that it was a strange assignment, they gradually warmed up to the task. In an hour’s time, the different sub-groups came up with 46 reasons why the plan would not work. At that stage, the leader asked the group to review the list, remove the overlaps and prioritize the concerns. Through this process, the group identified 5 significant factors, which posed major threats. Then a detailed plan was worked out to ensure that those factors were taken care of. As a result, the group not only avoided a number of potential problems, but also took ownership of the plan and made it succeed.

The common causes and remedial actions for this type of resistance are presented in Box 3.5 and Box 3.6.

**Box 3.5** Personally Oriented Resistance: Possible Causes

- *Ignoring emotional resistance*: When emotional resistance has not been handled over time, it snowballs into personally oriented resistance.
- *Lack of trust in the change manager*: The mistrust may arise from the person’s role, personality, project, or task. Sometimes, factors like cultural background, gender or power differences can also lead to the trust gap.
- *History of relationship*: People doubt the credibility of the change or the change leader. This may also arise from the past dealings.
- *Value conflicts*: Disagreements on values can also be the source of the problem.
- *Displaced resistance*: The actual resistance may be toward another person or aspect, but the change leader may be perceived as a symbol of the change and thus becomes a “target” for the resistance.

**Source:** Prepared by S. Ramnarayan based on Maurer (2010).

**Box 3.6** Dealing with Personally Oriented Resistance

- Rebuild damaged relationships and attend to neglected relationships:
  - Explore how you can increase respect from the stakeholders
  - Reflect on what could increase your credibility with the stakeholders
- Reduce tension in relationships:
  - Undo bad decisions
  - Acknowledge if mistakes or bad decisions have been made
  - Settle misunderstandings—be open to renegotiate residual concerns/issues
  - Provide safe outlets for pent-up anger
  - Acknowledge that people may have been hurt in the past—talk without defensiveness
- Establish trust in relationship:
  - Pick up early signals of people displaying lack of trust/confidence; act to set things right
  - Seek the help of partners in the change process to build trust
  - Get feedback on how you react to change—stop dysfunctional behaviors
- Create opportunities for people to know you and vice versa:
  - Provide forums for free and frank conversations characterized by mutual honesty
  - Keep up the communication—give people time to reflect
  - Share and discuss data as openly as possible
- Be open to inputs and ideas from others

Source: Prepared by S. Ramnarayan based on Maurer (2010).

## CONCLUDING OBSERVATIONS

As Rick Maurer points out, support and resistance are the two sides of the same coin. In terms of cognitive level, people either understand you or they do not. At the emotional level, they are either excited about the change or they are anxious. At the personally oriented level, they either trust you or they do not. Change leaders should remember that the different factors are either working for or against them. What are the broad guidelines for converting resistance into support and effectively managing change?

- The three types of resistance represent three different worlds of reason, emotion, and trust. When you encounter resistance, diagnose the underlying concerns carefully.
- Think of resistance as a cause and effect phenomenon. When you find resistance, ask: “What are the causes of this opposition?”
- Change is extremely difficult when stakeholders are in the dark. Help them recognize challenge or opportunity.

- Address resistance in the right way. To deal with emotional or trust issue, you cannot provide information or make a logical argument. In emotional or trust issue, the more you push with reason, the more people will get embedded in resistance.
- Perception is reality. People may read risks wrong, but, in their minds, the danger is real.
- In a change journey, do not run too far ahead of others. Stay engaged.
- Resistance can pop up anytime during the change journey. Stay in touch with the pulse of the organization. Build in feedback loops to pick up early signals of waning interest or disenchantment. Ask why this may be happening, and initiate corrective steps.

Carl von Clausewitz, the author of a seminal work on the conduct of war states: “In war, everything is simple, but it is simple things that are difficult.” Change projects fail because managers have not taken into account all the irksome little conditions or frictions that have to be dealt with for the plan to succeed. Successful organizational change requires that the leaders anticipate such resistance and deal with them quickly and effectively.

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## Person-focused OD interventions

Udai Pareek

OD is defined as a process for planned change. It aims at building internal competencies in individuals and teams in the organizational context, and at taking organizations to higher levels of performance by building individual-, group-, system-, and process-related competencies. It focuses on behavior and uses various behavioral tools. It has a specialized body of knowledge and therefore needs specialists to handle it. Its focus on people, processes, systems, structure, etc., can extend from individual-based interventions to structural changes and system revamps.

As OD is concerned with the development of individuals in organizations; person-focused OD interventions have relevance for change. For instance, with mergers and acquisitions on the increase, focus on “people” as the means of change has become an imperative. Many HRD sub-systems—such as training, performance counseling, and career planning, assessment centers, 360-degree feedback, etc., have become tools for change and are used as interventions that support change or bring change by themselves. In addition, OD practitioners can use several of these interventions for their own development and that of their peers and subordinates.

### **TYOLOGY OF PERSON-FOCUSED INTERVENTIONS**

All person-focused interventions focus on individuals working in organizational contexts. Like other change efforts, these interventions involve partnerships between individuals (henceforth called participants) and behavioral science-oriented experts (henceforth called facilitators). Person-focused interventions can be classified in at least four ways:

- First, these interventions can be initiated and carried out by participants, by significant others, by a group, by the organization, or by a facilitator.
- Second, they can be classified by the intervention mode: self-study, reflection, feedback, coaching, mentoring.

- Third, they can be classified by theoretical basis. Several theorists have contributed to the development of person-focused interventions. Among them are Freud, Jung, Berne, Bion, Skinner, Pavlov, McClelland, Lewin, Merton, and Goffman. Freud, Jung, and Erickson are well known for their contributions to psychoanalysis; Berne is the founder of Transactional Analysis (TA); Bion's work resulted in the NTL approach to T-groups in the US and the Tavistock Institute in England; Skinner, Pavlov, and McClelland provided the basis for a large number of training, behavior modification, and motivational arousal interventions; Lewin is well known for field theory; and Merton and Goffman did work on role theory that has served as meeting point for psychology, sociology, and anthropology.
- Fourth and finally, probably the simplest way to classify interventions is to identify who takes the active role, participants or facilitators.

In this chapter, we shall rely on the fourth classification method to discuss various interventions listed in Table 4.1.

**Table 4.1** Classification of Person-focused Interventions

<i>Participant-active interventions</i>	<i>Facilitator-active interventions</i>
1) Encounter groups	1) Psychodynamic methods
2) Role playing	2) Motivation arousal
3) Instrumentation	3) Training
4) Self-study and reflection	4) Feedback
5) Awareness expansion	5) Assessment and development centers
6) 360-degree feedback	6) Coaching and mentoring

Source: Author.

## **PARTICIPANT-ACTIVE INTERVENTIONS**

In the following six participant-active interventions, participants assume the major responsibility for initiating change.

### **Encounter Groups**

The term encounter group (EG) has various meanings. In OD's early years it was the basis for team building and was aimed primarily at changing individual attitudes and even values. Interventions based on encounter groups have been called by such names as sensitivity training, laboratory training, T (standing for Training)-groups, and L (standing for Learning)-groups.

### ***Purpose of the encounter group***

EG's purpose is to provide participants with intense experiences designed to help them examine their ways of interacting with others, their styles of self-presentation, their basic life positions, their values, and other issues. The participants work in small groups of 8 to 12 people for periods ranging from 1 to 2 weeks. These groups work without an agenda and with only limited facilitator guidance. The only announced agenda focuses on learning about self and others. A few norms are stated, and the facilitator monitors them: the discussion centers on the present, and there is no authority hierarchy in the group. Each participant is afforded opportunities to experiment with new behaviors in an open, trusting climate, created after several days of hard work. Each participant learns how to help others and how a group is formed.

### ***Models of encounter groups***

Two models can be used to explain the working of encounter groups (Lynton and Pareek 1990):

1. Lewin's (1951) three-stage model of learning; and
2. Cognitive dissonance model.

In Lewin's model, the three learning stages are unfreezing, moving, and refreezing. Unfreezing is stimulated by the nondirective and thus unexpected behavior of the facilitator, the undefined situation, and open feedback. Movement is stimulated by the group experience itself, in which new norms and roles are established and accepted. Refreezing occurs as differentiated roles are developed, norms stabilized, and members—including the facilitator—are accepted by the group.

In the cognitive dissonance model, participant development is facilitated by the dissonances created. The participants need to reduce that dissonance (anxiety). Dissonance stems from discrepancies between the expected and the actual in at least four key areas (Lynton and Pareek 1990):

1. Between the participants' expectations of the trainer and actual trainer behavior (Trainers avoid all attempts made by others to seduce, force, or otherwise get them to conform to the participants' initial expectations).
2. Between the participant's self-concept and actual laboratory behavior.
3. Between the participant's expectations of the group's reactions and the group's actual reactions.
4. Between the image the participant wishes to project and the image others in fact perceive.

These dissonances make EGs intense but disturbing experiences, which probably also explains why they produce high rates of learning retention. Research findings with the US Bureau of Research place EG retention rates at 75 percent, compared with 55 percent for

visual material and 35 percent for lecture presentation (Lynton and Pareek 1990). However, encounter groups do have the following limitations:

1. Facilitators must be highly trained and skilled;
2. In the early stages, EGs produce high anxiety among participants;
3. There must be a minimum of 8 and a maximum of 12 participants; and
4. EGs require at least a week's duration.

## **Role Playing**

Role playing is useful for helping participants explore personal and interpersonal dynamics in organizational life.

### ***The technique and process of role playing***

Role playing is a method that has long been used by children to learn new social roles. Children are often seen acting out the roles of parents or other adults. This activity is a good device for learning. Role playing has evolved beyond simple imitation into a new technique that can be used with children and adults.

During role play, people adopt the roles of others from real life and act them out. Role playing is thus a method for studying the nature of a role by acting out its concrete details in a contrived situation that permits better and more objective observation. Role playing is a conscious attempt to simulate and examine roles played in real life.

Role playing developed from Moreno's work on interpersonal techniques. Later the technique was adapted for use in education, administration, industry, social work, and therapy. Various synonyms have been used for it, such as leadership training, reality practice, experience practice, and spontaneity training. However, role playing technique can be modified to match the various purposes for which it can be used. Role playing can be useful in developing various competencies:

- **Perception of others' feelings:** When we come in casual contact with individuals, we generally know them through the words they use. The feelings behind the words are rarely made explicit or—even more rarely—detected. It requires great skills to perceive and understand feelings that are not expressed or are only implied by the words people use. Participants get an opportunity to practice assessing the feelings of others during the analysis of role playing.
- **Autonomy:** Autonomy gives vent to free expressions of ideas and feelings. A desire to give autonomy, however, may not necessarily result in action that creates a climate of autonomy. For example, a manager may desire to build a climate in which subordinates are encouraged to experiment with their ideas. But good intentions are not enough. In a role play, participants may be shocked to realize that their behaviors do not match their intentions. During role plays they can practice ways of reducing this gap.

- **Leadership and group work:** In a group working face-to-face, each member contributes to the process if the group focuses on task roles and members share in maintaining group morale. Role playing helps participants practice both task and maintenance roles.
- **Self-assessment:** After playing various roles, individuals may experience insights into their own behaviors and may be able to assess themselves more objectively.
- **Internalization of learning:** There is often a gap between what we believe and what we do. We may be convinced of the value of a principle or practice, but our daily behavior may not reflect it. Several reasons account for this gap between belief and action: we may lack skill; we may not be able to put into practice what we believe in theory; or, we may lack the skill of relating a situation to a principle in which we believe. These handicaps can be overcome through repeated practice. Role playing provides an opportunity for practice.
- **Interpersonal orientation:** Our ways of interacting with others can change if we realize that our attitudes toward others impede effective human relations. If during the role play session, the expressions of hostility, suspicion, impatience, and other negative attitudes evoke a negative response, we gain better insights into interpersonal relations. This may stimulate our desire to change.

## Instrumentation

Psychological tests, projective techniques, questionnaires, checklists, and other types of inventories are called instruments. These are increasingly being used in OD interventions. For person-focused interventions, self-awareness through feedback on instruments (SAFI) is a very powerful intervention. In SAFI, participants take the initiative and use the scores they receive on instruments to find ways to increase their interpersonal effectiveness.

### *Nine steps in SAFI*

There are nine steps involved in SAFI. These are:

1. **Completion of instrument:** Participants complete an instrument that has been standardized by experts.
2. **Conceptual input:** The participants read the theory and the related concepts about the instrument they completed. This step familiarizes them with the conceptual framework of the instrument. If facilitators are available, they explain to the participants the concepts underlying the instrument.
3. **Prediction:** Based on what the participants understand about the theory and meaning of the instrument, they predict their scores to reflect their self-perceptions and understanding of their own styles and behaviors.

4. **Scoring:** They then score the completed instruments according to the procedure explained by the instrument's author.
5. **Interpretation:** The participants write down the interpretations and implications of their scores.
6. **Feedback:** The participants check with other significant people whom they trust, collect factual evidence to confirm or question the interpretation, and consider the implications of their scores.
7. **Action planning:** They decide to improve aspects of their personal style or behavior and prepare plans to behave differently or experiment with new styles.
8. **Experimentation:** They implement the action plan, keeping detailed notes of satisfactory and frustrating experiences. Facilitators, if they are available, provide guidance.
9. **Follow-up:** The participants again complete the instrument to determine if there is significant change in the scores. They solicit feedback on any changes in their behaviors that have been observed by others whom they trust. When facilitators are available, they monitor these steps, even when the participants work in a group. The advantage of group work is that it affords an opportunity for feedback between group members, in addition to reinforcing mutual learning.

### ***Advantages and disadvantages of instruments***

Table 4.2 lists the advantages and disadvantages of using HRD instruments.

### ***Developing an instrument***

There are standard procedures for preparing an instrument. Although the process is a simple one, one who prepares the instruments must exercise substantial creativity, using appropriate

**Table 4.2** Using HRD Instruments

<i>Disadvantages</i>	<i>Advantages</i>
Engenders fear of exposure	Enables early, easy learning of theory
Encourages "labeling"	Promotes personal involvement and commitment
Promotes flight from confrontation	Develops early understanding of concepts and terminology
Generates time-consuming nitpicking	Supplies quick personal feedback
Relieves potential growth tension	Facilitates contracting for new behavior
Fosters dependence on the facilitator	Fosters open reception of feedback through low threat
Makes the facilitator an "expert"	Allows comparisons of individuals with norm groups
Can result in a threatening situation	Promotes involvement with data and feedback process. Surfaces latent issues
Triggers anger and anxiety "tests"	Allows facilitators to focus the group and control content
Makes distortion of feedback possible through manipulation of scores	Facilitates longitudinal assessment of change

**Sources:** Pfeiffer (1988); Pfeiffer and Ballew (1988).

conceptual models, achieving innovation in instrument and design, and making the instrument practical and useful. To summarize the steps in preparing instruments:

- **Identify the variables to be measured:** Select one or more variables critical to individual development. For example, participative style of management, empathy, and assertiveness can become the basis for instrument preparation.
- **Search for an appropriate theory:** Choose a conceptual framework that is relevant, is capable of generating meaningful data, and has a potential for practical implications. For example, in measuring managerial style, transactional analysis (TA) is popular and has the potential for application. It has been selected in developing an instrument for assessing managerial styles (Pareek 1984).
- **Collect items:** Items are collected by observing and interviewing practitioners. For TA, for example, managers involved in counseling and helping interactions were observed, and “effective” and “less effective” managers were interviewed about how they behave in situations requiring, say, a parental role (establishing norms and nurturing), and ways they had found to deal with issues. All such experiences are converted into “items” (statements, in this case expressed in behavioral terms). A long list of items is then ready. In the above example about 60 items were prepared.
- **Edit the items:** The first editing is done by going through the list with a critical eye, consulting some colleagues in this process, and eliminating the obviously less relevant items. In the current example about 10 items were eliminated, leaving a list of about 50 items. A response pattern (say, five-point scale) is used for scoring.
- **Select the items:** The instrument should be administered to a fairly large number of respondents (say, 100 managers). Items not showing enough response variations as also those having low correlation with the total score should be eliminated. In other words, items with enough variance and high correlation with the total score are retained.
- **Standardize the instrument:** The instrument thus prepared is administered to a large sample (say, 500). Standardization involves establishing reliability, validity, and the norms for the instrument.

Reliability involves both internal consistency (that different parts measure the same variable, found out by correlation between two parts of the instrument, called split-half reliability), and consistency over time (found out by correlating scores of the same group—say 50 people—over two periods of time—say, six weeks apart, called retest reliability).

Validity means that the instrument measures what it is supposed to measure. This can be found by seeing how closely it follows a theory (construct validity), by correlating it with another known instrument on the same subject (concurrent validity), or by examining if it discriminates between two known contrasting groups of people (criterion or discriminate validity).

Norms are established by administering the instrument to a large population (say, 1,000). The results suggest low and high scores, usually based on 1 or 1/2 standard deviation from the mean value. The norms are helpful in interpreting the scores of an individual.

## **Self-study and Reflection**

In self-study, learners are supplied with materials and are expected to work at their own pace within some broad time limitations. Self-study takes several forms. It may become an integral component of a formal course of studies, or it may take place outside a formal program. The learners may even be expected to study on their own to acquire knowledge and skills. Self-study may precede a class lecture or supplement a class discussion. It may take the form of a project in which participants are given a topic and an outline of reference materials and are asked to prepare position papers after reviewing literature or interviewing people.

Many training programs for managers rely heavily on project work. Project assignments are given after a few class-sessions are held. Participants then choose to work on the projects individually or in small groups and are given free time to carry out project work. Such projects may involve library work, document reviews, or interviews with knowledgeable people. In this process, participants learn on their own.

For example, a group of headmasters undergoing training in school management may be supplied with material on how school systems are managed in different regions of the country or in other countries. They may then be asked to write a paper on school management, making suggestions for future improvement. Similarly, educational planners attending a program can be required to prepare a paper on educational planning strategies in other countries.

There are several advantages to self-study. Participants work at their own pace. They are exposed to new ideas through reading. They are actively involved in the learning process. Facilitators do not have to pay close attention to individuals. However, the main limitation of self-study is that it does not lend itself to development of social skills. It is better for helping learners acquire knowledge or new information. Facilitators need to spend considerable time designing self-study experiences and preparing self-study materials. Ideally, facilitators should go through at least some of the materials themselves and should be familiar with the subject matter so that they can serve as active catalysts for learning and inquiry.

Reflection is a higher form of self-study. Effective managers spend time thinking about what should be done to solve problems or seize opportunities. Schon (1983) calls such persons “reflective practitioners.” Reflective managers are concerned about understanding the turbulent external environment, the dynamics inside the organization, the processes by which the organization adapts itself to changing conditions, and the means by which it influences the environment.

The relationship between an expert and a practitioner may be based on what Schon calls a traditional contract or a reflective contract. In a traditional contract, the sense of security

stems from the satisfaction of finding the best available persons, having faith in the expert, and experiencing a sense of comfort by following the expert's advice. In the reflective contract, satisfaction stems from "discovering" experts and realizing mutual dependence with them.

Based on the study of reflective practitioners in several fields, Schon (1987) concludes that the practicum is the best method of developing reflective practitioners. A practicum is a setting designed for the task of learning a practice. They learn by undertaking projects that simulate and simplify practice, or they take on real-world projects under close supervision. The practicum stands in an intermediate space between the practice world, the lay world of ordinary life, and the esoteric world of the academia. The practicum emphasizes that students learn a kind of reflection—inaction that goes beyond stable rules—not only by devising new methods of reasoning but also by constructing and testing new categories of understanding, strategies of action, and ways of framing problems (Schon 1987).

Reflection as an art of analyzing problems requires both rigor (taking detailed notes on what has happened immediately after a phenomenon), detachment (looking at the notes objectively and analyzing the situation), analysis of the theory-in-action used, and reflective experimentation, usually accepting someone's help in further reflection and even in joint experimentation and exploration. When practitioners do not reflect on their own inquiry, they keep their intuitive understanding tacit and are inattentive to the limits of their scope of reflective attention. The remedy to the justification of practice and to the construction of reflection-in-action is same—a redirection of attention to the system of knowing-in-practice and to reflection-in-practice itself.

## **Awareness Expansion**

As work on stress and burn-out has increased, psychosomatic exercises—meditation, yoga, walking, jogging, and cathartic exercises such as boxing "boss" effigies—have become popular. Most books on stress and burn-out mention such exercises for coping with stress. These exercises could be used by OD practitioners. Several interventions have been proposed to expand individual consciousness. In all such interventions two steps are involved:

1. increasing awareness on an issue, and
2. making new decisions.

For example, participants in value clarification examine their current values and how vocal they are about them, consider the implications of the values they hold, and identify gaps existing between the values they espouse and those they use. They then discuss the need for adopting new values and making new decisions about life. Similar steps are involved in assertiveness training, gender sensitivity, prejudice, and stereotype analysis.

## **360-Degree Feedback**

This has become a very popular intervention in the last two decades. It became popular as it has been felt for long years that one person's assessment of another individual cannot be free of biases. In addition, with the focus on customers (both internal and external) and emphasis on softer dimensions of performance (leadership, innovation, team work, initiative, emotional intelligence, entrepreneurship, etc.) it has become necessary to get multiple assessments for a more objective assessment (Pareek and Rao 2003). A 360-degree appraisal is Multi-Rater Appraisal and Feedback System (MAFS). In this system, the candidate is assessed by a number of assessors including his boss, immediate subordinates, colleagues, internal customers, and external customers. The assessments are made on a questionnaire specially designed to measure behaviors considered as critical for performance. The appraisal is done anonymously by others and the assessment is collected by an external agent (consultant) or specially designated internal agent (for example the HRD Department). As the system matures the seeker of feedback can get his own tool and methods of collecting feedback established. Organization may support such an initiative by appointing some in-house facilitators. The assessment is consolidated; feedback profiles are prepared and given to the participant after a workshop or directly by his boss or the HRD department in a performance review discussion session. Due to the innumerable variations possible in the 360-degree feedback and appraisals, and its potency as a competency identification and development tool, it is important to understand the process and its dynamics (Rao and Rao 2000; Rao et al. 2002; Rao, Ramnarayan, and Chawla 2010).

### ***Objectives of 360-degree feedback or MAFS***

The following are some of the objectives outlined by Rao and Rao (2000):

- Providing insights into the strong and weak areas of the candidate in terms of the effective performance of roles, activities, styles, traits, qualities, competencies (knowledge, attitudes, and skills), impact on others and the like.
- Identification of developmental needs and preparing development plans more objectively in relation to current or future roles and performance improvements for an individual or a group of individuals.
- Generating data to serve as a more objective basis for rewards and other personnel decisions.
- Reinforcing other change management efforts and organization effectiveness directed interventions. These may include: TQM efforts, customer focused or internal customer satisfaction enhancing interventions, flat structures, quality enhancing and cost reducing interventions, decision process changes, etc.
- Serves as a basis for performance linked pay or performance rewards.

- Aligning individual and group goals with organizational vision, values, and goals.
- Culture building.
- Leadership development.
- Potential appraisal and development.
- Career planning and development.
- Succession planning and development.
- Team building.
- Planning internal customer satisfaction improvement measures.
- Role clarity and increased accountabilities.

### ***Advantages of the 360-degree or MAFS***

The 360-degree appraisal systems have certain advantages. These advantages are not substitutes for those of traditional appraisals but in addition to them. Normally MAFS should be viewed as supplements to the regular KPA or KRA based appraisal systems rather than as replacements of the same. Additional advantages offered by MAFS are:

- It is more objective than a one person assessment of traits and qualities.
- It adds objectivity and supplements the traditional appraisal system.
- It provides normally more acceptable feedback to employee.
- It can serve all the purposes served by the traditional appraisal system like identifying the developmental needs, reward management, performance development, etc.
- It helps focus on internal customer satisfaction.
- It has the potential of pointing out the supervisory biases in the traditional appraisal systems.
- It is a good tool for enhancing customer service and quality of inputs and service to internal customers.
- It provides scope for the candidate to get multiple inputs to improve his role, performance, styles, and ideas and enhances the acceptability of the individual.
- It is more participative and enhances the quality of HR decisions.
- It is suitable for new organizational cultures being promoted by most world class organizations (participative culture, learning culture, quality culture, competency based performance culture, team work, empowering culture, leadership culture, etc.).

### ***Prerequisites for using 360-degree feedback as OD tool***

360-degree systems need to be approached with great sensitivity. If a person is not well prepared, it can throw her/him off balance. It can also create some new issues in an organization. If not designed and conducted well, it has the potential danger of the candidate developing wrong perceptions or notions about one or more of his assessors and developing new attitudes toward him. It is therefore necessary and important to manage the process well and

make it foolproof. The first important step is to determine if the organization is ready for it. The second important step is to determine if the candidate is ready for it. The following are a few indicators of an organization's readiness for MAFS (Rao and Rao 2000):

1. The top management of the organization is committed to develop the competencies of employees on a continuous basis.
2. The top management is serious about creating opportunities for employees to learn from each other and learn from their mistakes.
3. The top management is willing to invest their time and effort in giving feedback to their own subordinates.
4. The top management and senior managers take the current appraisal system seriously and do all that they are required to ensure its effective implementation.
5. The top management and senior managers conduct their performance review and counseling sessions regularly.
6. The top management is committed adequately to competency building through multi-rater feedback.
7. The top management is willing to subject themselves for an assessment by their subordinates and colleagues.
8. People take feedback supportively and use it for development.
9. People are not likely to use the feedback for playing politics.
10. There is emphasis on team work in the organization.
11. Top management interventions are not looked at with suspicion by the employees.
12. Managers are interested in learning about themselves.
13. Managers take their jobs seriously and learn and there is a high degree of emphasis on competency building.
14. The organization has a history of taking all change management tools seriously and implementing them till the end.
15. People in the organization take feedback seriously and try to benefit from the same.

The collective profiles of various groups of managers give organizational trends. For example, the data for all heads of departments can be combined to study the common strengths and weak areas. These trends can be used to plan other interventions like training and other forms of capacity development. For example, lack of delegation emerged as a common weak area at senior levels of an organization. The organization planned to take this up as a change management goal and organized a series of workshops to help the senior management team to delegate more.

The experience of HCL Technologies (Nayar 2010) is a good illustration of using the 360-degree feedback as OD tool. In HCL, 360-degree feedback was first used as an individual development tool. The feedback was given only to the individual. In the second phase

candidates were encouraged to share their feedback with all those who assessed the candidate. In the third phase the number of assessors giving feedback was enhanced as it was taken as an indication of the sphere of influence of each candidate. In the fourth phase the instrument of feedback was focused to make it more appropriate for the candidates.

Some of the experiences of 360-degree feedback as a change management tool indicate that to make it an OD tool, sustained interest of the top management and HR professionals is essential (Rao, Ramnarayan, and Chawla 2010). Otherwise like many other interventions it may become “Curiosity Tool” and after the first administration the novelty gets lost and it becomes a routine ritual within the organization. To use it as an OD tool, the following actions should be taken:

1. Development and other Action plans should be prepared by each individual and they should be encouraged to include them as part of the Key Performance Areas in the performance plans.
2. The action plans should be shared with the top management in workshops.
3. The implementation of these action plans should be monitored by the top management team.
4. Post feedback activities should be taken as indicators of learning and development effort of the individual. It should be used as indicators of leadership development and for promotion, placement, and other incentives.
5. Departmental or organizational or level wise trends should be analyzed and used for other OD interventions. For example, in Bharat Electronics, the 360-degree feedback is combined with the organizational climate survey. Members from each SBU get together to discuss the improvements required in various areas of their SBU while simultaneously using the 360-degree feedback for self improvements.

## **FACILITATOR-ACTIVE INTERVENTIONS**

Facilitators organize these interventions, help participants reflect and experiment, and monitor and reinforce participants’ changed behavior. Some interventions are more important for everyday application, and we shall devote more space to these—including training, feedback, and counseling.

### **Psychodynamic Methods**

Interventions in the psychodynamic life of individuals probe deep into the past (usually into childhood) and into the inner world of the participants. They are based on the well-known psychoanalytical theories of Freud and other variants like Jung, Eric Berne, and Erickson. These interventions are generally led by well-trained specialists in these fields.

## **Motivation Arousal**

David McClelland (1976) has proposed a very effective intervention to change motivation or individual orientation. The facilitator helps participants analyze their fantasies as expressed by stories they write. (The stories are stimulated by exposing participants to pictures lending themselves to projection.) The stories are analyzed for the needs or motives they reveal (for example, achievement, power, affiliation). Each motive has an associated network of images. The participants become aware of these gestalt and their implications. Then they discuss the consequences and make decisions to increase one need, such as achievement, by changing the associated network through games, action planning exercises, and new imagery. The intervention has proven very effective in prompting change in individuals and, through them, in communities.

## **Training**

Training is probably the most widely used OD intervention. The following aspects of this method need to be highlighted.

### ***Emphasize strategy***

Greater emphasis on strategy is one way to achieve linkage between organizational/individual needs and training efforts. Several questions are asked before training programs are organized:

- What competencies must be acquired by individuals and groups?
- What are the goals of training as jointly determined by the work organization and the training institution?

Such questions yield information about what kind of training should be offered so that an appropriate performance improvement strategy can be devised (Rothwell and Kazanas 1994). There are three phases of training strategy that need detailed planning (Lynton and Pareek 1990):

1. Pre-training phase
2. Training phase
3. Post-training phase

Effective training addresses broad, basic issues, such as purpose, options for encouraging learning, and achieving goodness of fit within the organizational and social contexts that must first support the training and then the developments that training is expected to promote.

### ***Evaluate training***

Measuring the effectiveness of training helps organizations to institute work-based evaluation well after participants have returned from training. It also establishes the total cost of training instead of only the direct costs or fee payments. Total training costs include participants' salaries, travel, and lodging and meal expenses. Also included are the costs of replacing the participants, extra organizational costs, and training overheads. Such realistic cost accounting yields figures at least twice those now commonly used and can quickly lead clients to insist on more effective training.

### ***Ensure organizational readiness for change***

OD consultant should give more consideration to organizational readiness and support for change than they have historically given to these factors. When support is lacking, training does little or nothing to improve performance; but it does increase the frustration of the best participants and motivate them to leave for situations in which competence is valued more. In this larger picture, the quality of training itself is secondary. More is known about how to conduct training effectively than about how to assess organizational readiness and build support for change.

### ***Broaden the trainer's role***

It is important to broaden the trainer's role to include consulting with participant organizations, especially matching participant selection with organizational change strategies and ensuring organizational support for improved performance after training. While effective training depends greatly on corresponding OD efforts, the reverse is also true. OD interventions can be accelerated by developing competent people in key positions. The trainer plays a key role in developing both individuals and organizations.

Recognition of this fact tends to blur the distinction between training and OD and between training and follow-up activities. Trainers will have to become more competent in these related roles and more familiar with—and credible in—work settings. The inclusion of more administrators, line managers, and field staff in training departments or functions can help to build these bridges, so that training and practice can reinforce each other more than they have historically done.

### ***Develop consultant competence in action research***

Four beliefs underlie the position that all OD consultants need to undertake action research (Lynton and Pareek 1990):

- Solutions to problems are more effective and enduring when they emerge from systematic research than when they result from dictates of authority or solely from an OD consultant's intuition.
- Consultant's research on problems contributes more to the solution of these problems than research performed by others.

- Research consists of analyzing problems, searching for solutions, and testing and evaluating solutions. These skills can be learned and developed by OD consultants; research is not the sole prerogative of experts.
- Development of people's capabilities is the basis for improvement in practice.

### ***Take the cultural context into account***

Training should take into account the cultural context in which it is carried out. Training, like OD, is a means of developing or changing culture. However, trainers need to be sensitive to the societal and organizational culture. The training strategy needs to be designed to move step-by-step from where the organization is to where it "should" go. Training can become an important instrument for cultural change provided that it strikes a proper balance between being sensitive to the existing culture and attempting to change norms and values in line with what "should be" (as uncovered through action research).

### **Feedback**

When feelings or perceptions are communicated to individuals about their behavior, performance, or personal styles, this information is called feedback. Interpersonal feedback occurs often in everyday work life. Managers coach their employees on performance; they share perceptions about employee achievements, pointing out strengths as well as areas that require attention or where there is scope for improvement. Opinions about styles and ways of behavior are expressed so that such information may be used. Employees also provide their bosses with feedback about decisions made or actions taken that are (perhaps) perceived differently from the way the bosses intended.

### ***The functions of feedback***

Interpersonal feedback involves at least two persons: one who gives feedback and one who receives it. The main purpose of feedback is to help individuals increase personal and interpersonal effectiveness. However, giving and receiving feedback can be viewed separately. Giving feedback provides data about individual behavior and its effect on others. Such data can be verified by individuals, who can check it with what others think. Feedback also provides opportunities for experimentation. Interpersonal feedback contributes toward improved communication between the two persons involved by establishing openness and promoting interpersonal trust. Effective feedback helps in establishing norms of openness and eventually, in increasing the autonomy of individuals receiving it.

Similarly, receiving feedback fulfills several purposes. It helps individuals (recipients) process the behavioral data they receive from others, such as people's perceptions and feelings about the effect of the individuals' behaviors on them. It builds useful self-awareness among recipients and encourages them to experiment with new behavior to find ways of increasing their personal and interpersonal effectiveness. The effective use of feedback also helps build and integrate the self. Those who receive feedback are encouraged to give feedback to others in

turn. Thus, good feedback leads to greater interpersonal openness. Table 4.3 summarizes these functions of feedback. It is assumed that feedback is given and received with openness and sensitivity.

**Table 4.3** Functions of Feedback

<i>Giving feedback</i>	<i>Receiving feedback</i>
Provides verifiable data about behavior	Helps in processing behavioral data
Encourages data-collection (several sources)	Increases self-awareness
Suggests alternatives to be considered	Increases sensitivity in picking up cues
Improves interpersonal communication	Encourages experimenting of new behavior
Establishes culture of openness	Helps in building an integrated self
Promotes interpersonal trust	Encourages openness
Facilitates autonomy	Develops mutuality

Source: Author.

### ***Making feedback effective: Giving feedback***

Feedback is an interpersonal transaction involving two people. Its effectiveness depends on the behavior and response of both the feedback provider and the feedback recipient. One who gives feedback, such as a manager, can increase its effectiveness by ensuring that it

- is descriptive rather than evaluative,
- is focused on the subordinate’s behavior rather than on him/her as a person,
- concerns behavior that is modifiable,
- is specific and data-based rather than general and impression-based,
- provides data from the manager’s own experience,
- reinforces positive new behavior and what the subordinate has done well,
- suggests rather than prescribes avenues for improvement,
- is continual rather than sporadic,
- is based on need and is elicited by the subordinate,
- is intended to help,
- satisfies the needs of both the manager and subordinate,
- is verified,
- is well timed, and
- contributes to the rapport between manager and subordinate, and enhances their relationship.

### ***Making feedback effective: Receiving feedback***

The effectiveness of feedback depends both on how it is received and used; and how it is given. If the feedback disconfirms the self image or expectation of the recipient, dissonance is created. According to the dissonance theory, when an expectation is disconfirmed, it stimulates psychological tension. Experimental evidence suggests that subjects who receive discrepant

outcomes are tense and uncertain about the permanence of the outcome. Dissonance produces either a confronting or defensive behavior. The feedback recipient may reduce dissonance by reacting in either a defensive or confronting manner. Table 4.4 summarizes defensive and confronting behavior.

**Table 4.4** Defensive and Confronting Behavior in Dealing with Feedback

<i>Defensive behavior</i>	<i>Confronting behavior</i>
Denial	Owning
Rationalization	Self-analysis
Projection	Empathy
Displacement	Exploration
Quick acceptance	Data collection
Withdrawal	Expressing feelings
Aggression with authority	Help-seeking
Humor	Concern
Competition with authority	Listening
Cynicism	Positive critical attitude
Intellectualization	Sharing concern
Pairing	Experimenting relating to group
Results in conflicted self	Results in integrated self

**Source:** Author.

When individuals feel threatened by the feedback they receive (for example, if they are criticized or blamed, or given what they consider negative feedback with which they do not agree), they tend to build a defense to protect themselves from the threat. Freud first introduced and studied the concept of defense mechanisms. When defensive behavior is used to deal with threatening feedback, it acts like painkilling drugs that reduce the awareness of pain but do not address its cause. The same principle applies to defensive behavior, which creates an illusion of having dealt with situations but does not change them. For example, employees accused of low motivation by their bosses may feel threatened. They can reduce the threat by projecting their anger or claiming that their bosses are prejudiced. This defensive response may relieve dissonance but changes neither the situation nor employee behavior. The bosses will continue to feel that their employees are not sufficiently motivated, while employees will feel no behavioral change is warranted.

Hence, defensive behavior reduces anxiety but does not resolve self-conflict. Excessive reliance on defensive behavior is likely to produce a “conflicted self.” On the other hand, if confronting behavior is used, conflict is reduced; over time the feedback recipient forms an “integrated self.” But if both the persons involved in giving and receiving feedback are interested in maintaining a relationship of trust and openness, then defensive behavior undermines that goal, resulting in feedback that is ineffective. Individuals receiving feedback should examine what defensive behavior they use and prepare a plan—preferably with the help of others—for reducing it and moving toward the confronting behaviors indicated in Table 4.4.

## Assessment and Development Centers

Like the 360-degree feedback, Assessment and Development Centers (ADCs) have become very popular new era HR tools. With human resources gaining strategic importance combined with raising costs of talented managers, and their scarce availability, organizations are left with no better alternatives than identifying and grooming talent from within. This has led to the increased use of ADCs and 360-degree tools for developing leadership competencies. Sometimes Assessment centers are used as predictors of fast track managers. However research on the predictive ability of ACs or the 360-degree feedback is scant.

### **Overview of assessment centers**

The Assessment Center methodology has been used by the royals as far back as 1500 years ago (Sawardekar 2002). In Kautilya's *Arthashastra*, different methods of assessing a candidate for ministerial positions have been mentioned including: observation, performance appraisal, and assessment by those who know him, interviewing and other forms of testing.

Every corporation today needs competent managers in strategic roles for the following reasons:

1. To become more competitive as they are increasingly being required to compete with multinationals and locals with better organizational designs, technology, more competent people and rationalized organizational structures.
2. To prepare more and more of middle and senior level managers for senior and top level positions that could give strategic advantage to these organizations.
3. Due to a large number of vacant positions in top and senior levels due to retirements and resignations.
4. The pressure on them to do business more effectively and efficiently through fewer but competent people and rationalized structures.
5. Increased pressure on corporations to perform and benchmark with international standards in terms of per employee productivity and contribution.

Under these conditions, the need for competent managers is paramount. Without competent managers to occupy strategic roles, the survival of the organization may be at stake. Seniority has to be replaced by competence and merit.

It should not be mistaken that an Assessment center implies absolute objectivity in decisions. Assessment centers certainly help in making employee promotions and placement decisions more scientific. Their contributions are more in creating a competence culture rather than mere best-fit decisions. Continuous competence building is a better aim compared to short-term objective promotion decisions. Despite the complexities and sensitivities in using assessment centers, the term ADCs has become quite common in India.

### ***How are assessment centers now different?***

It is only after liberalization in the 1990s that interest in assessment centers got renewed. Many organizations have started setting up their assessment centers. A large number of Asian companies have established assessment centers and many others are still exploring the same. A number of organizations (Ganesh 2004) have well defined assessment centers in India like HLL, Ranbaxy, Citibank, Tata group, HSBC, ICICI, Colgate, and Motorola.

Different organizations initiated assessment centers for different purposes such as recruitment, selection, placement, promotion, career development, performance appraisal, succession planning, and development purposes like identification of training needs, identification of high potential managers, or creating a pool of managerial talent and multifunctional managers who would be available across the business group.

Generally the competencies that are to be measured are determined by each organization by using methods such as job analysis, managerial aptitude profile surveys and identifying competencies in the star performers. A variety of assessment techniques are used in Asian organizations like in-baskets, business simulations, questionnaires, group discussions, role plays, interviews, case studies, and individual presentations. It is important to test reliability and validity of the tools use. Both internal as well as external assessors are used for evaluation. Assessor training is done either through in-house training programs or with the aid of external institutions. Some Asian organizations have also sought assistance from organizations abroad that use assessment centers. Certain criteria are laid down with regard to education, experience, proven track record, etc. for being selected for ADC. Post-assessment center the participants are provided with feedback, counseling, and other developmental inputs.

Earlier assessment centers were used essentially for selection purpose since the traditional methods of assessing candidates were considered inadequate. Since then, the assessment center method has been subjected to considerable scrutiny and research. Due to the high-quality research done in this area and high reported validity, the methodology finds widespread use in a number of organizations. Besides selection, it is used for a variety of purposes, such as: (a) Early Identification of Management Talent, (b) Promotion, and (c) Diagnosis of Developmental Needs.

There are certain issues with assessment center that presently persist in Asian organizations, such as:

- Complexity of implementation
- Clear behavioral description of competencies
- Availability of assessors
- Assessor training
- Inter-rater reliability
- Appropriateness of selection tools
- Validity of exercises

- Organizational commitment in terms of time and resources
- Involvement of line managers
- Feedback to participants
- Data security

A recent study based on data gathered from three organizations that have conducted assessment centers as well as 360-degree feedback indicated that all the three organizations used ADCs and 360-degree feedback as development tools (Rao, Ramnarayan, and Chawla 2010). In all these organizations, competency mapping was done and the common competencies were identified using behavior indicators. Tools were developed to assess the competencies. The competencies were assessed for each candidate by external assessors in an assessment center setting. They were also assessed by their seniors, juniors, and colleagues on the same competency model used by the assessment centers, but with specially designed tools. Results did not indicate any definite pattern. The results lead to the conclusion that past performance as assessed by 360-degree feedback is not necessarily a good predictor of future potential as assessed by the assessment centers. The findings seem to be valid irrespective of the nature of competencies assessed and across various categories of employees. The results suggest that 360-degree feedback and ADCs should be treated as separate development tools.

ADCs can be used as potential organization development tools. ADCs could be conducted exclusively for developing a competency based organization by giving feedback to a set of individuals at certain levels chosen by the organization and prepare them for future roles. For example, some organizations observed that their managers were technically very sound but lacked commercial acumen and entrepreneurial skills. Rather than labeling all the managers as lacking business skills, they conducted an ADC and shared the feedback with them. When they designed organization-wide interventions to develop commercial acumen, strategic thinking, and entrepreneurial skills; it became a motivating factor for participants to participate well in these development programs. It encouraged them to undertake projects that helped them in cultivating these skills.

ADCs can also be used as induction or integration tools when new employees join or when promotions are affected. These assessments give an indication of the existing competencies as well as the competencies the individual needs to develop.

## **Coaching and Mentoring**

Workers and managers alike develop themselves by interacting with those they admire and by building trusting relationships with people who nurture, support, and guide them. When developing employees, there is no substitute for the dyadic relationship. It differs from training in its sheer intensity, its focus on establishing mutual understanding, and its confidentiality.

Although frequently associated with efforts to develop young people, such relationships can help anyone. When young people join organizations, they need guidance and support from experienced people whom they admire, can confide in, and receive advice from. Such a

relationship is called mentoring, and the senior person is called a mentor. The word has its origin in Greek mythology. Before going on a 10-year voyage, Odysseus left his son Telemachus in the care of an old man named Mentor, who not only helped the boy become a competent young man but also saved his life. This relationship became a model for what is now widely known as mentoring. The concept of mentoring centers around the emotional support and guidance given by an older, more experienced person to a younger, less experienced person called a protégé. Mentors need not be, and preferably should not be, the protégé's supervisor.

However, employees also need to develop trusting and supportive relationships with their supervisors, who can set challenging work goals, provide support to achieve them, help analyze barriers to higher performance, and plan goals for the future. This process is called coaching, defined as the help supervisors provide to their subordinates by analyzing and guiding on-the-job performance. While mentoring centers around general development and psychological well-being, coaching is linked to the analysis of job performance and identification of training needs.

Mentoring affords an opportunity for individuals to share their concerns and receive moral support and guidance for their development. Mentoring begins when a trusting relationship is established. Mentors model behavioral norms for their protégés. They also listen to their protégés' personal and job concerns, help them search for solutions to problems, share relevant experiences, respond to their emotional needs without making them dependent on the mentors, and cultivate long-lasting yet informal personal relationships.

On the other hand, coaching provides a non-threatening climate in which subordinates can freely express their tensions, conflicts, concerns, and problems to their supervisors. Coaching helps subordinates understand their strengths and weaknesses while increasing their understanding of the work environment. Coaching also serves to:

- Increase the subordinates' personal and interpersonal effectiveness by giving feedback about their behavior and assistance in analyzing their interpersonal competence.
- Review the subordinates' progress in achieving work objectives.
- Assist in generating alternatives and a final action plan for dealing with identified problems.
- Encourage subordinates to set goals for continuous improvement.
- Contract to provide whatever support subordinates need while they implement action plans.
- Help subordinates realize their potential.

Both coaching and mentoring involve support offered to a person by someone who is senior in competence, experience, expertise, or position. Three processes are central to successful coaching and mentoring: communication, empowering, and helping. Communication means giving messages (asking questions or giving feedback and responding) and receiving messages (listening). Empowering involves enabling others to exercise their autonomy, providing positive reinforcement so that desirable behavior is strengthened, and helping people learn from the behaviors of mentors or supervisors by identifying with them. Helping behavior

stems from the mentors' or supervisors' concern and empathy for employees. It is also based on mutuality in the relationship; for example, the employee responds as much to the manager's needs as the manager responds to the subordinate's needs. It primarily involves identification of the employees' developmental needs so that they develop and enhance their effectiveness.

### ***Nurturing and helping***

Coaching is essentially helping, and helping involves several processes. If managers do not feel positive regard for their employees, they cannot provide effective coaching. Coaches show concern by empathizing with their subordinates, reflected in the questions they ask and the tone of the conversation. Managers should constantly ask themselves how much concern and genuine empathy they feel for the employees whom they counsel. Without genuine concern, coaching will degenerate into a ritual and not achieve its goals. Coaching means helping, but it also means receiving help. It cannot be effective unless both people involved in a coaching relationship feel free to ask for help and offer it to each other. Mutuality is based on trust and the genuine perception that each person has something worthwhile to contribute to the relationship. Although counselors occupy superior positions, they continue to learn and receive help from those whom they counsel.

Mutuality can be cultivated through special techniques. Morrisey (1972) has suggested a few—"you-we technique"; "secondhand compliment"; "advice-request technique"; and "summarizing." In the you-we technique, the manager uses "you" to compliment the subordinate but "we" to designate a need for improvement: "*You are doing a great job*"; "*We have a problem.*" The secondhand compliment means relaying a compliment through a third party: "*Your colleagues in the materials department say that you've done an excellent job for them.*" The advice-request technique means asking a subordinate for suggestions and advice about a performance issue. Finally, summarizing at the end of the coaching session helps to clarify what decisions have been made and who has assumed what responsibilities. Summarizing integrates the entire discussion.

### **The Sequential Phases of Coaching**

Coaching helps subordinates grow and develop in the organization. Every manager coaches subordinate, either knowingly or unknowingly, everyday. An effective manager, functioning as a coach, helps subordinates to grow more aware of their strengths and limitations, and then improve on their strengths and overcome their weaknesses. By establishing mutuality and providing support as well as maintaining the proper emotional climate; managers help their subordinates to develop. Mutuality involves working with each subordinate to develop action plans for his/her growth in the organization; support involves accepting subordinates the way they are—including their strengths and weaknesses—and encouraging each subordinate with warmth.

Coaching requires certain interpersonal skills. OD practitioners can help managers acquire these skills, assuming managers are genuinely interested in developing their subordinates.

These skills are particularly important at the time of performance review. Although a good manager coaches subordinates regularly whenever the need arises, a formal performance review provides an important opportunity for coaching. Such a review passes through phases corresponding to skills needed by the manager: rapport building, exploring, and action planning. Table 4.5 presents the three phases, the activities that characterize them, and the coaching behaviors that help and hinder each activity. The following paragraphs discuss the three phases in more detail (Pareek and Rao 1990).

### *I. Rapport building*

In the rapport-building phase, managers attempt to establish a climate of acceptance, warmth, support, openness, and mutuality. That is done by adopting the subordinate's frame of reference, by listening and becoming attuned to the subordinate's problems and feelings, by communicating their understanding to the subordinate, and by expressing empathy for (and

**Table 4.5** The Sequential Phase Performance Coaching

<i>Phases</i>	<i>Helpful behaviors</i>	<i>Hindering behaviors</i>
<b>Rapport Building</b>		
Attending	Observing rituals; Conversing about personal matter; Smiling	Discussing behavior immediately
Listening to feelings, concerns, problems	Indicating physical attention (posture); Maintaining eye contact; Responding (verbally and non-verbally); Eliminating or avoiding telephone calls, noise, disturbances	Indicating distraction (paying attention to other things, such as telephone calls); Signing letters; talking to others during conversation
Accepting	Communicating feelings and concerns; Paraphrasing feelings; Sharing own experiences	Failing to respond; listening passively for a long period
Exploring Investigating	Mirroring or paraphrasing; Asking open questions; Encouraging subordinate to explore	Criticizing; Avoiding or hedging
Identifying problem	Asking questions to focus on specific problem; Encouraging the subordinate to generate information	Suggesting what the problem is
Diagnosing	Asking exploratory questions; Generating several possible causes	Suggesting the cause
<b>Action Planning</b>		
Searching	Generating alternative solutions; Asking questions about possible solutions	Advising
Decision-making	Asking questions about feasibility, priority, pros and cons; Discussing solutions and jointly choosing one; Discussing an action plan; Establishing a contingency plan	Directing; Devising an inflexible plan and holding the subordinate to it
Supporting	Identifying specific help that will be needed; Monitoring; Creating a contract to provide specific support	Promising general help

Source: Author.

genuine interest in) the subordinate. Managers should thus strive to foster the confidence of their subordinates so that they open up and frankly share perceptions, problems, concerns, and feelings. Three basic managerial activities are involved in this phase:

1. **Attending:** In setting the stage for a coaching session, managers should attend to their subordinates and show that they consider the session important. A coaching session is generally held in a private office, where a manager can begin by offering the subordinate a chair, closing the door to ensure privacy, and asking the secretary not to allow phone calls or other disturbances. All such rituals must come from the manager's genuine concern for the subordinate. Most subordinates can tell when the manager is merely playing the part of concerned coach.
2. **Listening:** Active listening is essential to effective coaching. Managers demonstrate active listening by leaning forward and maintaining eye contact. Managers must also remember to concentrate on the non-verbal as well as verbal messages.
3. **Accepting:** Establishing a climate in which employees feel accepted is a necessary part of establishing rapport. Subordinates must feel that they are wanted, that expressing differences of opinion is acceptable, and that their managers are interested in understanding them as people rather than as mere role incumbents. Managers establish this climate by using active listening and by paraphrasing, mirroring, or reflecting their subordinates' messages. This approach makes subordinates feel understood and valued, and creates a climate that facilitates the coaching process.

## *II. Exploring*

In the exploring phase managers help their subordinates understand themselves and their performance problems. At this point managers deal with their subordinates' strengths, weaknesses, and needs. This phase requires great skill from managers. No one enjoys being told about weaknesses, so managers often find it preferable to assist subordinates discover them. The following activities are characteristic of this phase:

1. **Investigating:** Managers help their subordinates to investigate performance problems and surface their special concerns, by asking open questions and encouraging subordinates to talk about issues concerning them.
2. **Identifying the problem:** After investigating, managers should ask questions designed to help their subordinates focus on specific problems. These questions should make the problem more specific and generate information about it. For example, if a subordinate feels others are uncooperative, the manager should pose questions crafted to narrow the problem down to the subordinate's relationship with co-workers. Follow-up questions may be used to help subordinates discover how their behaviors hinder cooperation.
3. **Diagnosing:** Identifying and investigating a problem should lead to diagnosis. Without diagnosis there is no basis for problem solving. Again, open questions are useful. To give a few examples:

- i. Why do you think people are put off when you talk with them?
- ii. Can you recall occasions when you received full cooperation?
- iii. What might account for the cooperation you have received?
- iv. What personal limitations especially bother you?

Ultimately, diagnosis leads to the generation of several alternative causes of a problem.

### *III. Action planning*

In the action planning phase, managers and their subordinates jointly plan specific action steps designed to solve the performance problem and further the subordinates' development. Three activities are involved in the action planning phase:

1. **Searching:** During searching, managers help their subordinates think of solutions to problems confronting them. Several solutions may be discussed. Among them: training, job rotation, increased responsibility, or role clarification. Generating solutions should be the primary responsibility of subordinates. Managers should offer suggestions only when subordinates seem to run out of ideas.
2. **Decision-making:** After solutions have been generated, managers should help their subordinates assess their advantages and disadvantages, raise questions about the feasibility of the solution, and finalize a step-by-step action plan. Both the managers and subordinates should realize that action plans may require revision after implementation has begun.
3. **Supporting:** In the final stage of coaching, managers offer support to their subordinates to implement the action plan agreed on. After considerable discussion, managers and their subordinates should create contracts that detail what support the manager will provide as well as how implementation will be monitored and followed up. After the contract has been created, the coaching session is brought to a close.

### *The process of mentoring*

Levinson (Levinson et al. 1978) have contributed the most to the understanding of the mentoring process. Levinson's concept of a mentor includes roles such as teacher, sponsor, counselor, host, guide, exemplar, developer of skills and intellect, and (most importantly) supporter and facilitator. Mentoring integrates characteristics of the parent-child and peer support relationships without being either. According to Levinson, young people who do not have mentors during their formative years face a great handicap to their psychological and career development.

Although some young people may search for and discover appropriate mentors on their own, enlightened organizational leaders are now paying more attention to mentoring. Generally, high-potential young managers are assigned to mentors, who are senior in position and age and sometimes occupy positions that are several levels senior to the protégé. Mentors are not necessarily from a protégé's department but are selected for their interest, availability,

and “mentoring competence” (image of competence, empathy, and ability to provide emotional support). One mentor may have not more than five protégés.

There are two main phases in the mentoring process—dependence and interdependence. (Counter dependence may be an intermediate phase in some cases.) During dependence phase, the protégé’s admiration for mentors is followed by identification, obtaining guidance, and checking alternative action ideas with them. The interdependence phase is characterized by trust building. At this point, mentors and protégés collaborate and provide mutual emotional support. When mentors are overwhelming and overpowering, counter-dependence may develop before interdependence. Protégés reject their mentors and develop their own independence. To reach interdependence, protégés must search for their own identities and come to appreciate the mentor’s role, and their relationship. Several persons who had famous mentors passed through the counter-dependence phase. Some could not progress to interdependence. The mentoring process is quite similar to the coaching process. The phases in coaching are also applicable to mentoring. The ultimate goal of both coaching and mentoring is to help employees attain psychological maturity and effectiveness.

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## Role-focused OD interventions

Udai Pareek

Every organization functions through its people. People function through the roles assigned to them or taken by them and through the teams or departments and other forms of divisions. Effective functioning of an organization depends on how well various roles are performed individually as well as in teams and how the organizational goals are achieved. Role is a point of linkage between the individual and the organization. How well a particular role is performed determines both individual and organizational effectiveness. For example, when departmental manager functions well both department and the individual occupying the role get credited. Despite the importance of “Role” as a concept, study of roles has not always received its due importance.

A large volume of literature is available on OD interventions, but role as the focal unit of OD has been rarely discussed. Schmuck and Miles (1971) mention role as one of the 6 units in their 432-cell cube. But interventions focused on roles have not been developed and suggested. French, Bell, and Zawacki (1989) have described three role-related interventions under team interventions: (*a*) role analysis (Dayal and Thomas 1968), (*b*) role negotiation (Harrison 1971), and (*c*) renegotiation (Sherwood and Glidewell 1973). An individual entering an organization gets integrated through his/her role, and the degree of integration depends on the dynamics of the role (Pareek 1988). The role, therefore, deserves independent attention in organization development.

### **CHARACTERISTICS OF ROLE-FOCUSED INTERVENTIONS**

Various interventions suggested here primarily focus on organizational roles, although some can also be used in dealing with the problems related to an individual’s non-work roles. These interventions should not be seen only as techniques; they represent an approach and a philosophy of working in an organization. The issues that are particularly relevant in role interventions are:

1. **Mutuality versus exclusiveness:** Role interventions attempt to build mutuality amongst the roles and role holders. Giving and receiving help is possible only in a relationship of mutuality. Mutuality is a function of trust, and a perception of the importance and power of the other role as well as one's own. If a role occupant perceives the other role or her/his own to lack power, other kinds of relationship may develop between the two roles.
2. **Creativity versus conformity:** Role interventions attempt to stimulate persons in an organization to look for new solutions to the problems they face in working together. The emphasis is on attempting alternative ways of solving a problem. Creativity is related to internal focus of control. It can be achieved by looking at the problems from different angles, and this is what role analysis stresses.
3. **Confrontation versus avoidance:** The main philosophy underlying role intervention is that problems can be solved if they are brought to the surface and a conscious attempt is made to search out a solution. Instead of avoiding the problems either by not looking at them or by working on non-issues, these interventions attempt to help the various role occupants confront their problems in order to find a solution. According to this approach, confrontation of a problem is necessary to reach a lasting solution.
4. **Exploration versus expectation of readymade solutions:** Role interventions attempt to help people evolve a solution themselves rather than expect any such solution from experts or from other persons in the organization. Effective solutions can come about only through exploration rather than through acceptance of an ideal solution. Exploration implies a joint effort at understanding the problem and weighing the alternate solutions.

Role interventions use a structured approach along with process orientation. Although the various steps involved in these interventions are aimed at generating data by using structured exercises, the work on the data involves group work, and the solutions can only be achieved through process-oriented work on the problems brought to the surface by the structured exercises. By using the structured exercises, the usual threats that emerge from process work are reduced. Confrontation of the problems and issues of inter-role relationships are brought up during the discussion in which process interventions by a consultant become important.

## **ROLE ANALYSIS**

The definition of role in terms of expectations from the member of the role set (the role occupant also being a role sender) requires that a role be defined by such expectations. This can be done through role analysis which may help evolve an agreed understanding of the main functions of a role (called "key performance areas" or "key result areas"), the critical attributes the role occupant should have or develop in order to perform the role effectively, and the discrepancy between the expectations and the performance.

In recent years various terms are being used in place of Role Analysis. These include “Task Analysis” and “Competency Mapping.” The focus of task analysis is the same as role analysis and follows almost similar steps. The difference if any is that task analysis focuses on the tasks or Key Performance Areas (KPA) assigned to the individual, and organizational sanction or approval by the management.

For example, in the Ministry of Health in Indonesia, this intervention was used as task analysis. In this intervention the entire team of the Province of Java and West Sumatra were trained to conduct task analysis for various roles and a Directory of roles prepared for various functionaries at the State (Province), District, and Block (Puskesmas) levels. The health staff was trained to conduct the task analysis and the results were used to determine the training needs as well as to develop performance appraisal and other systems.

The same approach is currently being used as a part of competency mapping (TVRLS 2003). In competency mapping while the process is similar to role analysis, the focus is on competencies (knowledge, attitudes, skills, values, motives, self concept, and the like) and their indicators. As most organizations in the contemporary world are trying to build high performance work culture and competency based organizations, competencies have become all the more important. In competency mapping, the exercise ends with listing of competencies for each role and behavior indicators. For instance, in a constantly evolving IT firm, “Flexibility and Adaptability” might be the required competencies for a senior manager. The behavior indicators associated with these competencies are as follows:

- Rearranges her/his schedule to meet the needs of the business.
- Responds quickly to situations created by changes in market conditions.
- Adapts to the working styles of the people s/he supports.
- Is willing to put work aside and proactively help others.

The behavior indicators are used to design various HR and OD interventions to meet the exact requirements of the organization. Role analysis offers several advantages to the organization. It helps the organization to:

- bring role clarity for the role occupants (focal roles);
- bring clarity across functions between the related roles in the organization;
- bring greater understanding of the expectations from the focal role as seen by the members who are affected by the performance of the focal role;
- build trust, collaboration, team spirit, and internal customer orientation;
- set clear objectives for planning of work, its monitoring, and review;
- give and receive objective feedback on performance;
- facilitate realistic identification of training and development needs; and
- aid potential appraisal, career planning, and succession planning.

## APPROACHES TO ROLE ANALYSIS

Different approaches have been used for role analysis. Some of these approaches are discussed here.

### Role Analysis Technique

Role Analysis Technique (RAT) has been suggested by Dayal (1969) for clarifying the roles of top management in an organization. Role analysis is a structured exercise that provides:

1. an overall picture of expectations from role and the rationale for the existence of that role;
2. the contribution of the role to the achievement of the overall departmental/business group/functional/company goals; and
3. the inter-linkages to other related roles in the organization.

### Steps in RAT

This technique follows the following steps:

1. Analysis of the role by the occupant in terms of the main functions of the role, its place in the organization, the rationale of its existence, and its place in the achievement of the overall organizational goals. (If there are several role occupants, the main expected functions—“prescribed” and “discretionary”—and behavior are listed and discussed by the entire team to evolve an agreed list.)
2. Discussion by the group of the role occupants’ expectations from the other roles in their role set with a view to arrive at a consensus.
3. Development of consensus regarding the expectations of the other roles in the role set from the role occupant (functions and behavior).
4. Preparation of a role profile by the role occupants of their roles, consisting of (*a*) a set of activities classified as the “prescribed” and “discretionary” elements of the role, (*b*) the obligation of the role to each role in the set, and (*c*) the expectation of this role from the others in its set.

### Role Analysis Process

The role analysis process (RAP) includes the following steps:

1. **Preparation:** This involves (*a*) identifying the focal role (the role for which you are carrying out the role analysis exercise) and its current role occupant; (*b*) identifying

the other roles in the role set of the focal role, including the various roles that have expectations from the focal role: the boss, direct subordinates, and peers (colleagues) having frequent interactions; and (c) bringing together the role members as above for role analysis, and (getting the role occupant to fill in the relevant particulars in the various forms (see Annexure 5.1).

2. **Mission statement of the focal role:** All the members of the role set develop through discussion a mission statement for the focal role. The statement reflects the substance of the major contributions of the role that justify its purpose and existence in the organization.
3. **Expectations of the focal role (Form 1):** This involves filling up of the role expectations form (Form 1) by the focal role by writing what he/she expects to do in the role. These form the “key functions”: broad groups of activities that reflect the main contribution of the role toward the departmental/organizational goals.
4. **Expectations of other role set members (Form 2):** The facilitator simultaneously distributes a copy of the role expectations form (Form 2) to each role set member and helps them to write down their expectations from the focal role. The behavioral norms and critical attributes for the focal role are noted on the same form. Behavioral norms identify the behavior expected from the focal role occupant for his/her effectiveness. Critical attributes are key competencies, experience, qualifications, etc. that the focal role occupant should possess to be effective in the role.
5. **Consolidation of expectations (Form 3):** After the focal role and the other role set members have completed writing their expectations, they need to be consolidated and discussed. The following steps are involved:
  - Collect the filled-in role expectations forms from the role set members and hand over to the focal role occupant.
  - Facilitate an open discussion between the focal role occupant and the other role set members.
  - Based on the consensus, facilitate the focal role occupant to consolidate the role expectations on Form 3.
6. **Consolidation of behavioral norms:** After discussion in the role set group, the focal role occupant consolidates the behavioral norms suggested by the other role set members on Form 2. The agreed behavioral norms consolidated as above are written by the role occupant on Form 3.
7. **Preparation of critical attributes:** After discussion in the role set group, the focal role occupant consolidates the critical attributes suggested by the other role, set members on Form 3.

The agreed critical attributes consolidated as above are written by the role occupant on Form 3.

## Comprehensive Role Analysis

Comprehensive role analysis (CRA) is a six-step model of role analysis:

- Contextual analysis (mission, goals, and tasks of the organization).
- Activity analysis (activities performed by the various roles, identified by the role occupants, role set members and outside experts through interviews, diaries, log books, and questionnaires).
- Competency analysis (knowledge, skills, abilities, orientation, and experience needed to perform a role effectively).
- Performance analysis (indicators of process and outcome indicators of role performance).
- Function/task delineation (grouping activities into broad functions).
- Discrepancy analysis (between activities reported by different resource persons, the importance given to and the time spent on activities, the existing and required competencies, etc.).

In this model, functions are derived from activities, whereas in the earlier model they are first determined and the activities then listed (Pareek 1988).

## Role Efficacy Lab

The integration of a person and her/his role comes about when the role is able to fulfill the needs of the individual, who in turn is able to contribute to the evolution of the role. The more we move from role taking (responding to the expectations of the other persons) to role making (taking initiative in designing the role more creatively in a way that the expectations of the others as well as of the role occupant are integrated), the more the role is likely to be effective.

Effectiveness of a person in a role will depend on his/her own potential effectiveness, the potential effectiveness of the role, and the organizational climate. The potential effectiveness can be called efficacy. While “Personal efficacy” would mean potential effectiveness of a person in personal and interpersonal situations; “Role efficacy” means the potential effectiveness of an individual occupying a particular role in an organization, the psychological factor underlying role effectiveness, or the potential effectiveness of a role. The following 10 dimensions constitute Role efficacy (TVRLS 2003):

### 1. Self-role integration

- When the Role provides individual with greater opportunity to use his/her special strengths
- Integration between Self and the Role leads to higher role efficacy

- Distance between the Self and the Role leads to low role efficacy
2. **Proactivity**
    - Proactive Behavior (taking the initiative) contributes to higher efficacy
    - Reactive Behavior (responding to the expectations of others) contributes less to efficacy
    - Lack of opportunity to take initiative leads to low efficacy
  3. **Creativity**
    - Opportunity for creativity and innovation increases role efficacy
    - Performing only routine tasks becomes harmful for high role efficacy
  4. **Confrontation**
    - Confronting problems and reaching a relevant solution contributes to higher role efficacy
    - Avoiding problems or shifting problems to others leads to low role efficacy
  5. **Centrality**
    - Person's perception of the role as central to the organization contributes to high role efficacy
    - Person's perception of the role as peripheral is likely to lead to low role efficacy
  6. **Influence**
    - The more influence/power a person is able to exercise in the role, the higher the efficacy
  7. **Personal growth**
    - Person's perception of the role as providing opportunity to grow and develop leads to higher role efficacy
    - Person's perception that the role does not provide the opportunity to develop contributes to low role efficacy
  8. **Inter-role linkage**
    - Linking one's role with others' increases efficacy
    - Joint efforts in identification of problems, problem solving, etc., increases role efficacy
  9. **Helping relationship**
    - Person's perception that help is available when needed, leads to higher role efficacy
    - Person's perception that respondents are hostile leads to low role efficacy

## 10. Superordination

- Opportunities to work for superordinate goals have the highest role efficacy
- Person's perception that performance in a role is of value to organization, leads to higher efficacy

Role Efficacy Lab (REL) can be used to develop work commitment. REL is a short process-oriented program to diagnose the level of role efficacy in a group of employees (generally managers) in an organization, and to take steps to raise that level. We have found a three-day REL useful for this purpose, although the lab can be of longer duration if some other aspects are included in it. One design of a three-day REL (about 20 hours) is given in Box 5.1.

The last item in the REL is aimed at (*a*) sharing of thoughts and of individual as well as group commitments with the top managements, (*b*) creating an opportunity to get moral support and reinforcement from the top management, and (*c*) creating an opportunity for the top management to comment on and explain why certain expectations are unrealistic and therefore unattainable, and to announce their own action plans to do something about the other suggestions. It is necessary to ensure that the action suggestions generated for the top management relate to the role efficacy aspects. There is a temptation for the group to use the dialogue as an opportunity to settle some other issues, but these defeats the original purpose of the dialogue. It may therefore be useful to critically review what will be communicated to the top management.

The dialogue may be useful if three to five representatives of the management meet with about the same number of participants in the presence of the entire group. An empty chair may be provided for any member who has an urge to speak something, but the dialogue must be confined to the group of 6 to 10 persons. It is also necessary to prepare the top management for the dialogue. They should be prepared to examine the suggestions, and take action on some of these. It may be useful to communicate from time to time the action taken. The top management should feel committed to such action as much as they expect the participants to honor their own action commitments.

After a REL, follow-up and reinforcement in the form of an annual one-day conference reviewing the experiences of attempts at role efficacy may be helpful. In such a conference, the top management can also share what they did in order to increase the role efficacy of their employees. Monthly bulletins can be issued to report successful experiences in increasing role efficacy, especially highlighting one aspect every month (centrality, proactivity, etc.).

It is important to work on role efficacy from the point of view of a role occupant, just as it is important to work on role efficacy before redesigning the role. Role efficacy may be low because the role occupant may be unable to either perceive those aspects, to use her/his own power to build those aspects in the role. Providing the necessary counseling and support in planning action to build these aspects (by the individual) help. For example, if the person perceives that linkages with other roles are weak, it may be useful to work with her/him on

**Box 5.1** Role Efficacy Lab: A Suggested Design

**Day 1**

1. Writing an essay on My Role, completion of Role Efficacy Scale for subordinate roles, and other instruments (1 hour)
2. Microlab (1 hour)
3. About the REL (1/2 hour)
4. The concept of role efficacy, its aspects, and scoring method session with discussion and examples (1 1/2 hours)
5. Scoring one's own essays (3/4 hour)
6. Exchange of essays in triads, and scoring (1 hour)
7. Plenary session, discussing some essays (3/4 hour)
8. Scoring of RES (1/2 hour)

**Day 2**

1. Small group-work on own and subordinates' roles to identify areas for strengthening (1/2 hour)
2. Plenary session, reporting and integrating (3/4 hour)
3. Work on increasing one's role efficacy (1 hour)
4. Work on increasing efficacy of subordinate roles (3/4 hour)
5. Force field analysis for role efficacy in the organization (small groups) (3/4 hour)
6. Plenary session (3/4 hour)
7. Work on expectations from the organization (in three or more of 8–10 groups) (3/4 hour)
8. Plenary session (3/4 hour)

**Day 3**

1. Consolidating recommendations and action suggestions (in three groups) (3/4 hour)
2. Plenary session for finalization (1 hour)
3. Action planning for role efficacy (individual, then group work) (1 hour)
4. Review of action plans and collaborative plans (1 hour)
5. Preparation for dialogue with top management (1 hour)
6. Dialogue, evaluation, and closing (2 hours)

**Source:** Prepared by S. Ramnarayan based on Maurer (2010).

what can be done to build stronger linkages with the other roles. If s/he feels that a role does not provide opportunities to learn new things or to grow, s/he can be helped to look at parts of the role which may contribute to these aspects. The purpose of such counseling is to help the individual realize what prevents her/him from being effective, and take necessary steps without waiting for the role to be redesigned in order to have a higher role efficacy. Such counseling may become a part of performance counseling (Pareek 1975).

Experience with REL indicates the following:

1. Enhanced role making and enhancement of human talent utilization.
2. More participative culture.
3. Redesigning or organizational processes to provide more challenges for employees.
4. Creation of a high performance work culture and the like.
5. Employees are likely to take more initiative, feel more central, and get higher levels of job satisfaction through lining their work with larger goals and a sense of purpose.

## **MANAGING ROLE STRESS: ROLE STRESS BASED INTERVENTIONS**

Even as stress is inevitable in today's complex life, so is it necessary for human progress, as in a musical instrument where an optimum stress is needed to produce good music—loose wires (less stress) might result in screeching. A distinction has been made between productive or functional stress (stress of creative work, entrepreneurial activities, competitive games, etc.) and dysfunctional stress (stress of boredom, unmanageable conflicts, overwork, etc.). The former has been called “eustress” and the latter “distress” (Pareek 1993).

Role can be defined as a set of functions which an individual performs in response to the expectations of the significant members of a social system and her/his own expectations about the position s/he occupies in it. There are two concepts more popularly used in the role analysis language: role space and role set. Role space consists of all the functions, processes, and people associated with the role and various roles the individual performs at a given point of time and can be conceptualized as a single entity. Role set is all the members who have expectations from the role holder and his/her obligations to them. These can be considered as two systems in relations to role. The concepts of role and the two role systems have a built-in potential for conflict and stress.

### **Role Space Related Stress and Conflicts**

Role space—the dynamic relationship among the various roles an individual occupies and her/his self—has three main variables: self, the role under question, and the other roles s/he occupies. Any conflicts amongst these are referred to as role space conflicts of stress. These conflicts may take the following forms:

#### ***Self-role distance***

This stress arises out of the conflict between the self concept and the expectations from the role, as perceived by the role occupant. It results from mismatch between the self and the requirements of the job. For instance, a member of PETA (People for the Ethical Treatment of Animals) in the role of marketing manager of KFC (Kentucky Fried Chicken) might suffer from self-role distance.

### ***Intra-role conflict***

Since an individual learns, to develop expectations as a result of her/his socialization and identification with “significant” others, it is quite likely that s/he sees certain incompatibility among the expectations (functions) of her/his role. For example, a professor may see incompatibility between the expectations of teaching students and of doing research. These may not be inherently conflicting, but the individual may perceive these as incompatible.

### ***Role stagnation***

As the individual grows older, s/he also grows in the role that s/he occupies in an organization. With the advancement of the individual, the role changes. And with this change in role, the need for taking up a new role becomes crucial. This problem of role growth becomes acute especially when an individual who has occupied a role for a long time enters another role in which s/he may feel less secure. However, the new role demands that an individual outgrows the previous one and takes charge of the new role effectively. This is bound to produce some stress. In organizations which are fast expanding and which do not have any systematic strategy of manpower development; managers are likely to experience this stress of role stagnation when they are promoted.

### ***Inter-role distance***

Where an individual occupies more than one role, there are bound to be conflicts between the different roles. For example, a lady executive often faces the conflict between her organizational role as an executive and her familial role as a wife and a mother. The demands of her husband and children for sharing her time may be incompatible with the organizational demands. Such inter-role conflicts are quite frequent in a modern society, where an individual is increasingly occupying multiple roles in various organizations and groups.

## **Role Set Conflicts**

The other field which is important vis-à-vis an individual’s role is the role set which consists of important persons who have varying expectations from the role. The conflicts which arise as a result of non-compatibility amongst these expectations by the “significant” others (and by the individual herself/himself) are referred to as role set conflicts. These conflicts take the following forms:

### ***Role ambiguity***

When the individual is not clear about the various expectations that people have from her/his role, the conflict that s/he faces is called role ambiguity. Role ambiguity may be due to lack of information available to the role occupant, or due to lack of understanding of the “cues” available to her/him, and may be in relation to activities, responsibilities, priorities, norms, or

general expectations. Generally, role ambiguity is experienced by persons occupying roles that are undergoing change, or process roles (with less clear and concrete activities).

### ***Role expectation conflict***

When there are conflicting expectations or demands by different role senders (persons having expectations from the role), the role occupant may experience this stress. There may be conflicting expectations from the boss, subordinates, peers, or clients.

### ***Role overload***

When the role occupant feels that there are too many expectations from the “significant” others in her/his role set, s/he experiences role overload. Role overload has been measured by asking people questions about their feelings on whether they could possibly finish the work given to them during a modified work day and whether they felt that the amount of work they did might interfere with how well it was done. Most executive role occupants experience role overload. It is more likely to occur where role occupants lack power, where there are large variations in the expected output, and when delegation or assistance cannot procure more time.

### ***Role erosion***

A role occupant may feel that the functions which s/he would like to perform are being performed by some other role. The stress felt may be called role erosion. Role erosion is the subjective feeling of an individual that some important role expectations s/he has from the role are shared by other roles within the role set, and is likely to be experienced in an organization which is redefining its role and creating new roles. Studies indicate that the stress of role erosion was inevitably felt in several organizations which were redefining their structure. In one organization, a particular role was abolished and in its place two roles were created to cater to the executive and planning needs. This led to great erosion and a feeling that the new roles were less important as compared to the previous role.

### ***Resource inadequacy***

Resource inadequacy stress is experienced when the resources required by the role occupant for performing the role effectively are not available; these may be information, people, material, finance, or facilities.

### ***Personal inadequacy***

When a role occupant feels that s/he is not prepared to undertake the role effectively, s/he may experience this stress. The role occupant may perceive lack of knowledge, skills, or training, or that s/he has not had time to prepare for the assigned role. Persons who are assigned new roles without enough preparation or orientation are likely to experience this type of stress.

## ***Role isolation***

In a role set, the role's occupant may feel that certain roles are psychologically closer to her/him, while others are at a much greater distance. The main criterion of distance is the frequency and ease of interaction. When linkages are strong, the role isolation will be low and in the absence of strong linkages, the role isolation will be high. Role isolation can therefore be measured in terms of the existing and the desired linkages. The gap between the desired and the existing linkages will indicate the amount of role isolation.

## **Organization Role Stress Scale (ORS Scale)**

The Organizational Role Stress Scale (ORS Scale) can be used to measure the role stresses of the employees (Pareek 1983). It consists of following 10 stresses with respect to organizational roles:

1. Self-role Distance (SRD)
2. Inter-role Distance (IRD)
3. Role Stagnation (RS)
4. Role Isolation (RI)
5. Role Ambiguity (RA)
6. Role Expectation Conflict (REC)
7. Role Overload (RO)
8. Role Erosion (RE)
9. Resource Inadequacy (RIn)
10. Personal Inadequacy (PIn)

The ORS Scale contains five items for each role stress (a total of 50 statements) and uses a five-point scale (zero to four). Thus the total scores on each role stress range from zero to 20. The ORS Scale has high reliability and validity, and detailed norms have been worked out for different types of organizations. This instrument can give data about the amount of different role stresses experienced by a respondent. A further detailed analysis can be done of the stresses on which a respondent has high scores, and some exercises used to manage and reduce them. The various coping strategies or styles used in role stress have been studied, and the findings show that approach styles have a strong relationship with internality, optimism, role efficacy, job satisfaction, and effective role behavior in organizations. Two contrasting strategies (avoidance or dysfunctional and approach or functional) for some role stresses are shown in Table 5.1.

To summarize, the effective management of stress involves channelizing stress toward productive purposes, preparing role occupants to understand the usual styles, and equipping them to develop approach strategies for coping with stress. The next section of this chapter

**Table 5.1** Coping Strategies for Role Stress

<i>Role stresses</i>	<i>Dysfunctional strategies</i>	<i>Functional strategies</i>
Self-role distance	Role rejection, self rejection	Role integration
Inter-role distance	Role partition, role elimination	Role negotiation
Role stagnation	Role fixation	Role transition
Role isolation	Role boundedness	Role linkage
Role ambiguity	Role prescription	Role clarification
Role expectation conflict	Role taking	Role making
Role overload	Role reduction	Role slimming
Role erosion	Role visibility	Role development/enrichment
Resource inadequacy	Role atrophy	Resource generation
Personal inadequacy	Role shrinkage	Role linkage

Source: Author.

deals with a systematic approach to make roles more effective and to develop the competence to deal with some of the dimensions of role stress.

## ROLE NEGOTIATION FOR ROLE SET BASED INTERVENTIONS

Teams are formed when role occupants unite toward a common goal. Similarly an inter-team situation has two teams (say, the manufacturing and the sales) working toward a common goal (to maximize the sales of a product). All members of a team or all the teams in an inter-team situation are interested in their effectiveness and require cooperation from the others. They are interested in a fair and negotiated way of working which will enable them to become effective. This assumption about people is the basis of role negotiation.

For example the conflict between the Management and their Unions is a perpetual issue of conflict. Sometimes their primary or secondary interests may bring conflict resulting in dysfunctional behavior. Unions may want certain welfare measures while the management may be reluctant to provide the same for using the funds for research and development activity. Similarly two departmental heads may conflict due to their roles. Production department may want to get materials on time while the purchase department may want all the processes followed before an order is placed or the material is accepted. The finance may want to save costs while the purchase may want to make sure stocks are sufficient to avoid delays. In such situations when the issues reach an unproductive level it is useful to have role negotiation exercises conducted.

Harrison (1971) proposed and used role negotiation for improvement in the working of people and teams. He called it the “tough-minded” approach to team development which focused on the roles, as opposed to the “tender-minded” approaches, such as process orientation and achievement orientation, which focused on the individuals. Role negotiation, even when it permeates into the relationship of power, is threatening because it focuses on the roles and not on the individuals. It is “more consonant with the task-oriented organizational

norms of impersonality” (Harrison 1972). Role negotiation is however vulnerable in two ways. One is the future of rewards and sanctions to motivate the agreed-upon behavior. The other vulnerability is via the external interventions that upset the balance achieved during a successful negotiation.

Role negotiation is based upon the following assumptions: everyone (and every team) in an organization is interested in becoming effective (achieving or exceeding goals); one cannot be effective without the help and cooperation of others; others will not help unless they get help and cooperation in return to become effective themselves. So role negotiation is based on the need of mutuality in organizations.

**Purpose:** The purpose of role negotiation is to help individuals or groups to develop ways of increasing collaboration and support for common goals.

**Participants:** Role negotiation can be used for individual roles in the same department (for example, HRD manager and training manager in the HRD/Personnel department), or for the functional teams (for example, finance-personnel, maintenance-production, production-marketing), or for a supervisor’s team (a manager and those working under her/him).

**The Process of Role Negotiation:** Role negotiation consists of following four phases:

- **Unfreezing:** The purpose of this phase is to prepare the participants/teams for negotiation by demolishing stereotyped ways of thinking and relating to one another. If more time is available two instruments suggested later can also be used.
- **Negotiation:** Negotiation starts with clarification of the conditions—what Harrison (1971) calls contracting. It also includes exchange of expectations (included under diagnosis by Harrison), actual negotiation, and finalization of mutual contract. This phase takes about eight hours.
- **Closing:** This phase is very important as it is during this phase that the mechanisms of implementation are worked out, and the whole experience and negotiated contract is shared with the unit head or the seniors. Closing takes about two hours.
- **Follow-up:** It is useful to follow up after two months and then again after about three months. About four hours may be taken in the follow-up review and renegotiation.

## Unfreezing

### *Microlab (Time 1 to 1 1/2 hours)*

Items in the Microlab may relate to the self (strengths, weaknesses, the good and bad experiences of working with others), other persons (strengths, aspects that could be improved), organization (climate, ways of managing differences, decisions, communication, etc.). Both verbal and non-verbal items can be included, for example, creative drawings about the organization

(present and future), non-verbal skits on some typical organizational processes, identification of oneself with a mythical figure or an animal, etc. If time is available the microlab can be followed by a discussion on the data on the instruments (one on individual's interpersonal style, and another on organizational climate, including the organizational processes). One or two exercises involving group participation can also be used for some insight on its dynamics. For intra-team working, "Desert Survival" and "Broken Squares" are excellent exercises. For inter-team dynamics, "Maximizing Your Resources" is a good exercise.

### ***Introduction (Time 1/2 hour)***

The consultant introduces the basic concept of role negotiation and the conditions necessary for its success. This is what Harrison (1972) calls contracting. The main emphasis is on staying away from personal aspects and on the need for openness, trust, and mutual support.

### ***Image building (Time 1 hour)***

By using 10 adjectives or phrases, the individuals or groups participating in the exercise prepare images of themselves (self image), images of the other roles/group (mirror image), and guess what image the other has made of them (fantasy image).

### ***Image sharing (Time 1 hour)***

The images are exchanged, each group getting the image prepared by the other. They reflect on and discuss these images in their own (home) groups.

The following points may be relevant during such reflections and discussions:

- How much reciprocity do you see in the images? (If you have painted a "positive" image of the other role, they may have done the same with yours; negative images may similarly be reciprocal.) Discuss the implications of this.
- How much "pecking order" do you see in the images? The senior roles may paint a less favorable image of their subordinate role that in turn may do the same for their own subordinates. Discuss the dynamics of this.
- How much catharsis do you find in the images? That is, the subordinate roles may paint less favorable images of their senior roles that in turn may do the same for their own bosses. Discuss what this indicates about the culture and norms of the organization.
- How much congruence do you find in the images? That is, the similarity between the Role A's self image and Role B's image of A. Discuss the dynamics of this.
- How much empathy do you find in the images? This signifies how close is your guess of what the other role group thinks of your role (fantasy image), to the image actually painted by the other role group (mirror image). Discuss the relevance of this for mutuality of roles.

Both/all role groups sit together in a fish bowl design—two representatives of each role group sit in the center, with one empty chair, and all the others sit outside. The "fish" group

seeks clarification (including data) and shares what had been discussed in their respective home groups. The “bowl” group only listens: if someone wants to say something s/he can go to the empty chair, make the point, and return to her/his prior position.

### ***Empathy building (Time 1/2 hour)***

The groups go back to their “home” base, and quickly write down five main strengths of the other group. These are shared with each other in the conference room. This step is taken to build mutual empathy, and appreciation of each others’ contribution to the organizational goals.

## **Negotiation**

The steps involved in this phase are:

### ***Introduction (Time 1 hour)***

The consultant elaborates the idea of negotiation by emphasizing the importance of one’s own effectiveness, the need for getting help/cooperation/support from others to be effective, and the fact that others would not help if this did not have a sufficient pay-off (benefit) for them. Thus mutuality is emphasized. The conditions for role negotiation are also stated/reiterated: no one can accept any expectations or demand from others without asking for something in return, no one can ask for anything without doing something in return, personal and inter-personal problems should not be taken up, role related information can and should be asked and given, and openness and frankness are necessary.

The steps that follow are strictly monitored by the consultants. These are not elaborated in the beginning, but are taken up one after the other. Only general conditions and the process are shared.

### ***Preparation for expectations (Time 2 hours)***

The home groups’ work on preparing for expectations from the other group. The groups prepare three lists: one containing the list of those things which contribute to this group’s (the one making the list) effectiveness, the second of the things done by the other group that hinder this group’s effectiveness, and the third of things not done (or done less) by the other group. In short, for increasing its own effectiveness, each group prepares the three lists as expectations or demands from the other group. These lists are prepared in verb form to indicate action and behavior:

- Continue to do
- Stop or reduce
- Start, increase, or do better

### ***Exchange of expectations (Time 1/2 hour)***

The groups exchange expectations, go through them, and mark those which need clarification.

### ***Clarification on expectations (Time 1/2 hour)***

In a fish bowl design, only clarifications are asked for and made. No discussion is allowed at this stage.

### ***Preparation for negotiation (Time 1 hour)***

The groups work in their home bases. They go through the list of expectations and mark those that are beyond them (in which other roles/departments are also involved). Then they mark those expectations that can be negotiated. Against each expectation they write their own expectation/demand (from the original list, or even a new expectation/demand). Thus all the expectations have some reciprocal expectations/demands.

### ***Role negotiation (Time 1 hour)***

Role negotiation is done in a fish bowl design. Two or three representatives of each group sit in the center (with one empty chair) as the inner circle and the others sit outside. The facilitator monitors the negotiation which continues till all the expectations/demands have been negotiated. An agreed list of items to be negotiated with other roles/groups is also developed.

### ***Review in home groups (Time 1 hour)***

The negotiated positions arrived at are critically reviewed by the groups in their home bases. Items requiring further details or negotiation are identified.

### ***Role negotiation continued (Time 1 hour)***

The negotiation continues in a fish bowl design until all items are settled.

### ***Developing contract (Time 1/2 hour)***

A small team is formed with equal number of members from both the groups to finalize the psychological contract to be signed by all the participants. The contract is in the form of integrated statements. The terms “we shall do...if you...” are replaced by “we agree to the following arrangements.” The contract thus drawn up is signed by all the participants.

## **Closing**

Closing includes the following steps:

### ***Implementation details (Time 1/2 hour)***

The mechanisms and other details, including review meetings after two to three months, are worked out and agreed upon.

### ***Sharing with seniors (Time 1 hour)***

The whole experience is shared with representatives of the senior management, including whether any further negotiations are needed. The consultant makes it clear in the introduction that although the negotiation and the resulting contract are between the parties involved and no formal or official view is taken, sharing with the senior managers is useful for building a climate of openness, mutuality, and further support from them.

## **Follow-up**

Initial review of the progress on the negotiated contract is done after about two months. About half-a-day is spent on reviewing, sharing problems, and negotiating some items, and on agreement on further action.

### ***Role negotiation in practice***

Role negotiation interventions have been used successfully in many organizations. They include the State Bank of India and its Associates for bringing more collaborative culture between the Top Management and Officers Association and between the top management and the employee unions; in ICI for facilitating top management team work at the Board level; in Doon School, Dehradun, Lawrence School Sanawar, and many other schools and colleges for enhancing the understanding and collaboration between the Head of Institution, Academic Administrators and Faculty, with various NGOs and religious congregations for better understanding and collaboration between the Trustees, Top Management, Administrators, Middle level Managers and Younger staff; in corporations like L&T, Steel Authority of India for enhancing the collaboration between different departments.

Role negotiation exercises are potential tools for reducing inter-role conflicts, inter-group conflicts, and enhancing understanding and making the organization more productive. In some of the schools as a result of such role negotiation exercise many task forces were established and the entire school climate improved. In a religious congregation as a result of such role negotiations more collaborative work was found to take place and staff development took a new turn. In another school the tension and unhappiness due to the centralized style of functioning of the Head of the Institution got reduced as he had an opportunity to explain the reasons for his centralized behavior and work out methods of reducing the same. It also resulted in enhanced participation and participative culture. In many cases, a system of

negotiation is gradually established that serves the purpose of instituting and institutionalizing new processes and systems.

## **ROLE CONTRIBUTION**

According to a well-known authority, Carl Rogers (1961), a helping relationship is one “in which at least one of the parties has the intent of promoting growth, development, maturity, improved functioning, and improved coping with life of the other.” There is an emphasis on empathy and unconditional support in this definition. Helping can be responsive (the word responsive is used instead of reactive which may have a negative connotation) or proactive. When help is given to someone who asks for it, or when one responds to the need of the other person, helping is responsive. On the other hand, when help is given because of the helper’s need to give (rather than the receiver’s need to receive), helping is proactive. This distinction has been clearly made in the Indian ethos. When the receiver’s need is dominant it is called *bhiksha* (whether asking or giving help), but if the need of the giver is predominant, it is called *daan* (both while giving and receiving help). This distinction is not found in other cultures, and indicates that the motive of giving help is aroused not only by other person’s or group’s need, but also by that of the giver.

Like role negotiation, role contribution has following four main phases:

- Unfreezing
- Contribution
- Closing
- Follow-up

### **Unfreezing**

The main purpose of the first phase is to prepare the participants for developing empathy, mutuality, and cooperation. The steps involved are discussed as follows:

#### ***Instruments (Time 1/2 hour)***

At the beginning of the program all participants respond to some instruments. Two instruments can be used here: MAO-B (Pareek 1986; Pareek and Purohit 2009) and MAO-C (Pareek 1989; Pareek and Purohit 2009). MAO-B helps respondents to examine their role behavior in terms of the functional and dysfunctional aspects of the six motives achievement, influence, extension, control, affiliation, and dependency.

### ***Introduction (Time 1/2 hour)***

The consultant/facilitator may expound the need for mutuality for role effectiveness, and the role of taking initiative in helping other role occupants to become effective. The importance of empathy is also stressed.

### ***Discussion of instruments (Time 2 hours)***

Feedback on the instruments that have been completed at the beginning is given to the participants. Details about interpreting the scores can be seen in the sources cited with them.

### ***Exercise on helping (Time 2 hours)***

A simulation exercise is useful to generate data on one's natural behavior. "Broken Squares" (already suggested in role negotiation) is a good exercise on helping behavior. It communicates the message that concern for others and unconditional helping not only contributes to the group effectiveness but also to the effectiveness of each member of the group.

### ***Emfeed (Time 1 hour)***

The purpose of this exercise is to develop empathy and give feedback to others (with empathy). The participants are divided into triads (groups of three persons) of mainly the role occupants having the most frequent interactions and interface relations. Each member of the triad prepares the following five images for each of the other two members:

1. His/her self-concept (three strengths)
2. His/her self-concept (three weaknesses)
3. His/her three main concerns
4. His/her image of the organization (three adjective/phrases)
5. His/her self image (three adjectives/phrases)

The lists are then exchanged to see how much empathy exists and how close are the "guessed" images to the images held by the person concerned. This may be followed by a discussion focusing on why one could or could not empathize, and what can be done to increase empathy.

### ***Image sharing (Time 1/2 hour)***

The process on image building and image sharing follows, as described in role negotiation: preparation of one's own image, the other's image, own image as perceived by others; sharing the images and discussing them; and building positive images of each other.

### ***Exercise on collaboration (Time 1 hour)***

Maximizing your gains, as suggested in role negotiation, can be used to examine the process of inter-team competition and collaboration while working in teams.

## **Contribution**

This is the main phase of role contribution and involves the following 10 steps:

### ***Introduction (Time 1 hour)***

The consultant/facilitator discusses the dynamics of a helping relationship, the collaborative process, and the effectiveness based on empathy and trust. The philosophy and approach of contribution to each others' role effectiveness are elaborated.

### ***Superordination (Time 1 hour)***

A short concept session on collaboration is conducted where collaboration and helping are stimulated by shared common goals of the parties concerned, the importance of such goals for both (or all) the parties involved, and the realization that such goals cannot be achieved by any one party alone without the cooperation/collaboration of the others. This can be followed by group work on identification of the superordinate goals of the concerned groups. The members in the group should also discuss the importance of these goals and to what extent these inspire them. The plenary session consolidates these goals as the framework for working further. The need for mutual support in superordination is also stressed.

### ***Preparation of offers (Time 1 hour)***

Each individual/group prepares the following four lists. Not more than three groups can do the exercise at a time.

- Why I/we want to contribute to your role effectiveness
- Why I/we may not contribute to your role effectiveness
- My/our contribution to your role (list specific things that you can do to make the other group/role occupant more effective)
- What can you do to help me contribute (list specific things that the other group/role occupant can do to help you make a contribution to their/his role effectiveness)

### ***Exchange of offers (Time 1/2 hour)***

The lists are exchanged and the groups mark items that need clarification.

### ***Clearing up and clarification (Time 1 hour)***

Representatives of the group sit in a fish bowl design (with one empty chair in the inner group), openly discuss any difficulties or misunderstandings that they have in relation to each other (clearing up unexpressed feelings and hidden agenda), and clarify the statements made.

### ***Reciprocal contribution (Time 1 hour)***

The groups meet in their home bases and against each offer made, write an offer in exchange, either from their original list/new one. The emphasis is to match each offer by a complementary one (which will strengthen the other role).

### ***Discussion of offers (Time 1 hour)***

The offers made are discussed in a fish bowl design. The focus of discussion is on whether the offer made will contribute to the effectiveness of the role. Modifications may be tentatively suggested.

### ***Review in home groups (Time 1/2 hour)***

The offers discussed in the fish bowl arrangement are reviewed by each group for a consensus and commitment by all members of the groups.

### ***Agreement on offers (Time 1 and 1/2 hours)***

The whole community meets to reach an agreement on the offers made and accepted.

### ***Developing pledge (Time 1 and 1/2 hours)***

A small team is formed to prepare a common integrated pledge to which everyone shows commitment. Everyone signs the pledge.

## **Closing**

The following steps are taken in the closing phase.

### ***Force field analysis (Time 1 hour)***

Mixed groups of about eight members are formed to identify positive and negative forces for successful implementation of the pledge. Positive forces are those that tend to facilitate implementation, while the negative are likely to retard implementation. These are presented to the whole community and a common understanding is developed.

### ***Implementation details (Time 1/2 hour)***

In the light of the force field analysis, a detailed, specific, time-bound plan is prepared for implementing the pledge.

### ***Sharing with seniors (Time 1 hour)***

The whole experience, and the pledge is shared with the top senior group for information dissemination. Senior managers may ask for some clarifications and may make some comments. This step is taken to ensure a proper understanding of the intervention at the senior level and enlisting their support in implementation.

### **Follow-up**

As in role negotiation, the first follow-up review is done after about two months, and later on a quarterly basis for a year. New agreements are made during the follow-up review.

## **DISTINCTION BETWEEN ROLE NEGOTIATION AND ROLE CONTRIBUTION**

The concepts underlying role contribution are empathy and cooperation. While role negotiation is based on the premise that taking the help of others for one's effectiveness is primarily a process of mutuality, role contribution proceeds with the basic assumption that we as individuals, among other needs, have the need to be relevant, to do something for others, and to help them. This has been called the extension motive and is suggested as an important basis of development.

Role contribution and role negotiation differ in several ways as may be seen in Table 5.2. Role contribution can be used to build cooperation and collaboration for both individuals and groups.

**Table 5.2** Comparison between Role Negotiation and Role Contribution

<i>Dimensions</i>	<i>Role negotiation</i>	<i>Role contribution</i>
Basic assumptions about people	People try to maximize their own interests; can be exploitative, untrustworthy, and competitive	One basic human need is to be relevant and do well to others. If not properly aroused and channelized, this can be subdued by self-seeking behavior
Management of conflicts and differences	The effective alternative to conflicts is a negotiated agreement based on enforceable guarantee of mutual observance	Negotiated agreement based on empathy and recognition of the others' power can help in managing conflicts
Diagnosis	Focus is on the rights, power, privilege, and demands of the role occupants from each other	Focus is on the contribution and help offered to each other, and what prevents this process
Target of change	Working relationships: duties, responsibilities, authority, and accountability of role occupants	Working pressure and rewards for acting on agreement and a periodical joint review of the problems
Vulnerability	Not based on potent rewards and sanctions; unwillingness or inability to apply them, their imbalance caused by third party intervention	Insufficient working through of differences; lack of potent rewards for empathy and help; lack of periodical in-depth review; third party intervention

Source: Author.

**Table 5.3** Classification of Nine Team Roles

<i>Action-oriented roles</i>	<i>People-oriented roles</i>	<i>Cerebral roles</i>
Shaper	Coordinator	Plant
Implementer	Team worker	Monitor evaluator
Completer	Resource investigator	Specialist

Source: Belbin (1981).

## TEAM ROLES FOR TEAM EFFECTIVENESS

Belbin (1981) paid attention to the possibility that even though no individual is ideal for a job, it is possible for a team of individuals to perform a totality of jobs satisfactorily. A team can renew and regenerate itself and can combine within itself all the conflicting needs that the totality of a job requires which no individual can singly manage. Therefore, the question that most organizations need to satisfactorily answer is: how can a successful team be created and, more importantly, why some teams are more successful than others.

According to Belbin, all members play dual roles in a team, a functional role (for example, finance) and a “team role” or a “process role.” Although we may not be aware of the team roles, we experience these over a period of time. Belbin identified nine team roles which can be categorized into action-oriented, people-oriented, and cerebral roles as shown in Table 5.3.

### Chairman/Coordinator

This type of a person is stable, dominant, and an extrovert. S/he may or may not be the leader of the team but portrays the characteristics best suited to team leadership. S/he presides over the team and coordinates its efforts to meet the goals and targets. S/he is preoccupied with objectives and although normally intelligent, need not be in any sense brilliant or an outstandingly creative thinker. S/he would be known as a person of character and discipline, much of the discipline coming from within him/her. While s/he is dominant, s/he is so in a relaxed and an unassertive manner and therefore is not domineering. Such a person usually has a very clear idea of the strengths and weaknesses of the team in each area of its functioning and is conscious of the total team resources, ensuring that all people are included. S/he is easy to talk to, a good communicator, and a good listener. A person in the coordinator role quantifies objectives and establishes priorities, but does not dominate the discussion. S/he listens, sums up peoples’ thoughts and feelings, and finally but firmly comes to conclusions.

### Shaper

S/he is anxious, dominant, and an extrovert. Most people would describe her/him as a task leader of the group, a person with nervous energy, one who is outgoing, emotional, impulsive, and easily frustrated. S/he is a challenger and responds to challenges, and is therefore more

likely to have arguments with people. Easily insulted, such a person constantly worries about the possibility of a conspiracy against her/him.

In a task sense, s/he gives shape to the team's efforts, always directing the pattern of discussions and pushing for decisions and action. Only results make her/him happy; a compulsive driver, s/he is reasonably competitive, intolerant, and quite often described as abrasive and arrogant. While s/he can usually make things happen, such a person can also make the team uncomfortable in the process of doing so.

## **Plant 1**

This is a person with a very high IQ, and an introvert. One can think of a plant as the one who scatters the seeds of thoughts and ideas all over the place for others to nourish until they bear fruit. S/he is the source of the team's original ideas and suggestions, and quite often has a radical approach to problems. More concerned with major issues and fundamentals than with details, such a person is likely to have problems in matters of detailed administration, and can also be prickly and cause offense to other members of the team, particularly by criticizing their ideas. S/he is the kind of person who would nod "yes ... but" in a team. The danger with the plant is that her/his concern for her/his own ideas could lead to a failure in meeting the team's needs and objectives. Such a person is bad at accepting criticisms and sulks often. Withdrawal of performance is her/his standard weapon and therefore such a person requires careful handling to get the best out of her/him. But for all this, s/he is a person who provides new thinking.

## **Monitor Evaluator**

S/he is again a person with a high IQ, and an introvert: somewhat distant as a human being, very serious, and not very exuberant. Because of her/his measured and unbiased analysis, s/he is the most likely person to prevent a team from undertaking misguided projects. Critical in her/his analysis, s/he can be seen as a destroyer of ideas. On the other hand, very little clouds her/his judgment and in making decisions, s/he is much more likely to think things over. S/he is valuable in teams for her/his ability to take in and interpret large amounts of data and arrive at useful judgments. Such a person can be tactless and discouraging, making her/him unpopular; this can also be a bit of a damper on the team's morale. S/he lacks in warmth and spontaneity, but makes up by a quality which is far more indispensable to the team—that of being rarely wrong.

## **Implementer**

The Implementer is the one who is involved and committed who tries to upgrade knowledge and skills and ensure high quality work and products. S/he is down-to-earth, conscientious,

and disciplined and as such can easily accept rules and procedures, seeing them as necessary constraints. S/he helps ensure that the team's tasks have been structured and the objectives clearly outlined. An implementer maintains a steady, systematic approach whatever the pressures, or lack of pressures, that exist. Perseverance in the face of difficulty and striving to meet targets are the prime strengths. S/he provides practical support and back-up to other team members.

### **Resource Investigator**

A dominant extrovert, s/he is probably the most likeable member of the team on account of her/his relaxed, sociable, and friendly attitude. Often positive and enthusiastic, one problem is that s/he could start too many things and put down many just as quickly. The resource investigator is a person who, while not having her/his own ideas, is capable of going outside the group and bringing in information. S/he makes contacts easily and is therefore most likely to be seen on the phone. Like a liaison person always exploring possibilities in the environment, s/he is quick to latch on to new ideas wherever s/he finds them. The problem with the resource investigator is that s/he always needs a team. On a solitary job assignment s/he can become bored and ineffective. Inside the team however, s/he becomes active under pressure but may relax once the pressure is over. Like the plant, s/he is also likely to wander all over the place but her/his major contribution to the team is that s/he keeps it in touch with reality.

### **Team Worker**

A stable extrovert and the most sensitive member of the team, s/he is aware of and concerned about its people-related needs. S/he is a very active internal communicator—popular, unassertive—and functions as cement that binds the team together. S/he is loyal to the team and the kind of person who will assist in building on peoples' ideas. S/he is a good and a willing listener and encourages others to keep up their morale and be a part of the team. A very essential role shaper or monitor evaluator. A team worker avoids confrontation and prefers that others do the same. This particular tendency may make her/him seem a bit soft but one of the best things that can be said about her/him is that s/he will be missed when s/he is not there.

### **Completer/Finisher**

An anxious person and a thorough introvert, s/he is not at ease unless all the details have been checked to ensure that nothing is overlooked. The finisher is not assertive but is overly fussy and this can be both useful and problematic in the team. Her/his greatest concern is to have

everything in order and to ensure that all deadlines are met. An extreme finisher can give rise to team morale problems because s/he can be very depressing. Nevertheless, her/his great desire to follow through is an asset in any team.

## Specialist

Specialists have highly developed expertise and provide advice and information in much focused areas. Inclusion of specialist in the team is based on her/his technical expertise and her/his behavioral role is secondary in a team sense. The specialist provides professional or technical information that the team needs for specific projects and does not otherwise possess. The specialist is self-motivated, single minded, and dedicated to her/his own area of expertise. S/he provides a professional perspective to problem solving and other discussions. Specialist may not be a member of fairly permanent or long-term teams, but may join temporarily to share or provide technical or professional expertise, as the occasion arises. Table 5.4 presents the contribution and allowable weaknesses of the nine role types.

**Table 5.4** Description of Belbin's Nine Team Roles

<i>Belbin team role type</i>	<i>Contributions</i>	<i>Allowable weaknesses</i>
Plant (PL)	Creative, Imaginative Unorthodox. Solves difficult problems	Too preoccupied to communicate effectively
Coordinator (CO)	Mature, confident, a good chairperson. Clarifies goals, promotes decision-making, delegates well	Can be often seen as manipulative. Off-loads personal work
Monitor Evaluator (ME)	Sober, strategic, and discerning. Sees all options. Judges accurately	Lacks drive and ability to inspire others
Implementer (IMP)	Disciplined, reliable, conservative, and efficient. Turns an idea into practical actions	Somewhat inflexible. Slow to respond to new possibilities
Completer (CF)	Painstaking, conscientious, anxious. Searches out errors and omissions. Delivers on time	Inclined to worry unduly. Reluctant to delegate
Resource Investigator (RI)	Extrovert, enthusiastic, communicative. Explores opportunities. Develops contacts	Over optimistic. Loses interest once initial enthusiasm has passed
Shaper (SH)	Challenging, dynamic, thrives on pressure. The drive and courage to overcome obstacles	Prone to provocation, offends people's feelings
Team Worker (TW)	Cooperative, mild, perceptive, and diplomatic. Listens, builds, averts friction	Indecisive in crunch situation
Specialist (SP)	Single minded, self-starting, dedicated. Provides knowledge and skills in rate supply	Contributes on a narrow front. Dwells on technicalities

**Source:** Belbin (1981).

Belbin (1981) has designed tests that give an early indication of the preferred, manageable, and avoidable team roles of people. This intervention has been used in selection and placement, setting up teams with minimum time loss, highlighting the weak spots in existing teams which can then be supplemented either by additions or by involving peoples' manageable roles to better advantage, and most importantly, facilitating open relationships in a team. A greater understanding develops a person's contribution potential which can then be tapped for the benefit of the team goals.

A new area of team role chemistry has been developed. There are many roles that are both naturally compatible with some roles and incompatible with the others; for example, shapers and monitor evaluators cannot get on easily with plants and vice versa. A team full of brilliant shapers will not necessarily perform better than a more balanced team composed of a judicious mix of roles. Teams consisting of the most capable persons in organizations, "Apollos" as Belbin (1981) called them, were not the best performing in the syndicates and business games played at Henley Staff College. This approach has been applied in many organizations such as Cadbury. The more balanced teams, that is, combination of action-oriented, people-oriented, and cerebral roles (Refer to Table 5.3) invariably performed better.

## SUMMARY

In short, roles are the primary units for organizational performance. Roles have high potential for effective OD interventions. All of us are performing various roles within and outside the organization. In the process of our performing various roles many dynamics get generated. If we do not pay attention to these dynamics, they can be counter-productive and affect both individual and organizational performance. Effective role-focused interventions have so far been comparatively neglected, and deserve much more attention in future. Experiences based on role efficacy, role stress, role negotiation, role contribution, and team role development exercises have always resulted in positive outcomes both for the individuals concerned and the organization. They have a high potential for setting processes in motion that may enhance or create a culture of OCTAPACE (openness, collaboration, trust, authenticity, proactivity, autonomy, confrontation, experimentation). They also have potential to enhance human capacity utilization and lead to higher organizational performance.

## ANNEXURE 5.1

### Form 1: Expectations by Role Occupant

Your Role \_\_\_\_\_ Your Name \_\_\_\_\_

List below in Column 2 the functions (by using a verb form, such as "to supervise") you currently perform. Then list the functions you would like to perform, continuing in the same column. In Column 3 rate (A, B, C) each function for its importance.

- A will indicate that according to you the function is essential.
- B will indicate that according to you the function is important but not essential.
- C will indicate that according to you the function is not so important and you would like to perform it only if you have time.

<i>Sr. No.</i>	<i>Functions</i>	<i>Rating (A, B, or C)</i>
1		
2		
3		
4		
5		
6		
7		
8		

## Form 2: Expectations by Role Set Members

Expectations from (role): \_\_\_\_\_

Your Role \_\_\_\_\_ Your Name \_\_\_\_\_

List below in Column 2, the functions (by using verb form such as “to coordinate”) you would like the role occupant to perform. In Column 3 rate (A, B, C) each function for its importance.

- A indicates that the function is essential.
- B indicates that the function is important but not essential.
- C indicates that the function is not so important and the role occupant should attend to it only when s/he gets the time.

In Column 4 write against each function, how much time you would like the role occupant to spend on this function, in terms of percentage of total time at her/his disposal. Please remember, the total of all your suggested percentages for the various functions should be 100.

<i>Sr. No.</i>	<i>Functions suggested for the role</i>	<i>Rating (A, B, C)</i>	<i>%age of time to be spent</i>
1	To		
2	To		
3	To		
4	To		
5	To		
6	To		
			100%

List the functions below (other than ones listed above) which the role occupant should not perform. Also include those functions that you are apprehensive, s/he may be tempted to spend time on.

1 to \_\_\_\_\_  
 3 to \_\_\_\_\_  
 5 to \_\_\_\_\_

2 to \_\_\_\_\_  
 4 to \_\_\_\_\_  
 6 to \_\_\_\_\_

List below, the behaviors (other than the functions listed in the table, above) you would like the role occupant to show.

1 to \_\_\_\_\_  
 3 to \_\_\_\_\_  
 5 to \_\_\_\_\_

2 to \_\_\_\_\_  
 4 to \_\_\_\_\_  
 6 to \_\_\_\_\_

### Form 3: Expectation Summary

Your Role \_\_\_\_\_

Your Name \_\_\_\_\_

1. After collecting the forms filled in by several role senders of your role, summarize the functions below. Start with A category (essential) functions, go to B (important functions), and in the end list C (not so important) functions. Against each function mention the degree of agreement amongst the role senders (including yourself) as H (high), M (medium), or L (low).
2. Take up for discussion, the functions on which there is low agreement amongst the role senders, and come to some agreement.

<i>Functions</i>	<i>Rating (A, B or C)</i>	<i>Degree of agreement (H, M, L)</i>	<i>Modification for discussion</i>
1			
2			
3			
4			
5			
6			
7			
8			

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## Process consultation: An effective approach to change

S. Ramnarayan and Neha Gupta<sup>1</sup>

### Caselet 1

An engineering company was plagued with poor performance for over two years. Despite the efforts made by the management team, performance had not shown any improvement. An OD practitioner was invited to the company to examine what should be done.

As a part of preliminary data collection, the consultant examined the minutes of management committee meetings. It appeared to him that the management team had been preoccupied with issues relating to reduction of inventory of materials, improvement in work methods, reduction of surplus labor, and so on. Then, the consultant attended a meeting and found that the attention of the members was largely focused on issues of internal efficiency. The agenda of the meeting was limited to the indices reflecting organizational parameters like turnaround time, operating cycle, attrition rates, etc. When the consultant raised questions about market-related issues, such as competitors' prices, market demand, and changes in customer requirements, the members had no answer.

With the consultant's help, the management team then enlarged the scope of the problem to include market-related issues. Further inquiry revealed that the company had, over a period of time, become out of touch with the latest market developments. The management team started addressing these problems by collecting market intelligence and instituting a monthly review meeting to assess the company's areas of strengths and weaknesses vis-à-vis developments in the competing organizations. A team consisting of personnel from Marketing and R&D was formed to scan the environment and gather relevant data to devise plans for performance improvement. These plans were then presented and discussed in a quarterly meeting with the all the functional heads. Within a few months, the company's performance started showing marked improvements.

## Caselet 2

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The new CEO of a company sensed some interpersonal issues between General Managers of Sales and Product Development departments. He therefore, asked the HRD Manager to attend the quarterly sales meeting as an observer. The sales meeting was chaired by the GM (Sales) and attended by all the functional heads and senior managers. The agenda for the meeting had been circulated in advance.

During the meeting, the HRD Manager noticed that the GM (Product Development) was only a passive participant and seemed uninterested in the proceedings. He seemed more preoccupied with a document that he had opened on his laptop. Even decisions which involved the Product Development function were made by the GM (Sales). The HRD Manager then wondered whether the Product Development function would be committed to those decisions as the departmental inputs were not sought at all. During the meeting, the GM (Product Development) raised a long-pending issue of non-sharing of market feedback data with the Product Development personnel on a regular basis. The GM (Sales) ignored the request by blandly stating that only issues mentioned in the agenda would be taken up. The GM (Product Development) expressed his displeasure and walked out of the meeting.

The HRD Manager having witnessed the undercurrents later tried to explore the reasons for the fiasco in the meeting. On enquiry, he found that the GM (Sales) had joined the organization three years earlier and right from the beginning, there was little love lost between him and the GM (Product Development). The latter's grouse was that the GM (Sales) was relatively less experienced and he resented the fact that they occupied equivalent positions. However, the GM (Sales) felt that the GM (Product Development) was very inflexible and old fashioned in his ideas. He also found that the Sales-Product Development interface was very weak as they never communicated personally with each other. He shared his observations with the CEO on the process of communication and decision-making in the organization. He suggested various alternatives like team-building activities, workshops on inter-group communication and participative decision-making to improve the processes and allowed the CEO to decide the specific action to be taken.

To bridge the communication and trust gaps between the two GMs and their respective departments, the CEO had a one-on-one coaching session with the GM (Sales) on the dysfunctional effects of his conflict. He impressed upon him the need to sort out key differences with GM (Product Development) within six weeks. He had a similar communication with the GM (Product Development) in a separate meeting. He also established a practice that required the agenda items to be evolved jointly by the Sales and Product Development departments.

### CONTENT VERSUS PROCESS

The two caselets presented in the beginning highlight the distinction between *what* the group is trying to achieve and *how* it is going about it. The former refers to the *content* and the latter

to the *process* of group activity. For example, decisions to be taken to improve the performance of the firm in the first caselet and quarterly sales planning in the second comprise the content of group activity. The process in each of the caselets would include: the methods by which the group arrived at the decisions to be taken for improving performance; the nature of interaction among the members, conflict management in the sales meeting; and the patterns of communication and decision-making.

To elaborate this point further, the content of group activity comprises items such as the agenda of the meeting, problems to be solved, and decisions to be taken. The process of group activity refers to the actual interaction among group members during the course of the meeting. As mentioned earlier, the process involves dealing with issues such as leadership style, decision-making style, problem solving mode, communication between members, and group norms.

A similar distinction often found in discussions about group activity is that of *task* functions and *maintenance* functions. The task functions relate directly to the accomplishment of the task and include processes such as problem solving and decision-making, information seeking and sharing, summarizing, and evaluating. The maintenance functions are activities within the group that serve to keep the group together as a team. These processes include encouragement, open communication, generating involvement, recognition, setting norms, and so on.

Process consultation, as the name suggests, usually focuses only on the process part of group activity. However, in practice, one witnesses some overlap between process and content. One may even find a consultant contributing to the content of group activity if s/he possesses domain-related expertise. Box 6.1 presents a checklist to observe group behavior synthesized from the literature on group process.

## WHAT IS PROCESS CONSULTATION?

Process consultation (PC) has its roots in the notion of group dynamics developed by Kurt Lewin.<sup>2</sup> Derived from the concept of action research, process consultation is a technique for observation and intervention in group processes with the objective of enhancing the effectiveness of its outcomes.

Professor Edgar Schein, credited with the popularization of the term process consultation as well as its use as a consulting tool, viewed it as “a set of activities on the part of the consultant that help the client to perceive, understand, and act upon the process events that occur in the client’s environment in order to improve the situation.” As viewed by Schein, process consultation involves joint diagnosis by the client and the consultant. The process consultant usually enters the organization without a clear idea of what is needed by the client. The emphasis is on identification of the processes that need improvement jointly by the client and the consultant. The joint diagnosis is predicated on the fact that the consultant can rarely learn enough about the culture of the organization to design an appropriate intervention.

**Box 6.1** Checklist for Observing Group Process

**A. How did the group define or approach its task?**

- How were goals set? Unilaterally by head or collectively by group?
- Was there clarity about the goals that the group was trying to achieve in the meeting?
- Were the goals broken down into specific tasks?
- Were the group goals and tasks shared with each individual or sub-groups?
- How did the group decide on the way to proceed or tackle the problem?
- How was information—Sought? Clarified? Synthesized? Tested? Shared?
- What seemed to be the role expectations from different members?
- How did the group stay focused to meet the target?
- Did the group monitor its process in the meeting? How?

**B. How did the group make decisions?**

- Did the group drift from topic to topic?
- How were members' suggestions dealt with?
- How were conflicts resolved?
- How were alternatives generated?
- Did a few vocal members dominate the entire meeting?
- How were members encouraged to generate ideas/solutions/alternatives?
- How were decisions made—for example, by consensus, majority support, or by the leader?

**C. How well did the group work together?**

- Did members help each other get into the discussion? How?
- How were ideas accepted or rejected?
- Patterns of communication—extent of listening, styles of communication used: questions, assertions, etc.
- Group atmosphere involvement, interest, friendliness, animosity etc.
- Patterns of participation—who participated in which issues? Any shifts in participation? Who kept the ball rolling?
- Patterns of influence—who influenced whom on what issues? How did members influence each other?
- Did the group share feedback with its members on how they performed in meetings?

**Source:** Ramnarayan and Kumar (1998).

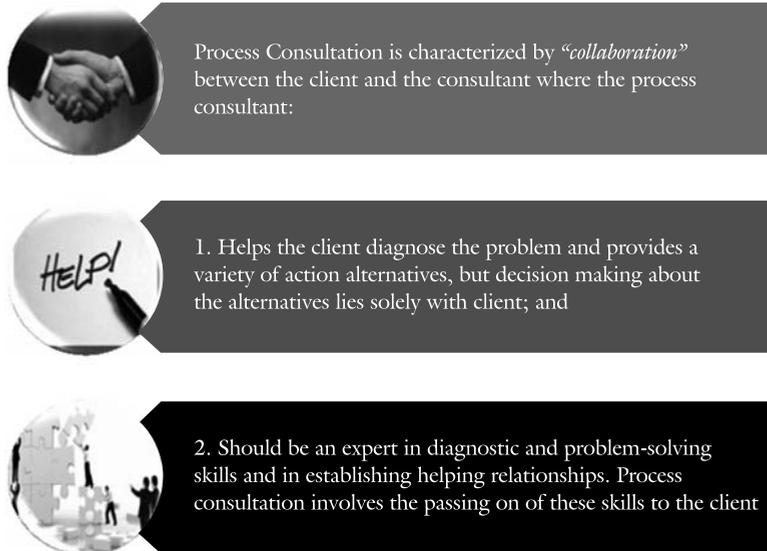
In addition, joint diagnosis promotes the acceptance of problems diagnosed or solutions designed in association with the consultant. Therefore, one of the prime objectives of process consultation is to facilitate identification of the process problems faced by the organization.

The role of the process consultant varies widely, depending on the consultant, the client, and the organization. The role and skills of process consultant is briefly summarized in

Figure 6.1. The important elements that characterize the role of process consultant are stated as follows:

- The process consultant intervenes in how two or more individuals or groups are operating in an interactional setting. By focusing on the how, s/he brings attention to patterns of communication, problem solving, decision-making, interpersonal relations, norms, and leadership.
- The process consultant may or may not possess substantial expertise in the actual problems that are being tackled. The expertise of the process consultant is primarily at the individual, interpersonal, and intergroup levels, facilitating the interaction process. This does not imply that expertise in solving problems related to specific disciplines is not important, but rather the emphasis is on the boundaries or interfaces between functions through which the interaction processes occur.
- The process consultant does not solve problems or offer solutions to the client organization. The focus is on merely facilitating the client toward identification of action alternatives and critically evaluating them. In the first case, we saw that the OD practitioner helped the management team to redefine the problem, but never offered any solutions himself. In the second case, the group HRD manager was a process observer in the quarterly sales meeting and at the end of the meeting, shared his observations and suggestions with the CEO on the communication and decision-making style of the group, but did not impose any fixed solution.

**Figure 6.1** Role and Skills of Process Consultant



Source: Authors.

- The process consultant's focus is on improving the effectiveness of the organizational processes. In the second case, the CEO had a coaching session with both the GM (Sales) and GM (Product Development) to sort out personal differences and thereby improve the effectiveness of the group process.
- The efforts of the process consultant are directed not only at assisting the client in problem solving, but also at the passing on of process skills. One of the prime objectives of process consultation is to develop in the client an ability to become sensitive to process problems and also diagnose and intervene in interpersonal and group process problems.

## WHAT MAKES PROCESS CONSULTATION DIFFERENT?

There are three models of consultation proposed by Edgar Schein based on different helping styles:

1. **Purchase of expertise:** In this model, the client diagnoses the problem and decides the kind of help s/he wants. Depending upon the diagnosis, s/he contacts the consultant with the required expertise to design and implement the solution. In other words, the client "purchases the expertise" of the consultant depending on the need that s/he has identified. Obviously, its success depends solely upon the correctness of diagnosis by the client because the consultant's actions are driven by the client's inputs.
2. **Doctor-patient model:** As in a patient-doctor relationship, the client entrusts the problem to the consultant. Then, the consultant makes a diagnosis and recommends a remedial action for the problem. Its success depends upon the capability of the consultant to unearth the pain-points of the client and devise appropriate remedial actions, sharing of information by the client and acceptance of the solution by the client. In essence, in this model, the consultant acts like a "doctor" with requisite knowledge and skills for carrying out the diagnosis and prescribing the right treatment. The client's role is limited to accurately describing the symptoms being experienced, and then following the doctor's advice.
3. **Process consultation:** The differentiating characteristic of PC is that instead of consultant, the client owns the problem from the outset till the termination of the consultation process. The client and consultant engage in joint diagnosis and problem solving. The role of the consultant is to facilitate the development of skills required for diagnosis and solution generation. Thus the consultant acts like a catalyst in a chemical reaction. Without the catalyst, the chemical reaction does not occur, and at the same time, the catalyst does not participate in the reaction. Box 6.2 presents certain key facets of facilitation in process consultation.

Process consultation is most helpful in situations where:

1. The client is perturbed by a problem but is unclear about its source or solution.
2. The client is unaware of the help s/he can seek from a consultant.
3. The problem warrants client's participation. The client is the best judge about which intervention to use as s/he is aware of intangible and implicit aspects like the organization's culture, group norms, values, etc.
4. The client is genuinely interested in improving the state of organization and in forming a collaborative relationship with the consultant to address the problem.
5. The client is capable of developing diagnostic and problem solving skills and is keen to build requisite competencies to rectify future problems of similar nature.

**Box 6.2** Dimensions of Facilitation for Process Consultation

- Be genuinely interested in building capability of the client to identify and solve the problems.
- Be patient in developing trust and a helping relationship with the client—this can take weeks, even months.
- Be attentive to what is being said and not said—practice “active listening.”
- Demonstrate genuine curiosity to pick up implicit aspects of organization like culture, power bases, group norms, and interpersonal issues.
- Even as you scan the external context, be aware of your own expectations, stereotypes, or preconceived notions.
- Be careful in choosing your words or actions because every interaction with the client is tantamount to an intervention.
- Be open in communication in sharing your own doubts or inhibitions and seeking information from the client as well.
- Be persistent in drawing the client's attention to the process instead of content—by asking questions or emphasizing the process involved.
- Be a catalyst in honing client's ability to diagnose and solve process problems by engaging in joint diagnosis and problem solving.
- Be adept at switching roles between consultant and expert in accordance with what situation demands.
- Be willing to terminate relationship if either party desires to discontinue it.
- Ensure that the client owns the problem as well as the solution—avoid being over responsive in terms of taking over the problem.

Source: Authors.

Process consultation is not merely about providing information, ideas, or recommendations; rather it is about transferring a helping attitude. It is imperative for the client and the consultant to reach the right equilibrium in the relationship where none feels being one-level up/down to facilitate the development of a *helping relationship*. Initial relationship building is instrumental to the success of the intervention as it facilitates joint diagnosis and problem solving and acceptance of the remedial action. The consultant and client should ensure that none feels loss of face in the process of helping or being helped to preempt denial of findings and suggestions or feelings of resentment or incompetence. In addition, the work method

should be congruent with the underlying philosophy of process consultation which advocates joint diagnosis and problem solving by client and consultant. Irrespective of the methods used to elicit diagnostic information, *helping attitude and organizational effectiveness* should always be at the heart of the process.

## **TYPES OF PROCESS INTERVENTIONS**

Schein identifies four types of interventions that process consultants often employ in working with groups:

### **Agenda-setting Interventions**

These interventions are aimed at making the group aware of the internal processes by which it makes decisions and solves problems. The intervention employed by the consultant in the first caselet described at the beginning of this chapter is an example of agenda-setting intervention. He saw that the way the group had defined the problem was itself narrow and ill-focused. He assisted the group in proper statement and understanding of the problem.

### **Data Feedback Interventions**

Feedback given to a group on its interpersonal processes constitutes this class of interventions. The second case illustrating the engagement of the HRD Manager for giving feedback about the group communication and decision-making process is an instance of a data feedback intervention.

### **Counseling**

Counseling may often be required during or after a feedback session. For example, if the process consultant observes dysfunctional behavior in a group member and gives feedback about the group, it may be necessary to counsel the individual to ensure that her/his behavior is suitably modified. In the second case, the CEO counseled GM (Product Development) and GM (Sales) to sort out their differences.

### **Structural Interventions**

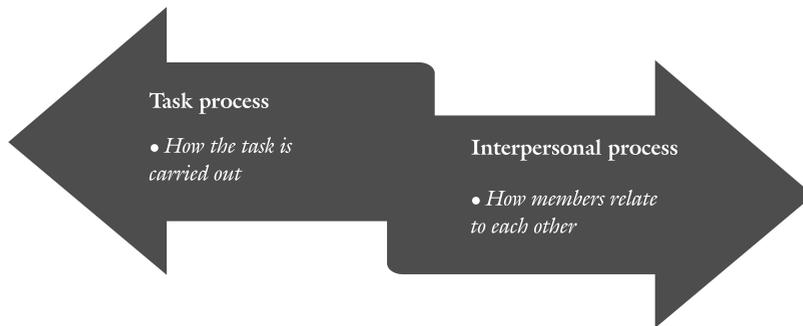
Structural interventions involve suggestions on how work should be allocated, committees organized, or group norms enforced. This type of intervention is useful to employ in conjunction with one or more of the above interventions. In the second caselet, the CEO

had instituted a mechanism for involving all the GMs in the agenda setting for the quarterly sales meetings. This is an instance of the structural intervention being used in conjunction with counseling.

## CLASSIFICATION BASED ON FOCI OF OBSERVATION AND INTERVENTION

As we saw at the start of the chapter, the group activity can be categorized into *task* functions and *maintenance* functions. Drawing on the same framework, the process consultation can be classified on the basis of its foci of observation and intervention into *task process* and *interpersonal process* (Figure 6.2).

**Figure 6.2** Classification Based on Foci of Observation and Intervention



Source: Authors.

### Task Process

Task Process refers to how the task is carried out. For example, consider the process of decision-making in a group. Do the group members vote to arrive at the final decision? Do they make an effort to achieve consensus? The following case illustration (Box 6.3) elaborates this point.

### Interpersonal Process

Interpersonal Process refers to how members relate to each other, communicate with each other, etc. For example, in one group, people might be very attentive and polite while receiving feedback on the ideas proposed by them whereas in the other group, members may become aggressive or disruptive when their ideas are being critiqued. The following case (Box 6.4) discusses the interpersonal process further.

### Box 6.3 Task Process: A Case Illustration

A process consultant invited to observe a group meeting, made the following observations:

- 75 percent of the meeting time was spent on presentations or reporting past performance.
- There was very little time left to consider alternative courses of action and make decisions.
- Senior members in the group were so preoccupied with their individual opinions that they forgot the importance of two-way communication.
- With very little deliberation, the leader invariably resorted to unilateral decision-making.
- Consequently, several members were resigned to the role of being mere spectators and felt no commitment toward the decisions.

After sharing the process observations, the consultant shared the “DIL (*Dialogue, Information, and Learning*)” framework to improve the quality of the group’s task process. The group’s task process referred to the way the meeting was conducted. The consultant suggested that in this framework, the meeting will consciously allocate a third of the meeting time to *dialogue*, a third to *information* and another one-third to *learning*. He added that this framework would help instill a discipline in meeting management. It would ensure that people are engaged and energized through *dialogue* and sharing of *information*, knowledge is created, and new *learning* occurs. Over a period of time, the DIL framework helped the group improve its quality of functioning.

Source: Authors.

### Box 6.4 Interpersonal Process: A Case Illustration

In an IT firm, a Team Lead had been recently promoted to the position of a Project Manager (PM) with 4 Team Leads (TLs) reporting directly to him and 25 Programmers in his larger group. As a PM, he was involved heavily in client interface and meetings with higher management. When he wanted to focus on his internal organization, he often directly approached the individual Programmers to guide them in their work. In the process, the TLs started feeling that they had little direct contact with their manager and their roles were getting eroded. When the PM, realized the unintended consequences of his management style, he sought help from a process consultant. The consultant drew his attention to the interpersonal process in his team and encouraged him to build direct contact with his TLs. He recommended the manager to schedule a set of meetings to talk on a one-on-one basis with all the TLs for 10–15 minutes, preferably every day. This will help him in staying in touch with the actual issues within his group. He also advised the manager to focus on the interpersonal processes in the meeting by observing the following:

- Did the TLs share their issues openly with him?
- How did the members respond to feedback—receptive or denial?
- Did he actively seek feedback from his TLs and encourage them to express their views/opinions?
- What was the climate of the meeting—critical or appreciative or defensive?
- Was there two-way communication during the meetings with TLs?

After conducting these regular meetings, the manager and the team felt well-connected with each other. As a result, he was not only able to manage people more effectively but also his projects.

Source: Authors.

## APPROACHES TO PROCESS INTERVENTION

The initial phase of the consultation involves observation of the processes in the organization by the consultant as a means of data gathering to aid in diagnosis of the problem. After the process consultant has observed and understood the task or interpersonal process problems in the organization, s/he can make recommendations to the client to alleviate the problem. In essence, the consultant helps to hone the diagnostic and problem solving skills and may suggest several alternatives but the key decision to select a particular remedial action remains with the client. Box 6.5 provides illustration of the different approaches to process consultation.

## MANAGER AS A PROCESS CONSULTANT

The common notion is that a manager is an insider who is always accountable for her/his decisions whereas a consultant is an outsider who can evade accountability in difficult situations except when bound by their contract. But, in essence, both the consultant and manager try to help people toward desired goals in human systems by adopting a *helping role*. It is imperative for a manager to understand the interpersonal and group processes because s/he intervenes more at the level of process than the content. However, a manager will have to switch roles from consultant to expert to authority figure depending upon the situation, which is usually not the case for a consultant. Both the consultant and the manager should understand the setting and culture in which they are operating so that they are helpful in the way the culture warrants them to be. Attention to the setting is crucial as it determines the client system with which the consultant will be associated with or working upon. Figure 6.3 presents the 7E framework for the managers and practicing consultants to become an effective process consultant. The subordinate/employee who has sought help from the manager can be labeled as her/his client.

Two tenets of process consultation for the managers and consultants are:

1. Emphasis should always be on the *process* during joint diagnosis and problem solving. For example, encourage the client to restate her/his problem in terms of process by asking questions like “what was the sequence of events that led to this”; “how was the group engaged in decision-making?”; “how was the problem communicated to the members?” or “how was the group formed?”
2. Never take ownership of the problem or the solution, let ownership of the problem and the solution remain with the client. The consultant may/may not suggest alternatives but the final decision rests with the client. The role of the consultant in the process is to foster development of diagnostic and intervention skills in the client.

The effectiveness of a manager will increase manifold if s/he dons the role of a process consultant for her/his subordinates, that is, if s/he masters the art of process consultation by

**Box 6.5** Approaches Adopted by Process Consultant: Illustrations

**Process Management:** The consultant may suggest several possibilities with emphasis on the processes but will leave the final decision of selecting a specific action to the client that s/he deems most appropriate. It is congruent with the process consultation philosophy where the consultant acts like a facilitator and not the decision-maker.

**For example,** for effective conflict management in meetings, the consultant can draw client's attention to the process by sharing ideas like:

- "I want you to share with me step by step what happened in the meeting that led to the argument."
- "I would like you to role play the situation with me so that we can analyze how it went wrong."
- "Let's reconstruct the history to see how the conflict escalated over a period of time."

**Content Management:** After developing absolute understanding of the nature of the problem and situation, the consultant can give suggestions to modify the content, that is, "what is being done." It is rarely used because often the joint diagnosis will automatically lead the client to the content solution and the consultant need not play the role of an expert.

**For example,** for effective conflict management in meetings, the consultant can suggest the following alternatives:

- "Why don't you delegate the responsibility of resolving conflict to the chairperson?"
- "You can organize monthly review meetings to sort out differences between members."
- "I suggest that you devote last 15 minutes of every meeting to resolve conflicts."
- "Why don't you leave the dissenting members alone and see what happens?"

**Structure Management:** The process consultant can either manage or make suggestions to change the structure to solve the existing problem. However, it is rarely used because it signifies that the consultant has made up her/his mind about the problem and assumed an expert's role in telling the client what to do.

**For example,** for effective conflict management in meetings, the consultant can give following recommendations:

- "Assign people with conflicting views to different teams to minimize their interaction."
- "Change the reporting lines of dissenting members to avoid further escalation."
- "Assign members with differences to same group in complementary roles to promote collaboration between them."

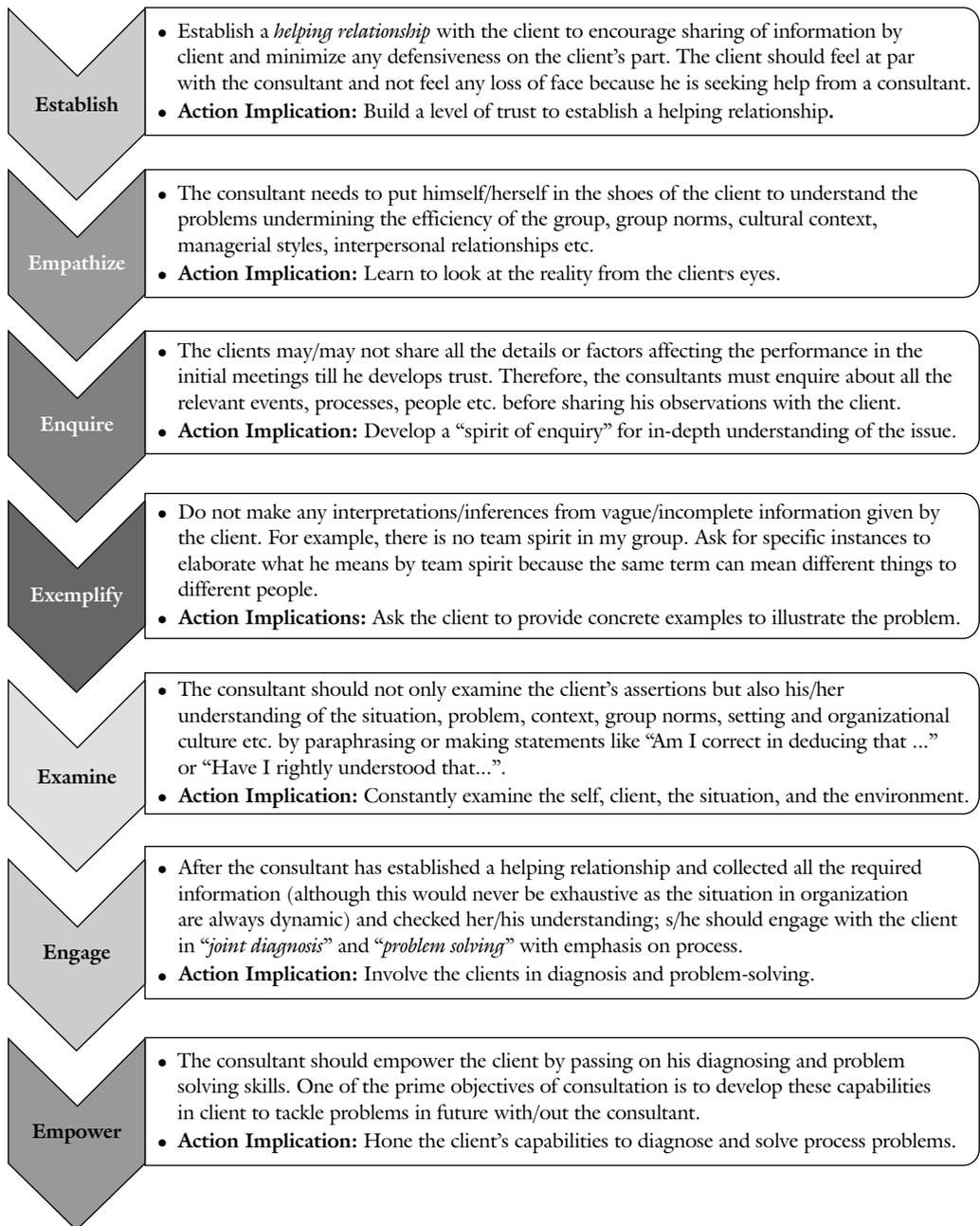
**Concepts Management:** After assessing the situation completely, the process consultant can decide to educate the client by sharing new ideas, concepts, theoretical framework, or practical models relevant to the client's problem. The only issue with this intervention is that the client might find the education irrelevant to her/his problem.

**For example,** for effective conflict management in meetings, the consultant can recommend the following alternatives:

- Ask the group members to read a book on Conflict Management.
- Invite the group to attend a seminar on Conflict Management.
- Advise the client to organize a workshop for the group on Conflict Management.
- Share stories dealing with similar problems from her/his own experience.

**Source:** Authors.

**Figure 6.3** “7E” Framework for Managers and Consultants



Source: Authors.

enabling her/his subordinates to diagnose the problems and devise the solutions themselves. It will not only help the subordinates grow but also ensure that they have the capability to tackle problems in future even in her/his absence.

## CONCLUSION

Group decision-making has been advocated for the advantages it offers in situations in which there is no clear understanding of how specific actions would affect outcomes. The group delves into the exploration of multiple perspectives and reduces idiosyncratic perceptions. However, critics claim that group decision-making may also lead to time delays in reaching decisions, low individual commitment to decisions taken in groups, and poor quality of the decisions (due to improper conflict management, ineffective discussions dominated by few members, interpersonal problems, and so on).

This brings out the importance of process consultation and the benefits of using process consultation to enhance group effectiveness. Process consultation may often seem too simple or commonsensical, leading us to take its use for granted. However, the reality of organizational processes manifests that several things that seem perfectly logical often break down in interpersonal or group situations characterized by a degree of non-rationality.

Process consultation is not just applicable in group settings. It applies equally to individual, interpersonal, and inter-group settings. The process consultant can act as a catalyst/facilitator for an individual, small group, large teams, a department, or even an entire organization in developing the diagnostic and problem solving skills of the client. Process consultation is a complex long-term process requiring commitment from the concerned organizational members. It is a skill that is developed consciously, and has the potential to contribute to effective problem solving. Progressive organizations value constant upgradation of their problem-solving capability, and therefore use process consultation as a vehicle to constantly review and improve their internal processes.

## NOTES

1. This chapter builds on the ideas presented in the chapter on “Process Consultation Approach to Change” by Prof. E. Sendil Kumar and Prof. S. Ramnarayan in the earlier edition of this edited volume on Organization Development (1998). Newer developments in the field have been incorporated.
2. Although the origin of Process Consultation can be traced back to the concept of group dynamics proposed by Kurt Lewin, Edgar H. Schein is popularly credited with developing Process Consultation as an effective consulting tool. This chapter builds on the ideas that he has presented in his books *Process Consultation: Its Role in Organization Development* (1969), *Process Consultation: Lessons for Managers and Consultants* (1987), and *Process Consultation Revisited: Building the Helping Relationship* (1998).

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## Survey feedback as OD intervention: Some experiences

T.V. Rao

### **AN OVERVIEW OF SURVEY FEEDBACK**

Surveys are administered to obtain information about the system in the organizations. Assuming that the feedback is provided to the members, the resulting improvement is dependent on whether the manager takes any action on the same. The employees get frustrated if they just receive the feedback but when no actions are taken. The mere dissemination of information will not bring in change or improvement in the system. For any organization improvement or change to take place, the work group must accept the data as valid, accept responsibility for the part it plays in the problems identified, and must be committed to solve problems (Neff 1996).

Survey feedback is one such tool where all the members in the organization participate in the data collection and jointly do action planning for organization development. It is one of the most effective and widely used OD intervention tool developed by Floyd Mann and his colleagues at the Institute for Social Research. The corporate sector in India, however, used this tool very selectively prior to the 1970s. From the mid-1970s, with the setting up of HRD departments and the recognition of OD as an important part of the HRD function, organizations have started using survey feedback for business improvement and process development.

Survey feedback is based on the study of a work group, a department, or a whole organization. Quite often they use questionnaires for data collection. Survey feedback is essentially a procedure for providing objective data about the system's functioning to the system members so that they can change or improve selected aspects of the system. French and Bell (2001) define it as "a process of systematically collecting data about the system and feeding back the data for individuals and groups at all levels of the organization to analyze, interpret meanings, and design corrective action steps."

Survey feedback involves the following steps:

1. Top executive team and members, in collaboration with the OD consultant develop a survey instrument and approach or the consultant may facilitate a process to identify the issues or problems as a preparatory step for the design of the survey.
2. Survey is administered to all the members of the organization either by an external or internal OD specialist to study the attitudes or perceptions or state of affairs in an organization with respect to any variable or set of variables depending on the needs or problems of the organization at the time of the survey. For instance, CEO of an organization may request for a survey on employee satisfaction or a comprehensive survey of the organizational climate to sense the perceptions of various categories of employees or to understand a specific variable such as attitudes to appraisal or communication processes.
3. OD consultant does the data analysis, tabulates the results, suggests approaches to diagnosis, and trains the client members to lead the feedback process.
4. Data feedback begins at the top management and cascades downward to groups reporting to the managers at the successive levels. Some writers refer to this flow as “interlocking chain of conferences.”
5. The relevant team members discuss, interpret their data, diagnose problem areas, and jointly develop action plans. OD consultants play a pivotal role in data analysis, facilitating the group discussions and developing effective action plans for improvement.

Survey feedback helps in bridging the gap between diagnosing of organization problems and developing future interventions for solving the problem. It works best when supervisors play a vital role in providing feedback to the subordinates and work with the data for joint action planning for organization improvement.

This chapter provides insights into the use of survey feedback tool of OD and change management. It presents a few short case illustrations from the world of practice. The case studies presented in this article are based on the author’s experiences as a consultant to a large number of these companies. More specifically, illustrative uses of survey feedback in the following areas have been presented in the following sections:

- As a sensing instrument
- For strategic shifts in structure, styles, and personnel policies
- Studying organizational climate
- For team building
- Cultural change through change of leadership styles
- Developing motivational climate

## PERIODIC SURVEY FEEDBACK AS A SENSING INSTRUMENT

As we have noted above, survey feedback can be used as an instrument for periodically sensing the climate of an organization. It can give comprehensive information about the changes in the organization as perceived by the employees. Through a well-designed questionnaire, it can inform the top management about the areas where improvements have been made, the new areas of dissatisfaction, and the areas where changes are required. A number of comprehensive instruments are available. These measure the following dimensions: vision, mission, goals and values of the company, communication, supervision, leadership, teamwork, decision-making, goal setting processes, management systems and their functioning, personnel policies and their effect, salary, perks and welfare measures, openness, trust, team spirit, norms values, responsibility, conflict management, mistakes management, rewards and reward systems, etc. In India, a large number of organizations conduct such surveys. In the recent past, employee satisfaction surveys have begun to replace the organizational climate surveys.

### Repeated Surveys of Organizational Culture

#### ***Case Illustration: Crompton Greaves and Larsen & Toubro***

L&T and Crompton Greaves are multi-product, multi-locational engineering companies in India. They have grown remarkably in the last two decades. L&T started its HRD activities in a systematic way in 1975 and was the first in India to establish a separate HRD department. Since the early 1970s, L&T has been conducting surveys of organizational climate.

Crompton Greaves started HRD activities in a systematic way in 1982. It decided to make a diagnosis of the existing organizational culture by using a comprehensive questionnaire. A questionnaire was developed for studying various dimensions of the organization with emphasis on HRD. Crompton Greaves administered this questionnaire for the first time during 1982–83 and since then, has been using it every two years. The experience of the first 2–3 surveys indicated that the climate survey is a good instrument for measuring and observing the culture of the organization. Such systematic study of the culture may provide more insights and food for thought in terms of improvements to be made in the company. On the basis of these initial years of experience, Crompton Greaves has made this survey research a biannual affair.

#### ***Case Illustration: Petrofils***

Another such organization which conducts regular HRD climate surveys is Petrofils Cooperative Company. Box 7.1 below presents a sample summary prepared internally by another company that conducts a HRD climate survey every six months.

**Box 7.1** A Sample Note from a Company Using HRD Climate Survey

[This note was prepared by the HRD department after the survey was conducted.]

**Outcome of the HRD climate survey**

In order to assess how an individual is feeling in the department and in the organization, a HRD climate survey is conducted twice a year. The summary of the outcomes of one such survey is given below along with the suggested action plan for the company. The concerns are presented followed by action plans and responsibilities:

1. Personnel policies of the company  
*Action:* P&IR—Personnel manual to be prepared and distributed to all.
2. Management concern about employee problems is poor  
*Action:* VPs and CEO—Conduct a meeting, give feedback, and get commitment by seniors.
3. Employee development plan is weak  
*Action:* Training department—Prepare an employee grooming and development plan.
4. Biased promotion policies  
*Action:* CEO Top management—Make promotion policy and follow them.
5. Employee welfare  
*Action:* CEO—Follow the welfare action plan developed in the ZOPP workshop.
6. Role stagnation  
*Action:* Top management committee—Role clarity to be initiated.
7. Job rotation  
*Action:* CEO—Implement the policy already existing and make HRD accountable.
8. Career development plan  
*Action:* HRD department—Make a career development plan for management staff and get approval of top management.
9. Improper utilization of training  
*Action:* Training department and HODs—Develop a follow-up system and get employees returning from training to give action plans and applications of their learning, organize follow-up seminars.

**Source:** Author.

## **ORGANIZATIONAL CLIMATE SURVEYS FOR ORGANIZATIONAL IMPROVEMENTS**

Survey feedback can go beyond serving as a sensing instrument. When it is used as a sensing instrument, the top management may not actively initiate changes as it becomes a matter of routine sensing with repeated surveys. However, if it is done occasionally with a purpose it can be directed at concentrated changes. In such events, the organization should be clear about the areas and issues on which a study should be conducted. The experience of Voltas a few years ago is illustrative of this approach.

## **Case Illustration: Voltas**

During 1988–89, Voltas decided to bring improvements in their organizational culture and the HRD function. They sought the help of an external consultant and indicated areas needing improvement. As a part of this study, a survey of the HRD climate was conducted in the company. This survey was conducted by the personnel department (internal), and was supplemented by another survey through interviews by the consultant which focused on all the subsystems of HRD in the company, including organizational structure, employee satisfaction, communication meetings, appraisals, training, promotion policies, etc.

The results of the survey were presented to the top management in their Senior Management Committee meeting. Voltas has a practice of an annual meeting of two days' duration for all its senior-level managers to review performance and plan for the future. On the basis of the survey feedback, some decisions were taken in this meeting to strengthen the HRD system.

The following are some of the illustrative items of the climate survey used in Voltas:

- In case of a problem on the job, seniors and colleagues go out of their way to offer help.
- People in this company are allowed to try out new methods.
- Higher responsibilities are given to those who show competence.
- New entrants into the company are given adequate information about the company.
- GMs/DMs/BMs are willing to invest a considerable part of their time to employee development.
- Career planning is used as a tool for development in this company.

## **Case Illustration: National Dairy Development Board (NDDB) Climate Survey**

During 1989–90, NDDB conducted a survey of the climate as a part of their action research initiative. A 55-item questionnaire was developed by a task force internally at NDDB. The survey feedback was intended to be used by the organization for preparing itself for future. The survey was administered to the entire organization. A total of 523 employees responded to the questionnaire. In addition to the 55 items, the questionnaire also consisted of few open-ended items to measure the strengths and weaknesses as perceived by the employees. The data were analyzed to find out the differences in perceptions due to the length of service, levels or designation, and department or group to which they belonged.

The questionnaire used a five-point scale. The following are some of the illustrative items from this questionnaire:

- I am clear about the tasks I am expected to perform.
- I find the environment at NDDB conducive to acquiring job-related knowledge and skills.

- I receive regular feedback about my performance from my section head.
- When I do a task well, it is appreciated by my colleagues.
- I learn about organizational decisions through rumors.
- I have the freedom to decide on the priorities of my job.
- I believe that only professional management can bring about rural development.

The survey results were presented in a one-day workshop conducted for the top management. The data were used by the top management to identify various areas needing improvement and to prepare action plans. The open-ended questions yielded 23 most frequently mentioned strengths of the organization and 24 most frequently mentioned areas needing improvement. Action steps were initiated by the company on the basis of this data. This effort was integrated by the company into the HRD systems exercise. The organization intended to conduct a repeat survey a few years later. The results from the first survey were communicated to all the staff through an internal newsletter.

## **SURVEY FEEDBACK FOR STRATEGIC SHIFTS IN STRUCTURE, STYLES, AND PERSONNEL POLICIES**

Survey feedback can serve as a very useful tool when an organization wants to shift or change from one stage to another in terms of its structure, styles, policies, and framework. For example, a particular style of management (bureaucratic, coercive, familial, etc.) may have been followed by the top management. The organization may now like to shift to another style (professional, entrepreneurial, organic) for the growth and effectiveness of the company. Surveys of employee satisfaction or perceptions can be conducted to determine the areas where the current style is perceived as a strength and those where it is perceived as a weakness. Such surveys also help the organization to prepare the employees for the change and serve as a communication device. They sensitize the top management to the feelings and perceptions of employees. They can also be used as a prelude to structural changes and strategic shifts. Shifts made after sensing the employees' perceptions are likely to be more successful than those made without giving adequate attention to their feelings. Such surveys are recommended before mergers and acquisitions. Data from the surveys can help predict areas that lead to low employee morale after the merger or change.

### **Case Illustration: E.I.D. Parry Organizational Climate Survey**

The reasons for E.I.D Parry to conduct an organizational climate survey were rather interesting. The CEO took over the company when it was not doing well. In order to turn it around, the CEO had to do a number of things such as downsizing the company, increasing accountabilities through closer supervision and monitoring of performance, increasing emphasis on cost effectiveness, and the top management leading by example. About 3–4 years of concentrated

work in these areas helped the company to change from a loss-making concern to a profit-oriented one. As the company started doing well, the CEO felt that the particular style of leadership and supervision that he had used for the previous few years needed to be changed, to build the company for the future. He realized that it was important for him and his senior executives to gauge scientifically the perceptions of their staff, areas of their satisfaction and frustration. He therefore, commissioned a company-wide survey of the management staff to study their perceptions.

The questionnaire was evolved internally through a series of discussions by the external consultant with randomly selected group of employees across various levels. It was mailed by the HRD department to all the employees, but they were required to send their responses directly to the consultant who was located in another city. The response rate was about 75 percent. An open-ended question was also used for the respondents to indicate strengths, weaknesses, and to provide suggestions. Some of the items used in this questionnaire were borrowed from the HRD Climate Survey developed by the consultant, on which responses of about 1,714 respondents from 41 companies were available. The company benchmarked their scores with that of the large-scale survey done by the consultant.

The following are the sample items used in this 66-item questionnaire:

- The top management believes that human resources are an extremely important resource and that they have to be treated more humanely.
- The personnel policies in this company facilitate employee development.
- My senior officer helps me to learn new things for becoming more effective on my job.
- Officers are encouraged to experiment with new ideas.
- Officers in this organization are consulted sufficiently before decisions are taken.
- The infrastructure facilities for officers are adequate.
- The systems and procedures in this company do not delay decisions.
- Senior officers practice what they preach.

The analysis was done division-wise, category-wise, and length of service-wise. The company subsequently commissioned an in-depth interview study to further investigate the weak areas in the company. The results from these surveys were used by the CEO. He went around the company sharing the data himself with employees and clarifying a number of issues which may have given rise to wrong perceptions in the company. Thus, the survey feedback was taken down the line by the CEO himself. This was one case of an effective use of climate survey for managing change and transition.

### **Case Illustration: BPCL and KRL Experiences**

Similar surveys have been conducted in recent years by a large number of organizations. For example the Bharat Petroleum Corporation Limited (BPCL), Kochi Refineries Limited

(KRL), and the Indian Oil Corporation have been conducting similar surveys periodically. They keep sharing the results of the surveys with the top management and the line managers. They use the survey results to effect changes in personnel policies as well as other changes at the work place. In many cases such surveys have resulted in redesigning the performance appraisal system, training, and such other systems. A survey of this kind conducted recently by the Federal Bank resulted in redesigning their induction program, redesigning their performance appraisal system, and launching many other HR initiatives.

## **CLIMATE SURVEY FOR TEAM BUILDING**

Survey feedback can be used effectively to build top-level teams. In an organization that has subunits and/or strategic business units (SBUs) or divisions, the unit heads may be using their autonomy (knowing or unknowingly) to pull the unit in different directions, or they may not be using the synergies available in the company appropriately. In such cases, survey feedback can help as a good cementing instrument.

It can also help build inter-functional teams in a company. This happens when all the employees of the company are surveyed on dimensions of common importance and the inter-unit differences on these dimensions then studied. Such differences are highlighted in top management seminars and the team develops action plans to improve the state of affairs. Any unit-wise differences that exist may be used by the facilitator to help the top management team to learn from each other. The facilitator can also help the team to start with the commonalities and build on them for the future. The members are thus likely to get closer.

### **Case Illustration: Top Management Team Building in TI**

In the late 1980s, the TI group had four divisions which were headed by four CEOs who reported to the group Chairman. Over a period of time, the group Chairman started realizing that the divisional heads and the functional heads were working in silos while there was a lot of scope for synergy and teamwork. He felt, for example, that the output of one unit could be used as an input in another if both the units worked together. In this process they could save a lot of costs and pass on benefits to each other than to an outside party. Attempts made by him through a series of monthly meetings did not yield satisfactory results. In the meetings, the CEOs and functional heads were found to be locked up on trivial and mundane things, pushing larger strategic issues to the background. When attempts were made to point this out, some of them directed their hostility toward the chairman.

The Chairman was interested in changing the attitudes of the divisional heads in a meaningful way through a team-building workshop. But such a workshop needed an agenda. After discussions with the chairman, it was felt that an organizational climate survey with emphasis on employee satisfaction may form a good basis for the team-building workshop. The divisions

had been working somewhat independently and may have developed their own culture. Yet the company desired to have a larger identity and a common culture of which both the employees and the management could be proud. Every unit or division had some strengths of its own and some differences in culture. How to use the strengths of each unit or division, spread them to others and at the same time develop a common culture? It was proposed to study the extent to which the similarities and differences existed and also the desirable similarity and difference. The top management discussed this issue in one of their monthly meetings and asked the consultant to conduct an organizational climate survey. It was decided that the results would also be used for a team-building session. The top management also felt that they would like to bring about changes in the company culture if there were areas of dissatisfaction.

The consultant spent a few days interviewing randomly selected sample of employees to identify their areas of concern. Based on the interviews with 78 employees drawn from all the four divisions and from various levels, he developed a questionnaire consisting of 65 items to measure the organizational climate of the entire company as a whole and 57 items to measure the unit climate. This questionnaire also used some open-ended questions to find out the strengths, weaknesses, and suggestions for improvement. The following are the sample items used in the general climate questionnaire:

- I am very optimistic about the future of this company.
- Top management practices what they preach.
- Mistakes made by the management staff are treated with understanding.
- The performance review committee's decisions are not objective.
- There is too much centralization in decision-making.
- Corporate office plays a very dynamic and entrepreneurial role.
- Interaction between the management staff of different units is high.
- There is a lot of stagnation in the management staff.
- There is too much delay in decision-making in the corporate office.
- Compensation for the managers is good enough to attract competent people.
- The company invests enough in training its management staff.

Illustrative items from the unit climate questionnaire are:

- The team spirit in my unit is of high order.
- I am satisfied with the performance of my unit.
- I feel happy to work in this unit.
- People trust each other in the unit.
- People are transferred frequently from/within this unit.
- There is adequate delegation of responsibility down the line in this unit.
- Unit plans are shared with all the management staff.
- Induction training given to new recruits is adequate in this unit.
- Technology used in this unit can be improved to a great extent.

The questionnaire was mailed to 673 management staff of whom 420 responded. This constituted about 60 percent; the unit response rate was less than 50 percent. The data were analyzed item-wise and areas of strengths and weaknesses of the company as well as of the units were tabulated.

A two-day workshop was organized to discuss the results. The top management team went to a retreat where they discussed the data. The discussions focused on the perceptions of employees, the commonly perceived sources of strength of the image of the company which were holding them together, and the unit weaknesses that could be improved. The commonly perceived weaknesses became a main item on the agenda and brought the entire team together. Based on the feedback, the team took various decisions to improve the organizational culture as well as the unit culture, including the need for more synergy and teamwork. Besides these, structural and process changes were also contemplated by the end of the workshop.

## **CULTURAL CHANGE THROUGH CHANGE OF LEADERSHIP STYLES**

### **Case Illustration: The Experience of Mafatlal Textiles**

The cultural change and leadership development experience of the Mafatlal group is very illustrative of the use of survey feedback for OD. This group consisted of five divisions/units, each headed by a unit head. The leadership styles were somewhat different and the culture of each unit was perceived as different. The company's plans required a high degree of quality consciousness in getting into exports and a higher level of productivity. It was felt that while certain styles of leadership had created some positive cultures; other styles of leadership were not very conducive for the future growth of the company. The question was how to help some of the unit heads to recognize the culture in their own unit and the extent to which their own leadership and attitudes were influencing the culture of the unit.

The top management participated in a top management leadership workshop conducted by the IIMA and experienced the utility of feedback methodology in understanding and improving one's own leadership and management styles. They decided to use this strategy for bringing about change in the entire top team. Accordingly a team of consultants were commissioned to develop a series of questionnaires to survey the organizational culture, the differences in organizational culture at various locations, and the leadership styles, and through the process of feedback help the participants to recognize the relationship between their style and the culture they were building. The consultants developed a number of questionnaires to study the organizational variables. The following are the sample items that constituted the organizational analysis questionnaires:

- Present strength of the division relative to what it was three to five years back
- Satisfaction level of the employees on 22 different aspects of the organization, such as decision-making authority, autonomy for growth, job clarity, job satisfaction, and team spirit

- Nine conflict resolution mechanisms used by the unit and the extent to which employees perceive that it should be used
- Organizational learning
- HRD climate
- Style of corporate management

In addition, questionnaires were developed to measure the attitudes and styles of the top-level managers. Different attitudes and styles included:

- Managerial role to assess how effectively different roles were being performed
- Influence style to study the influence styles of the managers
- Leadership styles
- Change agent traits
- Excellence standard
- Team role

These questionnaires had two versions, one for self-assessment and the second for assessment by others. Every top level manager was asked to identify about 10–15 employees—colleagues, subordinates, and other higher level executives to whom they reported, who were then requested to assess and send the questionnaires anonymously to the consultant. Each questionnaire contained only the name of the participant who was being assessed. The consultant collected and summarized the data for providing feedback to the participants who were called for a workshop at IIMA. During the four-day workshop, half the time was spent on exploring and understanding the various dimensions measured by the questionnaires. The implications for the organization as well as the individuals were discussed, as was the self-assessment by the participants. Besides the initial understanding of the concepts, etc., the four-day workshop was essentially a workshop for giving and receiving feedback. This resulted in the top management team coming together and deciding on a number of things to improve organizational effectiveness.

## **SURVEY FEEDBACK FOR DEVELOPING MOTIVATIONAL CLIMATE**

Survey feedback can also be used effectively to develop the desired kind of motivational climate in the organization. The motivational climate questionnaire developed by Udai Pareek and Somnath Chattopadhyay analyzes the motivational climate of an organization by the predominant motivational patterns reflected in the employees' behavior. The motivational patterns studied include achievement, affiliation, control, influence or expert power, dependence, and extension. The areas where the motivational climate gets reflected include general beliefs, supervision, decision-making, goal setting, mistake management, conflict management, rewards, communications, etc.

Illustrative items pertaining to rewards include the following:

- On what basis are people rewarded here in this organization? (Rank order)
  - Excellence in performance and accomplishments
  - Expertise shown on the job in relation to various tasks
  - Loyalty
  - Development of junior colleagues and building teamwork and collaboration
  - Maintaining discipline and controlling subordinates
- Ability to get along very well and being liked by others

### **Case Illustration: Motivational Climate Development in Bharat Earth Movers Limited (BEML)**

BEML implemented a new organizational structure to cater to the planned diversification and expansion. Such expansion required building the competencies of the existing staff and creating a culture of excellence. BEML was characterized by different motivational cultures by virtue of its past history and the early recruitment of managers from certain sectors. In order to strengthen the competency base of these managers BEML decided to start a new HRD department and introduce some of the HRD subsystems. One of the tasks undertaken by the new HRD department was to study the motivational climate of the senior management and help them to shift from one climate to another. Accordingly, a motivational climate survey was conducted. The survey revealed that the company had a predominantly control- and dependence-oriented climate. It was felt necessary to move toward a predominantly achievement- and influence-oriented culture. The survey results were then used to create awareness in the senior management about the need for change. A series of three-day motivation management workshops were conducted for the staff. In these workshops, the senior managers were provided with an opportunity to examine their motivational climate individually and collectively, and prepare action plans for change.

### **Case Illustration: Managing Change in Educational Institutions—Project Impact**

“Project Impact” is an electronics industry development project funded jointly by the Government of India, World Bank, and Swiss Agency for Development and Cooperation. The goal of the project was to upgrade the quality of education and training in the fields of computer and electronics engineering. This project aimed at upgrading the laboratory infrastructure, knowledge, and skills of faculty in the engineering colleges and polytechnics and encourages the industry to interact with institutions in a mutually beneficial manner. In this project, 14 engineering colleges and 12 polytechnics were funded by the three agencies. At the end of the

program, it was found that some institutions used the funding, carried out many activities, strengthened their infrastructure and skills, and benefited fully, while others did not use the funds available for them. Their index of adoption of the development activities varied from institution to institution. It was decided to find out the reasons for variation in the adoption and institutionalizing of the development support. It was hypothesized that the institutional environment had a relationship with the use of funds and getting benefit from the project impact. An institutional environment questionnaire was developed. This questionnaire consisting of 115 items on institutional environment measured the perceptions of the faculty about the mission, leadership, empowerment, professional initiatives and proactivity levels of faculty, communication, planning culture, participative decision-making, loyalty, team spirit, collaborate to attitudes, learning environment, renewal mechanisms, willingness to change, faculty development, support systems maturity, and process sensitivity. It was administered to 530 senior students, 130 faculty, and 113 support staff of these institutions. The results indicated that institutions that utilize the funds showed better environment as compared to those that it did not use the funds on all the dimensions of institutional environment. The data was shared with various institutions. These institutions were then helped to prepare a plan of action to change both their adoption behavior and institutional environment. Subsequent follow-up revealed a better involvement of these institutions.

### **Case Illustration: Survey Feedback for Improving Subsystem Impact: Sail PMS Surveys**

Survey feedback is used to improve the effectiveness of any system in an organization. For example the Steel Authority of India introduced a new appraisal system in the year 1987. After 13 years of implementation of the same, it decided to make improvements in the system in response to a perception on the part of most executives that it needs change. An in-house survey was conducted two times and finally the system was changed using the inputs from these surveys and interview data. The surveys included both questionnaire surveys and interviews. In Tata Motors, every appraisal cycle is followed by the PMS survey. The focus of the survey is primarily on process. Based on this feedback, necessary corrective actions are taken to improve the process during the next cycle.

### **Case Illustration: Gallup Consulting<sup>1</sup>**

Gallup Consulting is a global research based consultancy which helps organizations to transform the way they work and boost their organizational performance. They employ validated tools and methods to measure the human elements that drive business success. They offer consulting services in various areas such as Customer engagement, Employee engagement, Strengths based selection, Strengths based development, Leadership, and Succession. Gallup

conducts surveys, does measurement, prepares reports, provides help in action planning, and also provides solutions that drive change. A large number of organizations in India have begun to use the Gallup surveys. For example, at Tata Motors, Gallup engagement surveys are administered periodically wherein department heads receive feedback for their departments and engagement action plans are prepared by the departments.

### **Case Illustration: The Great Place to Work Institute<sup>2</sup>**

The Great Place to Work Institute is a research and management consultancy based in the US. Their main objective is to help the organizations identify behaviors that build trust between employees and management and also help in directing the steps for future action. It also helps organizations transform their workplace by bringing together their expertise, methodological rigor, and the proprietary tools. The institute offers variety of services to improve their workplace. They help the organizations in planning, providing workshops, and offering leadership development programs during the process of transformation. They believe that the foundation for a great workplace is the trust between employees and management. The organization has its own tested instruments to measure trust like The Trust Index, The Trust Audit, and the 360 degree Trust Appraisal. They provide the following services:

- Conduct surveys, analyze data, evaluate results, develop recommendations, and prepare reports.
- Provide comparative benchmarks in the form of relevant best practices from other organizations.
- Facilitate the process of taking the recommendations forward through workshops/discussions.

### **CONCLUDING OBSERVATIONS**

Survey feedback by itself does not result always in change. It needs to be pursued with concrete action plans. The following conditions are required for survey feedback to be effective as OD tools:

- Commitment of the top management is necessary. The desire for change, like any other OD intervention, should come from the top management. They should be willing to get any aspect of their organization scientifically studied and to receive negative feedback. If they are threatened from the beginning and would want to hear only positive things, the survey feedback may have very limited or even negative effect.
- The issues to be studied should be clear from the beginning. The top management could articulate issues they are aware of; alternately a preliminary exploratory study could be conducted by the consultant to list the issues.

- The consultant should be a researcher and a professionally qualified OD specialist. Although survey feedback is one of the easily understandable and usable tools, there are always sensitivities attached with it and a person who is not sensitive to organizational issues and politics may not be able to use this tool effectively.
- Survey should be conducted scientifically using the principles of research methodology.
- While questionnaire is the most acceptable and well-developed method for surveying, use of other methods such as observation and workshops add a lot to the variety and seriousness of survey feedback.
- If survey feedback has to be effective, participation should be sought from the employees who are going to be covered by it. Adequate attention should be paid to communicate the right messages so that survey feedback can become a successful intervention.

## NOTES

1. See <http://www.gallup.com/corporate/115/About-Gallup.aspx> (accessed on July 25, 2010).
2. See <http://www.greatplacetowork.in/gptw/index.ph> (accessed on July 25, 2010).

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## HRD audit as an OD intervention

T.V. Rao

An HRD audit is a comprehensive evaluation of the current human resource development strategies, structure, systems, styles, and skills in the context of the short- and long-term business plans of a company. It aims to find out the future HRD needs of a company after assessing the current HRD activities and inputs available. An HRD audit starts with an understanding of the future business plans and corporate strategies. While an HRD audit can be done even in organizations that do not have well thought-out future plans and strategies, it is most effective as a tool when the organization already has such long-term plans. HRD audit is not a conventional OD intervention but by virtue of its diagnostic and participative methodology, it can qualify as an OD tool. The diagnosis of the HRD systems in organization utilizes the audit methodology that insists on starting and ending with top management involvement. This is congruent with the OD's underlying philosophy. It involves all the HRD staff in the audit process and a large number of managers and top leaders especially in interview or sharing the findings, making them aware of the areas of improvement. Although it can be further refined as an OD tool, HRD audit has the potential to enhance the effectiveness of the organization. It can identify and resolve problems related to HRD which in turn can improve the performance of the employees and organization as well.

### **PRELIMINARY QUESTIONS IN HR AUDIT**

An HRD audit generally starts with the following question:

*Where does the company want to be ten years from now, three years from now and one year from now?*

Answer to this query has to be provided by the top-level management. On the basis of the answer and by reviewing any long-term plan documents, the consultants finalize the subsequent audit strategies and methodology. They identify the nature of core competencies the

organization needs to develop to achieve its five- to ten-year plans. They also identify skills required to be developed by the company at various levels—workmen, supervisory, junior-management, middle-management, and top-management—and with respect to various functions (finance, production, marketing, etc.). Listing all these core competencies and skills for the future is the starting point of an HRD audit. It assesses the existing skills and the skill gap in order to achieve the long-term business goals and short-term results of the company.

*What is the current skill base of employees in the company in relation to various roles and role requirements?*

This is assessed through an examination of the qualifications of employees, job descriptions, training programs attended, etc. Besides these, through interviews, an attempt is normally made to identify the skill gap in the organization. Training needs and performance appraisal forms provide further insights about the skill set and future requirements.

*What are the HRD sub-systems available today to help the organization build itself a competency base for the present, immediate future as well as for achieving long-term goals?*

HRD has five major systems (*and each system has several sub-systems*)—first three are individual- and team-oriented and the last two are organization-based. They are Career system (recruitment, succession planning, retention, etc.), Work system (performance appraisal, job rotation, reward, etc.), Development system (induction, training, mentoring, etc.), Self renewal system (survey, OD interventions, etc.), and Culture Systems (vision, values, communication, etc.). The consultants attempt to identify the various HRD sub-systems that are available to ensure the availability, utilization, and development of skills and other competencies in the company.

*What is the current level of effectiveness of these systems in developing people and ensuring that human competencies are adequately available in the company?*

This is made by assessing the effectiveness of each system. For example, the effectiveness of the performance appraisal system is assessed by discussing with the employees—individually and in groups—about the efficacy of the system. The auditors look at the appraisal forms and the linkages between appraisal and training, conduct questionnaire surveys to assess the extent to which coaching and other components of other appraisals are being utilized, and also conduct workshops if necessary to assess the effectiveness of these systems. Similarly, in relation to induction training, the consultants make it a point to meet those who have been through the induction training program recently or those who are in the process of being inducted into the company to ascertain their views to improve the induction, training methodology, etc.

*Is the existing HRD structure in the company adequate for the needs of company?*

Next, the auditors or consultants examine whether the HRD structure can handle the pressing and future HRD needs of the company. This examination will assess the existing skill base of

the HRD staff of the company, their professional preparation, their attitudes, their perceptions by the line managers, their values, their developmental needs, and so on. In addition to examining the full-time staff, the HRD structure is also assessed in terms of use of task forces and other mechanisms. The HRD audit also examines the linkages between HRD and other systems, such as total quality management, personnel policies, strategic planning, etc. Suggestions are made on the basis of evaluation on the above questions about the future HRD strategies required by the company, the structure the company needs to adopt for developing new competencies and the systems that need to be strengthened, and the compatibility of the styles and culture with HRD processes in the company.

## **METHODOLOGY FOR HRD AUDIT**

Auditors use a number of methods to arrive at answers to the above questions. These are described in some detail as follows:

1. **Individual interviews:** The auditors normally interview the top-level management and senior managers individually. Such individual interviews help to capture their thinking about the future plans and opportunities available for the company. Also, by virtue of the strategic positions occupied by them, the top management provides the required perspective for a good HRD audit. Individual interviews are also essential when sensitive matters and sensitive information particularly about the styles and culture, have to be obtained. Union leaders, departmental heads, some strategic clients, and informal leaders are all interviewed individually.
2. **Group interviews:** Normally, for the audit of companies having thousands of employees, it is not feasible to meet everyone individually. Group discussions and interviews are a good way of collecting information about the effectiveness of existing systems. Group interviews are conducted normally with groups of four to eight individuals. It is preferable to have employees drawn from the same or similar levels, as part of junior employees are likely to feel inhibited and may not freely express their views in the presence of their seniors. However, it is quite common to have a cross-functional representation of employees in the same group. If the organization is large, group interviews for each function are conducted separately to keep the groups homogenous.
3. **Workshop:** In some cases the individual and group interviews are substituted by large-scale workshops. In the workshop a large number of participants can be assembled in a room and could be asked to do the HRD audit. Normally, in the workshop the participants work in small groups either around various sub-systems of HRD or around different dimensions of HRD, do a SWOT analysis, and make a presentation. The workshops also can be used focusing specifically on individual HRD systems like performance appraisal.

4. **Questionnaire method:** A comprehensive questionnaire can be developed which can be administered to the executives of a company. The questionnaire can be administered individually or in a group. Groups of respondents selected randomly can be called to a room, explained the objectives and the process of HRD audit, and administered the questionnaire. This ensures uninterrupted answering of the questionnaire and provides scope for getting more credible data due to the personal explanations given by the auditors.
5. **Observation:** In addition to the above the auditors should physically visit the workplace, including the plant, the canteen, the training rooms, the hostels, the hospital, school, living colony, etc. These visits and observations can help to assess the extent to which a congenial and supportive human welfare-oriented climate exists in the company. This is essential because employees are not likely to give their best if they do not live in good surroundings, their health and education are not taken care of, they do not have good communication and other facilities, and their work conditions are poor. The observations can be conducted using a checklist of questions.
6. **Analysis of data:** Analysis of secondary data can give a lot of insights into the HRD assets and liabilities of the company. For example, in a company that had about 50 HR people, only two were found to have the required professional training in the area of HRD. When an analysis of the training programs attended by others was carried out, it was found that a large number of them had not attended any HRD program in the previous five years. Such an analysis of secondary data can throw up many insights. Analyses of the age profiles of the employees, the training attended, the minutes of the meetings held, etc., can help to determine the assets and liabilities. Such analyses should also pay attention to the costs incurred by the company to maintain the HRD infrastructure.
7. **Analysis of reports, records, manuals, and other published literature:** Published literature of the company, including annual reports, training calendar, personnel manual, and various circulars issued from time to time are also likely to help immensely in assessing the strengths and weaknesses of HRD.

## HRD AUDIT AS A DIAGNOSTIC TOOL

The OD process starts with the diagnosis of the organization or its subsystem. The diagnosis is done either by the external consultant with the help of an internal team or by the organizational members themselves with the help of a consultant. The above discussion makes it clear that the methodologies that are normally used in HRD audit are not different from those used for organizational diagnosis.

Let us take a short case illustration. In a large organization, mixed groups were constituted which were taken through a series of diagnostic exercises through questions such as the following:

- What are the three good things in your performance appraisal system?
- Which one thing would you like to change in your performance appraisal system?
- Critically evaluate the job rotation in your company.
- What are the strengths and weaknesses of your training policies and practices?
- Use three adjectives to describe the promotion policies as they exist in your company.

The results were compiled and fed back to the group. By the end of the day, the group knew the results of the audit and the recommendations the consultants were going to give to the top management. Some of the top management team members participating in the exercise also felt more motivated to improve the state of affairs. Thus, in conducting the HRD audit through participative methods, the consultants were able to diagnose and start the change process. The HRD audit itself became an OD intervention. Organizations undertake HRD audit for the following reasons:

- **To take stock of things and to improve HRD for expanding, diversifying, and entering into fast growth areas:** Many good organizations in India have realized that due to constraints of the past they have not paid adequate attention to their HR. Some of them in the past were recruiting employees at low salaries and on the basis of contacts rather than recruiting competent people. Suddenly, they discovered that what was valued in the past (employees of average level competence with high loyalty) have become a weakness in the present. They had to change their profiles in order to compete for the future. Therefore, they wanted to take stock and see the directions in which they should move. Some of them had introduced many new HRD practices but had borrowed them from professionally managed companies without adequate preparation. They undertook an HRD audit to determine if they are going in the right direction.
- **For promoting more professionalism among the employees and moving to professional management:** With the world becoming a global village, some companies had started realizing the importance of skill development and professionalism among the employees. They wanted to take stock of their HRD systems and processes to inculcate such professionalism.
- **Multinationals wanted to know the reasons for lower labor productivity and for improving their strategies of HRD in the Indian context:** Some multinationals operating in India had found from their experience that though they paid high salaries in India as compared to others, the labor productivity was poor. In spite of a number of good practices, they discovered that they had some unique problems of working with the Indian employees. Some of these included: high designation consciousness, low level of teamwork, tendencies to unionize, lack of trust in the management, low energy levels, and preference for a paternalistic treatment. Some of these companies had relied heavily on the HRD departments and wanted the situation to change. They had decided to undertake an HRD audit because their experiences had not been as positive as they had desired. They perceived HRD audit more as a renewal exercise.

- **Growth and diversification:** A few of the organizations, after their initial success and building core competencies in certain areas, wanted to diversify and expand into new areas. They had even undertaken the initial steps of using their existing staff to handle new projects. They were, however, unsure as to whether this would work out and wanted to know the directions in which they should move. Therefore, they decided to undertake the HRD audit.
- **Dissatisfaction with a particular component:** A few organizations undertook HRD audit as a comprehensive review of their needs generated from their dissatisfaction with one or two sub-systems of HRD. For example, in one company the HRD audit was seen as a means to improve communication. In another company, the appraisal was the starting point, but they decided that since appraisal was linked to many HRD sub-systems, they should get a comprehensive examination of HRD done. A third company conducted an HRD audit though their main interest was development of a training plan.
- **Change of leadership:** Some organizations undertook HRD audit as they needed to recruit a new HRD manager and reorient the entire HRD department.

## HRD SCORE CARD

Rao (1999) introduced the concept of HRD score card to evaluate the performance of the HRD function in an organization. The score card is a series of four letter grades assigned by the auditors on the basis of the HRD audit. At the end of the audit, the auditors assign a letter grade on the following dimensions:

1. **HRD systems maturity:** It indicates the extent to which the firm has mature (appropriate, well designed, and managed) systems in place.
2. **HRD competencies maturity:** It indicates the extent to which the HRD managers have the required competencies to handle the HR function professionally, the extent to which line managers have the attitudes required to learn and grow, HRD styles of top management indicating the extent to which the top management styles are aligned to the HRD philosophy and make facilitate learning among all, etc.
3. **HRD climate:** It indicates the extent to which the firm has the required HRD culture.
4. **Business linkages maturity:** It indicates the extent to which the above three (systems, competencies, and culture) are aligned to the business goals or organizational objectives.

The letter grades range from an “A+” to an “F” where A+ indicates an extremely high level of maturity and F indicates an extremely low or total lack of maturity. At a glance, the HRD score card helps in identifying the areas the firm needs to focus (Becker, Huselid, and Ulrich 2001). Consider the score card of the following hypothetical company displayed in

Table 8.1. The HRD score card indicates that the firm A has high levels of HR and line staff competencies. It has reasonably good HRD systems whereas the HRD culture has not yet developed fully (or the HRD systems are not yet impacted by it). But, an area of concern is weak business linkages of all the systems. It implies that the ROI on HR is weak. Therefore, the organization should pay attention to strengthen the business linkages of the HR systems.

**Table 8.1** HRD Score Card of Firm A

<i>Systems maturity</i>	<i>HRD competencies maturity</i>	<i>HRD culture maturity</i>	<i>Business linkages</i>
B+	A	C	D

Source: Author.

## HRD AUDIT AS AN OD INTERVENTION

A great deal of work has been done in India regarding the use of HRD audit as an OD intervention and is a unique feature of Indian organizations. The author's experience in initiating OD with the aid of HRD audit has shown the following results:

- The audit in several organizations resulted in establishing several organizational systems and processes such as potential and performance appraisal, career planning, training, mentoring. Performance appraisal and job rotation are the two most frequently affected changes.
- In a few companies, it has resulted in the formulation of clear-cut policies including promotion policy, communication policy, reward and recognition policy, etc.
- In other organizations, it seemed to have drawn their attention to issues like developing trust, collaboration, teamwork, quality orientation, etc.
- In a few others it has resulted in more role clarity and direction to the employees in terms of their work leading to higher level of role efficacy.
- In one of the organizations, when the audit started exploring future strategies, the top management team could not identify the future plans. They stated that the plans came from the multinational head office and they had no freedom in influencing the same. The revenue turnover from Indian operations was negligible, and therefore the parent office paid little attention to the corporation. As a result, the top management could not communicate the future of the organization clearly to the employees. This resulted in morale and motivation issues among employees, though of not a significant magnitude. The corporation has good practices and the employees were proud. On the basis of the HRD audit report, which indicated the difficulties in ensuring employee commitment without an appreciation of the future plans of the company, the top management team made it a point to negotiate and plan the future strategy and plans for the company.
- In another company, the HRD audit indicated the need for developing locals as HRD managers and the need for reorienting the HRD systems to local culture. The company

recruited an HRD manager as a short-term basis who designed a number of HR systems and also trained the local line managers in HRD. These systems were later integrated into the TPM, ISO 9000, and similar practices.

The above discussion indicates that HRD audit can provide valuable insights into a company's performance and is cost effective in initiating improvements. While various methods like individual and group interviews, workshop, questionnaires, and observation can be used as diagnostic tools, the success of the audit as an intervention depends on the efficiency of implementation in the post-audit phase.

## **HRD AUDIT FAILURES**

There are at least two cases of HRD audit not resulting in anything. The HRD manager was very enthusiastic in getting the HRD audited. The Audit report indicated a very poor state of HRD in the company. The staff competencies were rated as poor, the practices questioned and improvements suggested. The Benchmarking data also indicated this company to be one of the poor performers in terms of HRD though in terms of the profits, etc., the company was in the forefront and was facing competition. Though the audit started with an interview with the CEO, no opportunity was provided to the Auditors to make a presentation to the CEO. As a result the audit report did not receive any attention and the auditors considered the effort a waste.

In another company, the top management commissioned the Audit but got busy with reorganization of one of their critical marketing functions. In the process and due to market competition all the energies of the top management and their HR staff got diverted to the new organizational structure and they did not even have an opportunity to know the findings of the Audit. The auditors felt that some of the audit findings directly relate to business improvements in terms of the very reorganization they were planning. But the auditors were not in a position to draw the attention of the top management. The effort did not result in anything.

These two events make it clear that the following processes in the HRD audit have potential in initiating and managing change:

- Initial interviews with the top management.
- Benchmarking data on HRD audit questionnaire supplied to the company.
- Presentation by the auditors at the end of the audit.
- The report itself and the way the report is handled.

## **EFFECTIVENESS OF HRD AUDIT: AN EMPIRICAL STUDY**

Jomon (1998) conducted a research study to identify the factors influencing the use of audit as a change tool. He studied four organizations where HRD audit was conducted. These

organizations were studied about three years after the first audit. This gave an understanding of the benefits accrued from HRD audit by evaluating the post audit scenario. The aim of the research was to assess the influence of the following variables in the effective use of HRD audit.

- Organizational characteristics
- Profile of the HRD department
- Competency levels of HRD department
- CEO's commitment toward HRD
- HRD chief's commitment toward HRD

### **Post Audit Scenario: Organization 1**

Soon after the Audit, the management held a number of meetings and a final action plan was formulated. Though the action plan covered HRD at the policy-making level; at the operational and departmental level it contained a joint action plan for the HRD-Training department. The reports as well as the plan were kept confidential. The following changes were brought about as a result of the Audit exercise:

1. A well-established system to assess the potential of higher level people based on key competencies.
2. Promotion policy is now shared with everyone.
3. Each employee is aware of his career path.
4. Mechanisms to help employees plan their work efficiently have been set up. For example, employees are helped by their supervising officers in planning their work.
5. Employees now go for training with a clear understanding of the knowledge and skills they are expected to acquire from training.
6. Regular circulars and notices and bulletins give adequate information to the employees about the Company, the market situation, the changes in the environment, etc.

### **Post Audit Scenario: Organization 2**

This company has come a long way since the time when the audit was conducted. The situation three years after the audit exercise was done can be described in the following way:

1. Clear personnel policies including promotions policy, communication policy, reward and recognition policy, and many more.
2. Team spirit at this company is of a high order as conveyed by the employees themselves.

3. PPRD (Prevention, Preparedness, and Response to natural Disaster) systems have been revamped. A well-structured feedback mechanism is in place now.
4. KPAs (Key Performance Areas) provide role clarity and direction to the employees in terms of their work and role clarity is very high among employees.
5. External training programs are chosen carefully after collecting enough information about their quality and suitability.
6. Action Oriented Research is very well established and taken seriously and acted upon.

### **Post Audit Scenario: Organization 3**

The first audit was conducted in 1993. A management council meeting was organized to discuss the strengths, weaknesses, and the recommendations of the Audit. Strategic issues related to HRD were also considered at this juncture. The status in 1997 (four years after audit) is presented as follows:

1. Manpower requirements for each department are identified well in advance.
2. Key competencies have been identified and a system is in place for assessing the potential of people for higher level responsibilities.
3. Employees also participate and contribute to annual performance plans.
4. KPAs provide role clarity and direction to the employees in terms of their work.
5. A very high level of role efficacy as stated by the employees themselves.
6. OD initiatives, research orientation, communication, empowerment, and reward systems are yet to be established.
7. The HRD staff though inadequate in number was considered highly competent.

### **Post Audit Scenario: Organization 4**

In this company some of the weaknesses highlighted by the HRD audit were:

1. No potential appraisal system and an ad hoc performance appraisal system
2. No career planning system
3. Lack of role clarity
4. Poor induction procedure
5. Absence of mentoring
6. High confusion and friction in values and approach
7. Lack of initiative and a mechanical approach to work
8. Human orientation was missing

9. Operators were treated badly
10. Personnel policies were not development-oriented but discipline-oriented

Once the HRD audit report was submitted, the HR Chief called all the managerial staff for dinner and presented the findings. Based on the discussions an action plan was drawn up which after implementation brought about the following changes:

1. A well-established potential appraisal system and a systematic performance appraisal system.
2. Career planning is done up to the executive level.
3. Role clarity brought about through identification of KPAs.
4. Systematic Induction and Training Program has been established.
5. Initiation of mentoring.
6. An increase in the level of trust among employees.
7. High involvement of employees at all levels.
8. Human orientation injected into the business process with opportunities for growth and development provided to all employees.
9. Empowerment of operators through various mechanisms, and efforts made toward improving management–operator relationship.
10. Integration of all HR-related activities, which now support developmental activities.

The findings of a research study have been summarized below. Box 8.1 presents the characteristics of the organization that were able to embrace change and utilize the HRD audit inputs better, leading to a more effective HR function. Box 8.2 describes the profile of HRD department where the utilization of the audit inputs and the resultant effectiveness of the HR department were far better.

- There is a direct relationship between the CEO's commitment toward HRD and the effectiveness of the HRD function.
- An interesting revelation was that in all four organizations, the CEO was rated higher than the HRD Chief in commitment toward HRD. The reason for this could be that many communications announcing new ideas, the CEO signed practices and systems to be put into effect. This also ensured a greater acceptability by the members of the organization.
- There is also a direct relationship between the ratings of the HRD Chief in commitment toward HRD and the effectiveness of the HR function.
- The organizations with a highly competent HRD staff were able to derive much more benefit from the audit process resulting in a higher impact on the effectiveness of the HR function. In fact in one company though the HRD department was small and inadequately staffed the utilization of HRD audit and its effectiveness on HRD practices was high mainly due to the high competency level of the HRD staff.

**Box 8.1** Characteristics of Organizations Effectively Utilizing HRD Audit

1. Middle-aged organizations (that have been in existence between 10 and 25 years) as compared to very old or very young organizations.
2. Professionally run private organizations as compared to family owned organizations or closely held MNCs.
3. Service companies as compared to their manufacturing counterparts.
4. Organizations with a flat structure as opposed to those with hierarchical structure.
5. Medium-sized organizations (with 20–40 departments and between 1,000 to 2,000 employees) as compared to that very large or very small.
6. Organizations with a good employee profile the criteria for which is as given as follows:
  - i. **Managerial profile:** Majority of managers is professionally qualified, average age between 30–40, and more than eight years of work experience.
  - ii. **Support staff profile:** Majority of the support staff is secretarial certificate holders, average age between 35–45 years, and above 10 years of work experience.
  - iii. **Worker profile:** Majority are skilled, with above 10 years of work experience, and average age between 35–45 years.
7. Organizations where management systems were in the process of being set up as compared to those with a well-established management system.
8. Organizations with participative and proactive unions undertaking developmental activities had better HRD practices for workers.
9. Organizations with certain annual employee development budgets as compared to those with no such allocation.
10. However, the following organizational characteristics did not seem to have any relation to the utilization of the audit inputs or the effectiveness of the HR function.
  - i. Market positioning.
  - ii. Tendency of groupism among employees.
  - iii. Linkage with industries.
  - iv. Collaborations with institutions.
  - v. Social responsibility.

Source: Jomon (1998).

## SUMMARY AND CONCLUSIONS

HRD audit was originally not intended to be an OD tool. By virtue of its diagnostic and participative methodology, it seems to work like an OD intervention. The interview methodology, its comprehensiveness, the audit methodology insisting on starting and ending with top management involvement—all have high potential for initiating change processes. It could be further refined as an OD tool. It involves all the HRD staff and a large number of managers in the audit process and makes them conscious of the areas needing improvements. HRD audit is needed for realigning and rejuvenating the HR function in any company. In the times to

**Box 8.2** Profile of HRD Department Effectively Utilizing HRD Audit

1. Department age of 7–10 years vis-à-vis those greater than 10 years or less than 7 years.
2. A separate and independent HRD function and a separate HRD department as compared to those with departments combined with other functions such as personnel.
3. HRD department was structurally positioned at a higher level, headed by a VP (HRD).
4. A flat structure of the HRD department as compared to a hierarchical structure.
5. Decentralized HRD department with HRD being considered a line function and involvement of line managers in the implementation of HRD.
6. Adequate HRD staff (that is, around 10 percent of total number of managers in the organization) as compared to having insufficient or the bare minimum number of staff.
7. Average age of the HRD staff between 30–40 years facilitated better utilization of HRD audit inputs. The age of the HRD chief was also found to influence HRD effectiveness. A company where the HRD chief was young (33 years) had accepted changes better.
8. A good professional profile with most of the staff having a professional qualification in HR and a behavioral science background.
9. An experienced HRD staff with many of them having 10 or more years of work experience.
10. HRD staff—high on initiative, hardworking, and spent extra time at the department ensured a better utilization of the HRD audit inputs.
11. HRD staff were members of professional bodies and undertook research activities independently.

Source: Jomon (1998).

come, this is likely to gain momentum and become a good self renewal tool for the HR function. Thus, it is congruent with the prime objectives of OD, that is, to foster the self-renewal capability of the organization and enhance organizational effectiveness.

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## Action research approach to OD

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### Case study

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A large automobile manufacturing company's effectiveness was marred by acrimonious relationship between the production department and the purchase department. The annual performance review report of the company revealed several shocking statistics: 35 percent increase in downtime of equipments, 25 percent increase in inventory levels, 30 percent increment in lead times for procuring materials, rise in number of pending indents by 15 percent on a year-on-year basis. The interdepartmental conflicts between the production and purchase departments had grown unabatedly over last couple of years. It had even led to lodging of complaints in the Grievance Redressal Forum of the company.

Aggrieved by the current state of affairs, the top management invited a group of OD consultants to study and resolve the problems. In their preliminary meetings with different departments, the consultants found out that the purchase department was procuring two types of materials. One category was termed the "standardized" type; these were the standard items frequently required by several plants and procured on a regular basis by the purchase department when the inventory in the stores reached a preset reorder level. The second category was called the "non-standardized" type which included items occasionally required by individual units and hence were not ordered on a regular basis. To procure non-standardized items, the respective user department had to raise indents for procurement to the purchase department.

With the existing system, the consultants came across two primary problems:

1. The production department personnel complained about inordinate delays in procuring the non-standardized items.
2. But the materials department personnel had a different view on the matter. They complained that the requirements were not planned sufficiently in advance. As a result, they were unable to fulfill the requests for non-standardized items at short notice.

To improve the performance of the company, the consultants recommended “action research” approach to the top management. After they received the management approval, they undertook the steps outlined as follows.

## **Preliminary Data Collection**

For preliminary data collection, the consultants prescribed the formation of a joint task force comprising two senior purchase managers, two senior managers from production department along with the two consultants. Their prime objective was to identify the information needs, undertake data collection accordingly, and analyze the data for presentation to the top management. Thus, the organizational members worked in collaboration with the consultants to gather relevant data.

The group felt the need for both hard and soft data to understand the magnitude and root-cause of the problem. To collect hard data, they divided the items procured by the purchase department into various categories: imported and domestic items, low value and high value, high volume and low volume, frequently ordered and rarely ordered, and so on. A sampling plan was devised to obtain data on an appropriate sample of items from each of the identified categories. Details of the number of pending orders, time taken to buy the items, number of days for which the orders were pending, and the inventory level for each of the samples were sought to be collected. To collect the softer data like the perceptions of members of the two departments, interpersonal issues, etc. the consultants interviewed a number of executives at different levels in both the departments. They also administered a survey to the rest of the workforce. The task force shared the proposed methodology with members of the top management to obtain their thoughts and ideas before embarking on the work. The responsibility of data collection was shared among members of the task force, and the preliminary data collection was completed in three weeks.

## **Analysis of the Collected Data**

After the task force had collected sufficient data, the members and the consultants held a two-day meeting to analyze and make sense out of the data. The data analysis revealed the following:

- An increase in the downtime can be attributed to the ageing of the production plants resulting in equipment breakdown along with lack of coordination between production and purchase department resulting in shutting down of machinery for want of materials.
- The purchase department was struggling with six to eight months backlog for procurement of non-standardized items due to:

- Inaccurate and last-minute planning by production department
- Incomplete information provided in requisition forms
- Average lead time of 10–15 weeks in procuring items from vendors
- Inventory for non-standardized items had grown at an astronomical rate due to perception of inordinate delays in supply of items by the purchase department. For example, the inventory could fulfill the requirements of engineering spares for over a year.
- Despite increase in the quantum of work as well as change in the complexity of requirements by production department, there had been no increase in the workforce size at purchase department or change in systems/processes of working for past three years.
- The production department sometimes raised the indents but did not collect the material after procurement because they had either acquired the materials on their own or did not need the ordered material for another couple of months. The result was a pile up of inventories.
- Managers often relied on interpersonal relationships or their informal networks to influence the procurement of materials on time. Hence, new organizational members often felt helpless.
- The relationship between the purchase and production departments was exacerbated by lack of coordination, communication, and collaboration. They always blamed each other for their inefficiencies or poor performance. For example, on many occasions the purchase section did not inform the production department about the receipt of materials until enquired by them.

## **Generating Alternatives to Solve the Problem**

At the next high-level meeting, the task force presented their findings to the top management to devise alternatives to solve the identified problems. The meeting concluded that it would be useful to involve the Heads of Information Systems, HRD, and Finance department in the subsequent phases. Executives from these functions were sought to be involved as the task force recommended setting up a web portal which would be accessible to the purchase department, production department and all the vendors. This would facilitate real-time sharing of data between all the departments and enable tracking of the status of the items minimizing the blame game. They also came up with the suggestion of organizing an outbound workshop to promote team-building and mitigate differences between the two departments. The expanded task force was asked to evolve viable alternatives, examine the consequences, and propose an action plan detailing what should be done, how it should be done, and who should do what. They were given two months to come up with a concrete and elaborate action plan.

## Deciding a Suitable Course of Action

The expanded task force, after several deliberations, drew up a plan of action and presented it to the top management. The key highlights of their recommendations are summarized as follows:

- Data analysis revealed that systems failure, rather than incompetence of the personnel, was contributing to a substantial part of the problem.
  - **Action** to improve the responsiveness to user needs:
    - Setting up a web portal accessible to the two departments and all the vendors.
    - In addition, a person will be designated as “Liaison officer” to coordinate between the two departments.
- 80 percent of the non-standardized items comprised low-value materials.
  - **Action** to reduce delays in procurement and complaints about it:
    - Decentralize the responsibility of purchase to the production department itself.
- It was discovered that a lot of production department’s time was consumed in filling various requisition forms and getting the approvals in addition to equal time required by the purchase department in sorting and filing the forms for documentation and records purpose.
  - **Action** to improve efficiency of the department:
    - Computerization of the work systems in all the departments.
- The company’s history showed that 40 percent of the change initiatives in the organization had failed.
  - **Action** to ensure that the change plan is implemented successfully:
    - Identification of departmental representatives from all the departments and involving them in the change process.
    - Appointment of department-level task forces to continuously monitor the implementation, to spot any adverse consequences and bring it to the immediate notice of an advisory committee of general managers.

The top management accepted the above proposals and asked the joint task force to go ahead with the implementation of the plan of action. Representation of the concerned department was designed to ensure smooth implementation and engender a sense of involvement. The task force along with the departmental representatives outlined the entire change

plan in a step-by-step manner and clearly allocated responsibility of various jobs to the members. The organization wide changes were initiated about four months after the consultant group was invited to the plant.

## **Assessing the Results and Planning Follow-up Steps**

The joint task force evaluated the results to ascertain that the actual changes were as per the design. A review of the actions, undertaken six months after its implementation, reported the following outcomes:

- Decrease in inventory levels by 15 percent in a short period of six months.
- Downtime of the machines had reduced by 20 percent in the same period.
- Significant decline in the number of complaints by the two departments against each other.
- Department level task forces had promoted the feelings of involvement among the employees.
- Joint-task forces and Liaison officer have facilitated collaboration among the departments.
- Smooth functioning of system of purchasing non-standardized item by the department itself.

While the review report suggested that almost everything had happened as per the plan, the computerization of the departments had produced less than desirable results. All the employees had not adapted well to the system and there was considerable resistance to the change especially among the low-level employees who were not technology savvy. For the computerization to yield full benefits, urgent actions were needed. The task force decided that it was time to take a fresh look into the nature of the problem and plan the follow-up activities.

## **ACTION VERSUS RESEARCH**

Scientific research is often divorced from the real life problems encountered in various sub-systems that we are members of (Lewin 1946). Often researchers pursue questions of little interest to practitioners. The research is perceived to satisfy the spirit of enquiry. But the spirit of problem solving gets ignored. The response to the inadequacy of scientific research is sought to be addressed through action research which integrates scientific enquiry with action to resolve the problem.

Action research always begins with a problem that warrants attention of the organizational members and results in taking suitable action based on the research in the system. The impact

of the results are assessed and evaluated to overcome the shortcomings of scientific research, such as relevance and applicability of findings to practical and social problems. It aims to resolve the tension between the researchers who are driven by research and the practitioners who are driven by the action. It combines action and research under the assumption that a social situation can be best understood if a change is introduced into it and its effects are observed. In general, action research approach pursues both action to resolve the problem and research to understand the problem.

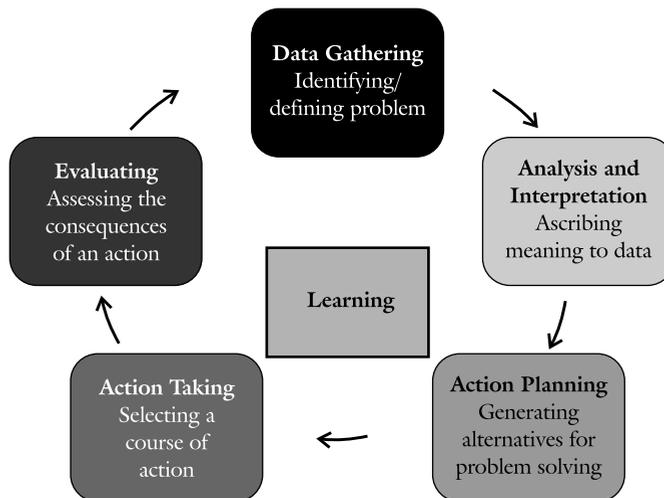
## WHAT IS ACTION RESEARCH

Action research was originally conceptualized by Kurt Lewin (1948) but it was later elaborated and expanded by several behavioral scientists. French and Bell (2001) go to the extent of defining organization development (OD) at one point as “organization improvement through action research.” They describe action research as a

*...process of systematically collecting data about an ongoing system relative to some objective, goal, or need of that system; feeding these data back into the system; taking actions by altering selected variables within the system based both on the data and hypotheses; and evaluating the results of actions by collecting more data.*  
 (French and Bell 2001)

This definition characterizes action research as a set of activities which constitute the process. Figure 9.1 presents the cyclical model of action research (Susman and Evered 1978).

**Figure 9.1** Action Research Model



**Source:** Adapted from Susman and Evered (1978).

Action research qualifies as a process in two ways (French and Bell 2001). First, it is a sequence of activities within each cycle from data gathering to evaluating and second, it is a cycle of iterations starting all over again with data collection after evaluating the consequences of the action taken. The subsequent cycles may be used to resolve the same problem if the desired results have not been achieved or can be used to address unintended consequences of the action.

## **CYCLICAL MODEL OF ACTION RESEARCH**

The different phases of the cyclical model (Susman and Evered 1978) of action research are data gathering, analysis, action planning, action taking, evaluating results and learning, and back to data gathering in the next cycle. A few key elements that characterize the process of action research synthesized from the literature are summarized in Box 9.1. The discussion below intends to deepen the understanding of this cyclical model.

### **Data Gathering**

After a preliminary understanding of the problem, one has to delve into the causes, symptoms, and outcomes of the problem. Therefore, data collection is imperative to discover the implicit and explicit facets of the problem. The action researcher adopts an exploratory stance with the question of what information is to be sought for an in-depth understanding of the problem. Data gathering assists in the identification and definition of the problem. In the above case, the joint task force (organizational members and consultants) collected both hard and soft data to understand the underlying structure of the problem.

### **Analysis and Interpretation**

Data is meaningless and worthless if no meaning is ascribed to it. The analysis phase involves making sense of the gathered data and interpreting what it means. A thoughtful analysis along with accurate interpretation of data provides incisive insights into the actions that must be initiated to change and improve the organization. The caselet shows how the collected data was analyzed to come up with the interesting findings about trends with regard to increase in downtime, delay in receiving orders etc. The data also revealed that 80 percent of non-standardized items were low-value which paved way for giving autonomy to the production department to order the non-standardized material.

### **Action Planning**

This is one of the most critical phases of the action research process. Alternative courses of action are generated and their potential impacts are analyzed and assessed. Once a course of

### Box 9.1 Key Characteristics of Action Research

**Problem centered (French and Bell 2001):** Action research begins with a problem in the client system and then goes through the entire cycle from data gathering to evaluation. It is a process of progressive problem solving by organizational members in collaboration with the consultants. For example, in the caselet presented earlier, the action research approach was recommended by the consultants to address the problem of conflict between the production and the purchase departments.

**Action oriented (French and Bell 2001; Susman and Evered 1978):** The focus is not only on maximizing the knowledge and understanding of a phenomenon, but also a concerted attempt to take concrete actions to improve or change the existing situation. The actions may include steps to reduce employee resistance to change, increase employee involvement in problem solving or actions to transform the infrastructure/procedure/policies in a company. In the case discussed above, the joint task force with department representatives was appointed with the specific objective of taking actions to solve the problem between the two departments.

**Cyclical process (Susman and Evered 1978; Altrichter et al. 2002):** The mode of inquiry is iterative and leads to change as well as to the generation of new knowledge. The cyclical process starts with problem identification and ends with the action. The second cycle begins with the evaluation of the results and a reassessment of the problem. The learning gained in the first cycle is employed to introduce further changes in the system, and the process continues until the problem is satisfactorily addressed. This virtuous cycle is visible in the caselet. The second cycle begins with the task force initiating an appraisal of the problems associated with computerization.

**Collaboration (French and Bell 2001; Earl-Slater 2002):** Action research is a collaborative process where the consultants work hand-in-hand with the organizational members to resolve the issue. This is based on the assumption that while the external consultants bring in their expertise in the process of organizational inquiry, the organizational members provide rich insights into the nuances of the organizational problems, and the collaboration can achieve the best of both the worlds. In the above case, the senior managers from both the departments were involved with the consultants in data collection, analysis, action planning, and action taking.

**Experimentation (French and Bell 2001; Earl-Slater 2002):** Action research emphasizes the power of learning by doing with experimentation being a primary route toward its attainment. Being an organic or cyclical process, it involves the introduction of a change, examination of its effects, and subsequent modification of the action to achieve the desired results. Experimentation is inherent to the approach and the knowledge gained is inductive. Often, experiments may fail and produce unanticipated or undesired results. For example: Computerization of the departments which was intended to improve efficiency led to resistance among low-level employees and failed to produce expected results.

**Capability building (Susman and Evered 1978; Argyris and Schon 1978; De 1978):** The action researcher intervenes in the client's system to improve the problem solving and action taking capability of the individuals as well as to facilitate organizational learning. It is a self-critical approach which calls on both the client and consultant to examine their actions and assumptions. The learning derived from analysis and evaluation can result in corrective action. In the caselet, action planning and action taking were carried out by the joint task force which involved the organizational members. This was designed to help improve the competencies of the managers.

action has been decided, the actual steps for the implementation are charted out. Then actions are initiated into the client system. In the above case, the joint task force came up with several recommendations to resolve the problems like setting up a web-portal, appointing a liaison officer, etc. After the recommendations were approved by the top management, they went ahead with the implementation of the proposed plans.

## **Action Taking**

The action taking or intervention stage is the actual response to the problem. In this stage, the critical role of the action researcher is one of anticipating unforeseen consequences of the action taken and planning for such contingencies. It involves describing the action plan in detail and being prepared for the exigencies. In the above case, the task force along with departmental representatives outlined the entire plan in a step-by-step manner before implementing them. They also foresaw the need of developing a sense of involvement and hence included the departmental representatives in the execution phase.

## **Evaluating**

This is the reflection and revision phase which consists of evaluating the impact of the intervention and reassessing the initial problem. The evaluation helps in ensuring that the changes and results achieved are congruent with the expected results. If there is a discrepancy between the desired and the actual results or if a new problem emerges as an unintended consequence of the intervention, then the entire cycle starting from the *data gathering* is repeated. Mid-course corrections, if necessary, are also initiated. The aforementioned case illustrates that the review report which was prepared after six months noted that the outcomes of the actions were as intended. However, it also identified the new problem of resistance to computerization.

## **Learning**

Learning lies at the heart of this cyclical process because every step results in creation of knowledge and new information for the organizational members as well as consultants. Each phase in the process of action research leads to individual and organizational learning. This happens not only through data gathering but also through identification and solving of problems. The action produces changes in the client system which imparts learning about its application in similar situations. In the caselet, the joint task force learnt that the workforce was competent at handling their job but they were constrained by the current system which led to misunderstandings and delays in procurement.

## ACTION RESEARCH TYPOLOGY

Action research is more of a holistic approach to problem solving in organizational as well as social contexts. Therefore, it allows for different approaches to be used as the researcher endeavors to rectify the problem in the client system. The literature identifies four types of action research namely Diagnostic, Participant, Empirical, and Experimental (Chein, Cook, and Harding 1982). Table 9.1 describes the role of the action researcher and the client in the various stages of these four approaches.

**Table 9.1** Types of Action Research

Type	Role of	Diagnosis	Problem solving	Action taking	Distinguishing feature
<b>Diagnostic</b>	Action researcher	✓	✓	✗	Diagnosis and choice of intervention entrusted to action researcher. Little/no involvement of client in these processes because client is either not competent or not interested in being involved.
	Client	✗	✗	✓	
<b>Participant</b>	Action researcher	✓	✓	✓	Both client and consultant have requisite competence and commitment. They collaborate on all the aspects. The process tends to become more complex and potentially more time-consuming.
	Client	✓	✓	✓	
<b>Empirical</b>	Action researcher	✓	✓	✓	With systematic observations of earlier interventions and their impact, choice of intervention is derived from practice rather than theory. The method relies on divergent experiences to draw from.
	Client	✗	✓	✓	
<b>Experimental</b>	Action researcher	✓	✓	✓	Learning by doing under controlled conditions in the client system is taken up to identify the most suitable intervention. The method can subordinate action to research.
	Client	✗	✗	✓	

Source: Adapted from Chein, Cook, and Harding (1982).

As we can see from Table 9.1, action research defies “*one shoe fits all*” approach. The action researchers should use their discretion and experience in association with the client to choose an appropriate approach. It is possible that the consultant might have to switch from one type to another or use a combination of two or more approaches to introduce intermediate corrective measures even before the completion of the first cycle.

## ROLE OF THE ACTION RESEARCHER

The role of the action researcher varies greatly from setting to setting depending upon the client, the situation, the environment, and the expertise of the consultant. It could range from exclusive research to collaborative action planning to dissemination of learning to the organizational members (Chisholm and Elden 1993). Box 9.2 presents a checklist (Earl-Slater 2002)

for the consultants to assess if they are following action research effectively or not. (For an effective and efficient action research, all the responses should be in affirmative.) Irrespective of the settings in which the consultant is operating, the basic ingredients of her/his role are listed below (French and Bell 2001). However, the action researcher should always keep in mind that s/he is not an expert but a partner working in collaboration with the people affected by the problem (McDermott, Coghlan, and Keating 2008).

**Box 9.2** Checklist to Observe Effectiveness of Action Research

- Are you collaborating with the organizational members to promote ownership of the change and understand implicit aspects like culture, group norms, etc.?
- Are you following an iterative process that repeats the cycle from data gathering to evaluation till the desired improvements are achieved?
- Do you engage in reflection and revision to resolve new problems that have cropped up as an unintended consequence of the intervention?
- Do you increasingly blend quantitative and qualitative research for an in-depth understanding of the problem?
- Are you constantly communicating with the organizational members about your objectives, plan of action, expected changes, etc.?
- Are your inferences and interventions based on evidence emerging from the data gathering and analysis stage?
- Do you see progressive learning for yourself and the client throughout the process by implementing changes or by learning from mistakes?
- Are you developing the diagnostic and problem solving capabilities of the client to enable them to tackle problems in future without external assistance?

**Source:** Earl-Slater (2002).

**Note:** For an effective and efficient action research, all the responses should be in affirmative.

## Problem Definition

Since the problem acts as the trigger to initiate the process of action research, the problem needs to be accurately conceptualized and diagnosed. Generally, the action researcher develops a preliminary diagnosis on the basis of the symptoms described by the client. Further refinement and accurate diagnosis may be done largely by the action researcher or in collaboration with the client. It is recommended that the action researcher should involve the client because the client is an expert in the context and the culture in which the problem is embedded.

## Study Design

The action researcher has expertise in the organizational systems, structures, and processes as well as the research tools. Therefore, the study and research design for data collection and

analysis is usually developed by the action researcher as s/he possesses considerable knowledge about the research methodologies and the systemic enquiry into the organizational systems. In addition, s/he has gained knowledge from the past experiences by working on similar problems and would be more skilled in the implementation of the study design.

## **Data Collection**

Data collection is a collaborative effort between the consultant and the organizational members to decide upon the appropriate intervention to be effected. In cases where a survey is part of the design, it may be administered by the client system itself. But if the design involves making qualitative observations, it is advised that the action researcher collects the data herself/himself, in order to obtain a dispassionate and objective view of the phenomena. The involvement of the consultant ensures that the process of data gathering is unbiased and the data reveals the true picture.

## **Interpretation**

Interpretation of the data should be done by the action researcher, an expert in applied behavioral science, and/or the concerned organizational members. The advantage of engaging the client in the process is that s/he would know about the explicit aspects (hierarchy, policies, procedures, etc.) as well as implicit aspects (power bases, culture, informal networks, etc.) of the system. Interpretation is usually a collaborative process where both the action researcher and the client critically examine the findings of the data and analyze its consequences to devise an action plan to rectify the problem.

## **Intervention Strategy and Execution**

The intervention in the client system needs to be jointly planned and executed by the consultant and the client. The extent of involvement of every party may vary across different settings from complete client domination to micromanagement by the consultant. However, it is suggested that the client's understanding of the system should be clubbed with the expertise of the external consultant in planning and designing interventions. It would also promote ownership and commitment among the organizational members about the action plan.

## **MANAGERS AS ACTION RESEARCHERS**

In today's ever-changing environment, there is a growing need for managers to develop self-reflective problem identification and problem solving capabilities to proactively improve the

state of their organizations. The case below highlights the importance of action research for a practicing manager (Box 9.3).

**Box 9.3** A Case Illustration of Action Research

An IT firm was suffering from high absenteeism and attrition rates. The recent data revealed that the company reported an attrition rate of 25 percent whereas the industry average hovered around 12 percent. The managers of the individual projects were concerned about inability to meet customer deadlines due to high turnover and deterioration in the quality of work. They had also observed lower motivation levels among the employees. They resorted to an increase in the salary levels to retain old employees and attract new talent but it failed to cease the exodus. Eventually, the managers approached the top management to seek help from OD consultants to reduce the turnover.

The external consultants interacted with the group of managers and suggested to collect data to validate their assumptions. They recommended the formation of a steering committee comprising the consultants, project managers, and employee representatives. After the steering committee was established, the group agreed upon a four stage iterative approach of Action Research (Zuber-Skeritt 2001)—Reflect, Plan, Act, and Observe until the attrition rate is 15 percent (Figure 9.2).

**Reflect:** The steering committee engaged in reflection to conceptualize and understand the problem. They conducted exploratory, unstructured interviews with a random sample of current and former employees to identify the various factors resulting in high attrition rate. They also examined the documents filled during the exit interviews to deepen their understanding. The reflection phase revealed that the problems were rooted in the culture of the organization which necessitated strict adherence to the group norms else the members were alienated from the group. It was also difficult to gain any support or help from other departments as all the departments competed against each other to receive their organizational rankings. These conditions led to widespread discontentment among the employees.

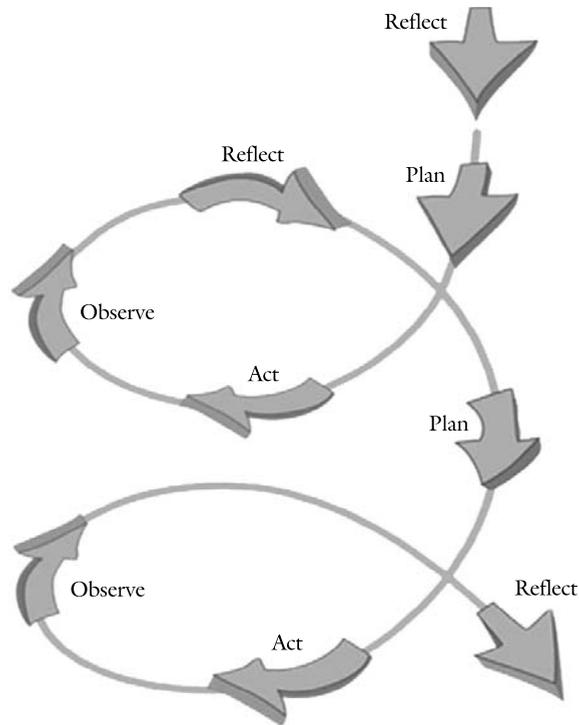
**Plan:** The group discussed the findings to develop an action plan on the basis of data collected from interviews. They generated various alternatives ranging from seminars on team-building to out-bound workshop to promote inter-departmental collaboration. They recommended formation of joint working groups and assignment of a “mentor-buddy” to every new employee. The steering group studied the implications of the action for the problem, in particular and the organization, in general.

**Act:** The group informed the employees about their plan of action and its objectives before taking any action. Then, they proceeded with the implementation of the change initiatives like removing the system of rankings for all the departments to avoid competition, formation of joint work groups involving members from different departments to promote collaboration and assignment of a mentor-buddy to new members.

**Observe:** The group met two months after initiating these changes to discuss and evaluate the results of the action taken to assess if the targeted levels of attrition has been achieved or not. The HR department shared that the number of resignations had decreased but not to the desired level. Hence, the group reflected on the results and embarked on the next cycle of reflect, plan, act, and observe.

**Source:** Written by Neha Gupta.

**Figure 9.2** Iterative Cycle of Action Research



Source: Zuber-Skeritt (2001).

The case shown in Box 9.3 illustrates the significance of action research for managers as it discusses how the managers in the company wrongly assumed that increasing the salary will lower the attrition rates. In organizational settings, action research emerges as an attractive tool for managers to resolve management and organization problems due to the features (French 2009) listed as follows:

- It integrates research with action which increases the acceptability and validity of the intervention.
- It allows the managers to research and analyze their problems before deciding on a course of action.
- It is problem focused and client centered and not preoccupied with the chosen research methodology.
- It is not obsessed with the rigor advised for scientific research and instead focuses on applicability of findings to practical problems of similar nature.
- The iterative nature of the approach drives managers toward a better understanding of the problem and the current scenario.

- It helps the manager in developing a truly participative structure by involving their subordinates in different stages of the action research process.
- It fosters the problem solving capabilities of the employees and the manager through the learning they gain by being involved in the change plan or through sharing of knowledge.

The participative nature of the approach helps the managers in engaging all the subordinates in implementing the change effectively. It provides them the flexibility to pursue both change in the form of action and understanding in the form of research. In essence, the action research improves the quality of the workplace (French 2009) when the manager engages in self-reflection, self-management, and self-evaluation (Altrichter et al. 2002) for problem solving to improve the current state of the organization. Reflection provides incisive insights to the managers and develops a holistic understanding of the context in which they operate. It forms the basis for developmental process and thereby, promotes continuous improvement of performance in the organization by initiating the spiral of action research. Every loop ends with either achievement of the desired results or identification of the new problem. It is a process which sets the motion forward on the way to professional and organizational growth, improvement, and change. Figure 9.3 presents a list of potential derailers of action research to sensitize the practicing managers and OD practitioners about the pitfalls (Bennett and Oliver 2007) associated with the process.

## **DILEMMAS FACED BY ACTION RESEARCHERS**

Although the model of action research presents a clearly defined process which progresses from one phase to another, but in practice, there are certain dilemmas (Rapoport 1970) that are faced by the action researchers. Obviously, there are no standard solutions that can be offered to consultants to handle these dilemmas. The discussion below attempts to highlight these choices that a consultant has to make while dealing with the problems in a client system.

### **Extent of Involvement**

The extent of involvement of the action researcher is akin to walking the tightrope. Without external help the client system may be handicapped in successfully implementing change and solving the problem. At the same time, there is a potential danger of the client becoming over-dependent on the action researcher. Given the objective of improving the self-help competency of the client system, it would be important to strike a balance between increased involvement to bring about effective change on the one hand, and reduced involvement for maximal client-learning on the other.

**Figure 9.3** Potential Derailers in Action Research and Action Implications

<p><b>Power Bases</b></p>	<ul style="list-style-type: none"> <li>• Power and politics in the organization can manifest as resistance forces especially if the key managers oppose or do not support the plan of action.</li> <li>• <b>Action Implication:</b> Identify people in the organization who can stop/implement new change initiatives and rally their support.</li> </ul>
<p><b>Information Deficit</b></p>	<ul style="list-style-type: none"> <li>• Low or no sharing of information with the employees can result in lack of trust in the change agents and their actions/motives.</li> <li>• <b>Action Implication:</b> Communicate regularly with the employees about the objectives and details of plan to keep them enthusiastic, involved, and committed to change.</li> </ul>
<p><b>Balancing Act</b></p>	<ul style="list-style-type: none"> <li>• Over-reliance on the expertise of the external consultant may lead to underutilization of the knowledge and skills of employees.</li> <li>• <b>Action Implication:</b> Involve the employees in the process to tap their competencies along with those of the researcher.</li> </ul>
<p><b>Plan of Action</b></p>	<ul style="list-style-type: none"> <li>• Lack of anticipatory planning and detailed planning of the different stages may leave the change agents ill-equipped to handle the exigencies.</li> <li>• <b>Action Implication:</b> Look beyond the obvious and plan in advance to ensure that the action plan is executed smoothly.</li> </ul>
<p><b>Persistence</b></p>	<ul style="list-style-type: none"> <li>• Infrequent follow-ups about the status of the project can render the change initiative “out of sight, out of mind” for the employees.</li> <li>• <b>Action Implication:</b> Constantly monitor the implementation of the action plan to sustain the momentum of the change process.</li> </ul>
<p><b>Staying on Tracks</b></p>	<ul style="list-style-type: none"> <li>• Inflexibility can make it difficult to introduce intermediate corrections or change in the initial plan if the situation demands.</li> <li>• <b>Action Implication:</b> Evaluate the consequences of your action after every phase to ensure that you are on the right track.</li> </ul>
<p><b>Checks and Balances</b></p>	<ul style="list-style-type: none"> <li>• Absence of controls can upset the balance between research and action, thereby letting the plan languish.</li> <li>• <b>Action Implication:</b> Build controls in the project design to check that the plan is implemented as per the design and schedule.</li> </ul>

Source: Adapted from Bennett and Oliver (2007).

## **Problem Solving versus Learning**

One criticism of action research is that it is initiated in response to a problem and ends when the problem is solved. Since the problem is unique to the context, generalization is usually not possible. In other words, the results cannot be applied in other settings. The practitioners of action research contend that this argument is untenable. Although generalization is not possible from the action research enterprise, there are two important learning to be gained. First, the client system learns from the experience and within the internal system, generalization is possible to some extent. Second, the methods employed in problem definition, data gathering, analysis, interpretation, action planning, and action taking can be applied in different settings and can be an important learning experience both for the client system and other organizations facing similar problems. Therefore, care needs to be taken to ensure that the action research project is not viewed as merely a problem solving exercise, but also fulfilling a larger objective of contributing to learning of the client system (Egan and Lancaster 2005).

## **Action versus Research**

This dilemma was sought to be resolved by action research but is ironically inherent in the approach itself. Exigencies of the situation may require quick action to be taken, whereas the dictates of scientific research may require more data to be collected and scientifically analyzed to decide upon a suitable course of action. The action researcher has to constantly make a trade-off between these two conflicting demands. A possible resolution of the issue could be through the development of research expertise in the client system itself. Research competency in the client combined with an in-depth knowledge of the context will help in reducing the impact of the trade-off between research and action.

## **Values**

Values can be defined as enduring beliefs that certain acts or behaviors are preferable to others. Values may be a potential source of conflict between the client and the action researcher. For example, the consultant may be more strongly oriented toward the long term while the client may be far more concerned with the short-term results. This could possibly result in differences between the interventions preferred by each party and make it difficult to arrive at a consensus for collaborative action taking. Therefore, the consultant should raise and explore the underlying values and implications with the client before initiating the process.

## CONCLUSION

Lack of involvement of the organizational members has been cited as one of the foremost reasons for failure of change initiatives in organizations. Even if participation is practiced, it is not central to the phases of diagnosis, action planning, action taking, evaluating, and specifying learning. In most of the cases, a few select managers emerge as the key players in implementing the change with little or no involvement of the people affected by it. Subsequently, the objectives or the intended consequences of the actions are rarely, if ever, explained to the employees. Due of this information deficit between the change agents and the organizational members, the employees are often left wondering about the impact of change on their lives. All these factors breed alienation and insecurity among employees, resulting in an adverse impact on performance and even failed change efforts.

The paradigm of action research goes beyond superficial participation and professes joint problem identification and solving by the organizational members along with the action researcher. It fulfills the dual purpose of contributing to successful change efforts by tapping employees' competencies as well as satisfying employees' needs for greater involvement. Action research demands collaboration of the employees along with the sharing of knowledge and expertise by the action researcher (Pasmore and Friedlander 1982). It requires mutual trust, openness, and willingness to explore into and reach solutions to recalcitrant, but inevitable organizational problems (Susman and Evered 1978). The approach seeks to empower the concerned organizational members so that they may become self-reflective practitioners rather than mere spectators in the process of organizational change. When organizational members become self-reflective practitioners, not only will meaningful solutions emerge to the practical problems, but more importantly, the organization will become self-sufficient in resolving problems in the future.

## NOTE

1. This chapter builds on the ideas presented in the chapter on "Action Research Approach to Organizational Change" by Prof. S. Ramnarayan and Prof. E. Sendil Kumar in an earlier edited volume on Organization Development (Ramnarayan, Rao, and Singh 1998). Newer developments in the field have been incorporated.

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## Role of power and politics in OD

Udai Pareek, S. Ramnarayan, and Neha Gupta

The phenomena of “Power” and “Politics” have often borne a negative connotation in the organizations, in particular, and society, in general. Since the inception of society, the advocates of democracy, socialism, and human rights have cast a condescending look on use of power or politics as means to achieve desired results. You do not find references to them either in the official communication or in the agenda for organization improvement programs. Moreover, the field of OD deeply embedded in the human values and ethical concern for people has, in the past, kept a safe distance from power and politics. Irrespective of the scant reference in OD literature, power struggles and political plays are ubiquitous in every organization. They pervade any real-life setting where two or more persons interact for task execution or decision-making. People naturally exercise their innate desire (implicitly or explicitly) of gaining control over the situation. They seek to influence decision to further their self interests or the interests of their group or organization. They do this even at the expense of the larger organizational goals. These experiences prompt us to look at the important question: *What is the role of power and politics in OD?*

### **POLITICAL MODEL OF BEHAVIOR: A REALITY IN ORGANIZATIONAL LIFE**

It is said that conflicts are inevitable in any organization. The four key sources of conflicts (Daft 2004) are:

1. **Goals incompatibility:** It refers to differences in goals of various units, groups, or individuals in an organization which might result in conflict. For instance, it is possible that the production department resists introduction of new products as it'll require them to change their production schedule, bring down volumes, and reduce

efficiency. On the other hand, marketing department would push for new products because consumers demand variety and they can cater to wider market segments.

2. **Differentiation:** It refers to differences in cognitive and emotional orientation of different people. For example, the time orientation of the sales team would be monthly or quarterly whereas it could be daily or even shift-wise for the manufacturing team. The research team may think of a project spread over a year or two.
3. **Task interdependence:** The teams might depend on each other for ideas or semi-finished products to complete their jobs. For example, in an electronics firm, the production team is dependent on the time taken by the R&D department for developing the prototype of a new device. The sales team will be dependent on the production team to provide the new product.
4. **Limited resources:** The scarcity of resources (be it human, financial, or technical) will inadvertently lead to conflicts as different parties compete over the available resources. Let us take the example of an IT firm when there is shortage of skilled software engineers. During the assignment of engineers to various projects, all the project managers are likely to negotiate, bargain, or influence others to get the desired resources.

The degree of conflict determines whether the *rational or political model of behavior* is adopted to accomplish the goal (Daft 2004). In the rational model, the behavior is based on logic, equally understood, and approved by all the concerned members. For example, let us say that the organization has discovered a bug in their security system and all the technical experts are trying to rectify it. In this case, the goals are consistent across the organization, among different teams. All the resources will be diverted to help the experts and there is likely to be no competition over available resources. The decision-making will be logical and norms of efficiency will be followed to solve the technical glitch. In such situations, when the conflict arising out of above sources are low, rational model describes the organization.

Conversely, in situations characterized by scarcity of resources or incompatible goals or high degree of differentiation or interdependence; rational approach is ineffective. For example, consider the decision pertaining to allocation of annual capital budget across business divisions when there is a shortage of financial resources. Here, the goals are pluralistic as every division wants a larger share out of the total budget. There might be different interest groups who would negotiate, bargain, collaborate, or compete with each other to fulfill their self-interest. Information may be shared or withheld strategically and conflict is an expected outcome. The political model of behavior describes the situation better in a context characterized by different interest groups, separate goals, and diverse values. This model states that the use of power and influence tactics is inevitable to reach decisions. It describes organizations that strive for participation in decision-making by empowering organizational members. Thus in a wide variety of organizational situations or decisions, OD practitioners need to acquire, develop, and wield power to accomplish developmental goals. Figure 10.1 presents the *rational and political model* of behavior in organizations.

**Figure 10.1** Rational versus Political Model

Sources of potential intergroup conflict	When conflict is low, rational model describes organization		When conflict is high, political model describes organization
Goals incompatibility	Consistent across participants	<i>Goals</i>	Inconsistent, pluralistic within the organization
Differentiation	Centralized	<i>Power and control</i>	Decentralized, shifting coalitions and interest groups
Task interdependence	Orderly, logical, and rational	<i>Decision process</i>	Disorderly, result of bargaining and interplay among interests
Limited resources	Norm of efficiency	<i>Rules and norms</i>	Free play of market forces: conflict is legitimate and expected
	Extensive, systematic, accurate	<i>Information</i>	Ambiguous information used and withheld strategically

Source: Daft (2004).

## DEFINING POWER

Power has been defined in different ways by different authors. Kotter (1985) captures the spirit and essence of power by defining it as “*a measure of a person’s potential to get others to do what he or she wants them to do, as well as to avoid being forced to do what he or she does not want to do.*” Lewin describes power as “*the possibility of inducing forces of a certain magnitude on another person.*” This has been corroborated by Hersey and Blanchard (Hersey and Blanchard 1982) who define “*power as the potential to influence individuals and groups.*” French and Bell (2001) draw attention to the larger dimension of power and expand the perspective from individual power to organizational power. They refer to power as “*the capacity to effect/affect organizational outcomes.*” This capability of power in impacting the organizational outcomes highlights its significance in OD. Burke (1982) succinctly bridges the gap between ideation of power and its application in OD by proposing that “*Organization development signifies change, and for change to occur in an organization, power must be exercised.*”

Mintzberg views politics as a subset of power because it seeks to influence people to protect interests of self or group or organization. Therefore, politics is essentially “power in action” in organizations (French and Bell 2001). Whether politics is perceived as a route to legitimate or illegitimate power, Pfeffer (1981) contends that politics is necessary for organizations to function effectively because power is an unavoidable facet of organizational life. And so is politics, which is nothing but study and management of power dynamics, and use of power to achieve the desired results.

One of the prime objectives of OD is to empower the individuals, the teams, and the organization by building their capability in resolving organizational problems. It is facilitated by involving employees in the process of change. Empowerment is achieved when leaders in the organization exercise their power to empower the organizational members. Empowerment flourishes in an organization with a supportive culture and positive politics.

## DICHOTOMY OF POWER BASES

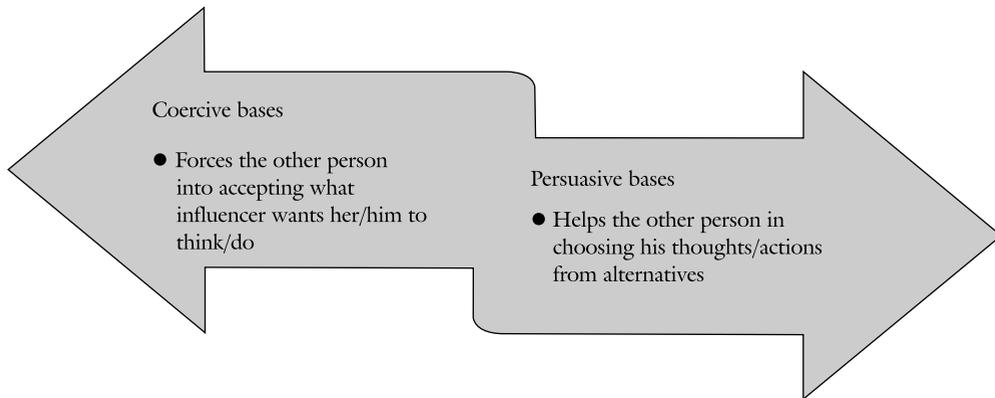
Power base represents the source of a person's or an organization's power. The dichotomy of power base has been prevalent in the works of political philosophers, sociologists, and behavioral scientists alike. For instance, Machiavelli (1950) identifies "love" and "fear" as the two bases of power, and then argues that "*it is better to be feared than loved.*" Flanders (1970), in his seminal work on classroom strategies of influence by teachers, differentiates *direct* influence (for example, scolding, criticizing, and disapproval) from *indirect* influence (for example, encouragement, compliments, open questions with alternative answers, sensing or voicing feelings). Hersey and Blanchard (1982) propose the dichotomy of "position power" and "personal power." Position power is derived from the authority vested in the role/position/job held by a person. Unlike positional power, the source of personal power resides in the person. It may arise out of the person's expertise, personal credibility due to competence and/or exemplary behavior. Pettigrew (1986) propounds the dichotomy of overt and covert influence strategies. The first is concerned with "preferred outcome in conflict" and the second with "ensuring no conflict through use of symbols and myths to manage meaning."

All the dichotomies that arise from the work of different social scientists share a common element. Factors like fear, direct influence, position power, or overt influence force the other person into accepting what the influencer wants her/him to think or do. On the other hand, another set of factors like love, indirect influence, personal power, or covert influence help the individuals in choosing what to think or how to do things. The former group displays an element of *coercion* whereas the latter group is characterized by *persuasion*. Figure 10.2 presents the two broad bases of power—coercion and persuasion.

### Coercive Bases

Coercive power bases involve the application of influences to force a person into accepting the ideas or thoughts or actions proposed by the influencer. It includes the ability to withhold information, rewards, or resources. The desire for valued resources or the fear of having them withheld ensures obedience from those being influenced. Coercive power tends to be the most obvious but least effective form of power as it builds resentment and resistance from the people who experience it. The six bases of power included in the coercive power group are listed below. The inclusion of certain items might appear unexpected but it is important to understand the reasons for such choices.

**Figure 10.2** Dichotomy of Power Bases



**Source:** Prepared by Udai Pareek.

1. **Organizational position** (Positional Power): It involves the legitimate power associated with the position held by a person—for instance, to define roles and responsibilities, or to reward performance. It can coerce subordinates or others to subject themselves to influence and comply with the person having positional power.
2. **Punishment** (Coercive Power): Quite clearly, punishment as a coercive base of influence threatens others with an uncomfortable or inconvenient experience. It relies on invoking fear to extract obedience from other people. It forces the person to accept the demands made by the influencer.
3. **Charisma** (Charismatic Power): While charisma has a positive connotation, it can also act as coercive power. A charismatic person arouses strong emotions and gets compliance by inducing the other persons to do what s/he wants. In the face of charismatic power, individuals may discount their ability to act as mature people, competent to make their own choices.
4. **Personal relationship** (Emotional Power): Contrary to the popular belief, quite often power derived out of personal relationship can be a coercive force. The rationale is that the person accepts influence primarily due to an emotional bond with the influencer. And, when people choose an action or a thought driven by emotions (love, friendship, or fear), their choice process get limited. Thus, without realizing it, they have been coerced and manipulated.
5. **Closeness to a source of power** (Reflected Power): It refers to the power derived from a person with larger power bases. For example, the private secretary of the chief executive may use her/his association with the CEO as a source of influence. As the power is reflected from another source, it tends to be manipulative in nature.
6. **Withholding information/resources** (Manipulative Power): Another type of manipulation is the use of negative power—by withholding or depriving a person of information or resources. It might lead to inordinate delay in action. Some assistants

exercise such power by delaying the confirmation of decisions made or not passing the documents forward for approval.

## Persuasive Bases

Persuasive power involves guiding others toward the adoption of an idea, attitude, or action after reflecting on the available choices. It is more effective in influencing the desired outcomes as people feel empowered in the process and do not harbor any notions of being manipulated or coerced into a decision.

1. **Expertise** (Expert Power): It refers to power derived from the skills/expertise of the person and the organization's needs for those skills. This type of power is usually highly specific and limited to the particular area in which the expert is trained and qualified. For example, when our car breaks down, we follow the suggestion of a mechanic in a garage because s/he is an expert in repairing automobiles.
2. **Competence** (Competence Power): A competent person is powerful by the virtue of being effective in achieving the desired results. The influencer demonstrates the ability and knowledge to accomplish the task. For example, a competent manager is successful in influencing the team members because s/he is capable and well-qualified to get the results.
3. **Being a Role Model** (Referent Power): Referent power derives from the ability of individuals to attract others and build loyalty by being a role model. A person who espouses and lives certain values influences people to behave in the same manner. S/he inspires others to attempt to emulate such behaviors out of admiration. Examples include healthy living, responsiveness, larger social concerns, etc. The influencer models a behavior, which is more eloquent than the words.
4. **Reward** (Reinforcing Power): Reward is a part of persuasive power, because reward encourages people to experiment and gives them more autonomy. Reward power depends on the ability of the power wielder to confer valued rewards like appreciation, promotion, gifts, and so on. The influencer does not force the person into undertaking a task or behavior. Instead, the reward acts as an incentive to perform the task or display the behavior. It reinforces the desired behavior by rewarding it but the ultimate choice rests with the individual.
5. **Caring and Helping Others** (Extension Power): Caring for people, and helping them develop leads to empowerment of people. The concern for people assures that they are not being manipulated or coerced into any decision. The influencer is empathetic to people in this case.
6. **Information** (Logical Power): Many people are influenced by the facts or information shared with them. They often make choices on the basis of the rationale behind the argument. This can be called logical power, as it is dependent upon the rational aspect of information.

The six different bases of power under the *Coercive* and *Persuasive* categories are summarized in Figure 10.3.

**Figure 10.3** Bases and Types of Power

<i>Coercive</i>		<i>Persuasive</i>	
Base	Type	Base	Type
Organizational position	<i>Positional power</i>	Expertise	<i>Expert power</i>
Closeness to a source of power	<i>Reflected power</i>	Competence	<i>Competence power</i>
Charisma	<i>Charismatic power</i>	Being a role model	<i>Referent power</i>
Ability to punish	<i>Coercive power</i>	Ability to reward	<i>Reinforcing power</i>
Personal relationship	<i>Emotional power</i>	Caring for/Helping others	<i>Extension power</i>
Withholding information/resources	<i>Manipulative power</i>	Information	<i>Logical power</i>

Source: Prepared by Udai Pareek.

## POLITICS AS AN ORGANIZATIONAL CONSTRUCT

Organizations may be viewed as evolving power systems where organizational members resort to influence tactics to maintain, secure, and enhance the allocated resources, benefits, and privileges; or to achieve the desired outcomes (Gotsis and Kortezi 2010). Pfeffer (1981) defined organizational politics as *activities taken within organizations to acquire, develop, and use power and other resources to obtain one's preferred outcomes in a situation in which there is uncertainty or dissensus about choices*. Organizational politics embodies three constitutive elements: (a) intentional acts to influence behavior, (b) use and exercise of power tactics and strategies, and (c) non-sanctioned informal activities within organizational settings. There are two distinct ways of looking at organizational politics:

1. Manifestation of social influence processes entailing benefits for group and organization.
2. Myopic view of self-serving and unsanctioned activities to promote one's self-interest.

Proponents of first perspective view organizational politics as an opportunity rather than impediment to organizational functioning (Zanzi and O'Neill 2001). Here, political behavior consists of influence tactics designed to further self and/or organizational interest, and the basic aim is to effectively manage and reconcile such potentially competing interests (Kurchner-Hawkins and Miller 2006). The second view engenders subjective perception and evaluation of politics in organization. For instance, individuals may attribute negative

motives to behaviors exhibited by peers and superiors, viewing it, say as self-serving behavior (Ferris, Harrell-Cook, and Dulebohn 2000). It focuses on perception rather than actual influence tactics or power plays. The organizational members perceive their work environment as inherently political which fosters self-interest of those engaging in workplace politics. This narrowly defined politics is detrimental to organization's functioning as it breeds feelings of inequity and injustice. Empirical evidence suggests that higher levels of perceived politics are associated with negative dispositional and attitudinal states like reduced job satisfaction, decline in performance, increase in turnover intentions and job tensions (Miller, Rutherford, and Kolodinsky 2008). Furthermore, a politically charged workplace inhibits employees' willingness to collaborate with coworkers due to a climate of low trust and perceived reduction of benefits of being helpful (Poon 2006). Some of the employees prefer to stay away from workplace politics and choose to restrict their interaction. In such a work environment, collaboration with coworkers shrinks to low levels.

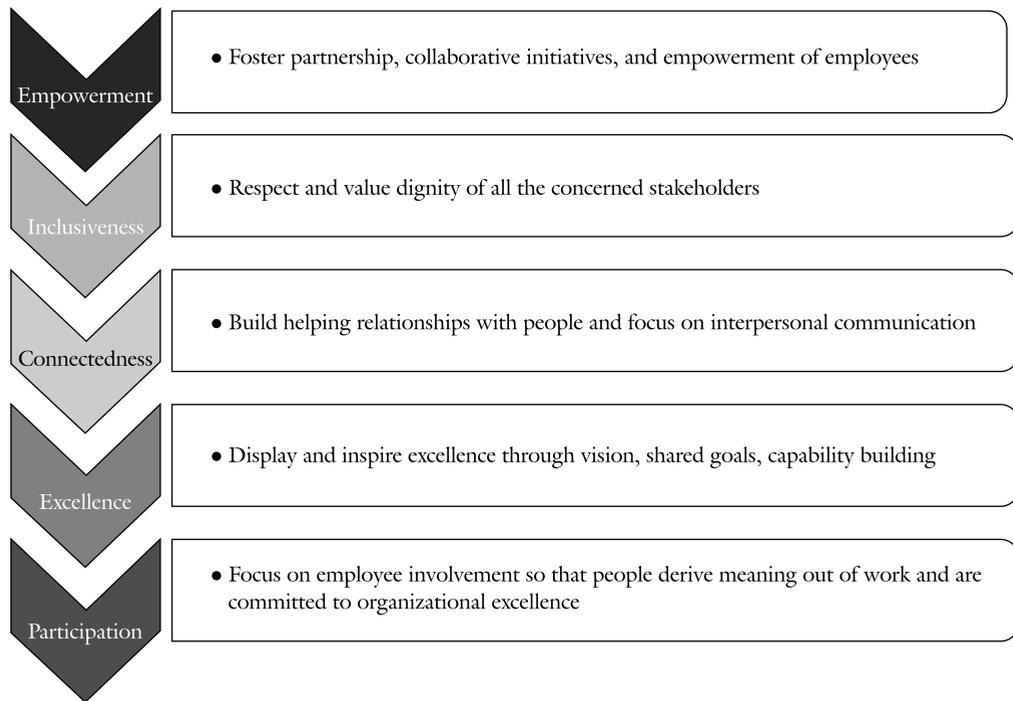
The success of OD practitioners in the client system necessitates a twofold strategy: (a) elimination/management of negative political behavior and (b) development of positive political behavior in organizational life. Adhering to the ethical framework espoused by OD, practitioners exemplify and encourage excellence, openness, joint decision-making, trust, and collaboration which are inimical to covert negative politics in organization. Furthermore, they should develop the political skills to effectively manage the organizational environment and foster a positive political climate that favors feelings of trust, confidence, and sincerity. They can resort to a set of positive political tactics like persuasion, reference to superordinate goals, development of coalitions, and networking to reconcile competing motivations and incompatible goals (Witt, Andrews, and Kacmar 2000).

The positive aspect of politics focuses on collaboration, trust building, achievement-orientation, and adoption of ethical patterns (Gotsis and Kortezi 2010). Since these aspects are congruent with OD's underlying philosophy, OD can play an instrumental role in facilitating a shift in thinking and behavior from the dark side of politics to a more positive approach toward politics. Figure 10.4 presents the key dimensions of constructive politics in organization for OD practitioners and managers/leaders (Gotsis and Kortezi 2010).

## EXPLORING EMPOWERMENT

Empowerment signifies that the organization shifts from limiting the power to determine its future and how it will get there to a few top executives, to include greater number of employees in the process (Gunn and Chen 2006). Empowerment is fundamentally the ability to act collectively to solve problems and influence important issues (Jaffe and Scott 1992). Thus, empowerment embodies the concept of *employee involvement* which is espoused by OD. The definitions of empowerment synthesized from various sources unequivocally talk about enhancement of an individual's influence over different decisions. It is coherent with OD's prime objective of increasing the effectiveness of organizational members by involving them in the process of change.

**Figure 10.4** Key Dimensions of Positive Politics



Source: Gotsis and Kortezi (2010).

In the field of OD, empowerment (Kari and Michels 1991) has been defined as *giving people the skills and the information they need to make good decisions and take informed deliberate actions, so that organizational members can solve problems and manage change on their own*. It is a process of enhancing self-efficacy of organizational members through the identification and removal of conditions that foster powerlessness by both formal organizational practices and informal techniques. Accordingly, empowerment can be broadly classified into the following two categories:

- **Structural Empowerment:** Structural Empowerment (Smith and Temer 1995) is defined as the delegation of decision-making prerogatives from the formal structure to the employees with the discretion to act on their own. Organization researchers propound that to improve the chances of success in structural empowerment efforts, supportive and helping relationships should be developed which is consistent with the practice of OD (Mills and Ungson 2003).
  - *For example*, delegation implies that the superior makes structural changes like changes in role boundaries, assignment of additional responsibilities or bestowing authority for decision-making to enable the subordinate to take decisions on her/his own.

- **Psychological Empowerment:** Psychological empowerment (Corsun and Enz 1999) is defined as individual experience of intrinsic motivation based on cognition about a person's relation to work roles. The cognition encompasses meaning or the fit between an individual's values and his/her work role; competence or belief in one's ability to perform the job; self-determination or a sense of autonomy on the job; and impact or a sense of having an influence over job outcomes.
  - *For example*, training and development activities related to the job or a supportive and encouraging supervisor impart a sense of greater efficacy to the employees. They feel more capable of performing the assigned tasks effectively.

In a three-stage model of empowerment developed by Swift and Levin (1987), a distinction is made between *psychological empowerment* and *community empowerment*. Psychological empowerment represents a subjective experience of self-efficacy whereas community empowerment deals with modified structural conditions for the purpose of reallocating resources. The former can be defined as a feeling of greater control over own lives. The latter (Spreitzer 1995) includes a raised level of psychological empowerment, a political action component, and redistribution of resources or decision-making favorable to the community or group in question. The concept of community empowerment is akin to "team empowerment" in organizations. Thus, empowerment can be both *individual* and *collective* where one can be fostered by building *can do* spirit, and the other through *changes in organizational processes and structures*. The literature recognizes three important aspects of empowerment: (a) the process of empowerment, (b) enabling culture and conditions of empowerment, and (c) the structural interventions to bring about redistribution of power. People need a supporting culture conducive to exercising their new found power to complement the process of empowerment. In addition, the structure and policies should be modified to remove the structural impediments in the path of empowerment.

Bennis (1990) lists four themes of empowerment which are incorporated in OD by involving the organizational members in implementing change in the client setting. Thus, OD practitioners can act as facilitators of empowerment in the organization.

- People feel they are making a difference.
- People regard learning and competence as important.
- People feel they are part of a community or family.
- People believe their work is exciting.

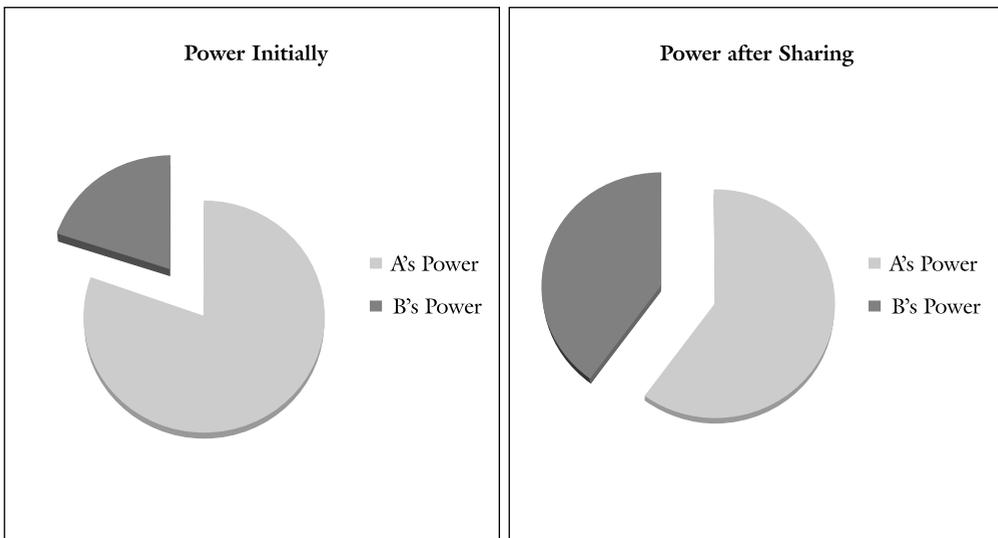
## **COLLABORATION: ROUTE TO EMPOWERMENT CULTURE**

Organization development has always emphasized the importance of employee involvement. Involvement of organizational members facilitates *learning by doing* and thereby, ensures empowerment of the employees. In addition, individual and team empowerment requires a

culture of trust and collaboration. The concept of OCTAPACE (Pareek 1996) has been proposed as the ethos for empowerment and OD. The OCTAPACE framework incorporates values of Openness, Confrontation, Trust, Authenticity, Proaction, Autonomy, Collaboration, and Experimentation. This framework has been espoused by OD practitioners and when applied in organizational settings, results in enhancement of individual effectiveness. However, involvement of employees/teams inevitably results in potential conditions of conflict. It may arise out of interdependencies; incompatible goals; scarcity of resources; or differences in group norms/culture. These conditions can engender a culture of low mutual trust and competition. To overcome these plausible problems, collaboration has been prescribed as the route to empowerment culture.

In organizations characterized by a competitive culture, power is often viewed as a *zero-sum game*. A zero-sum conception of power means that there is a finite amount of power which diminishes when the powerful party empowers the less powerful party or shares power with others. Figure 10.5 is a pictorial depiction of the concept of power as zero-sum game. Initially, *A* is more powerful than *B*. After *A* empowers *B*, *A* loses a certain amount power and *B* gains an equal amount lost by *A*. The rationale governing zero-sum is that increasing one's share of a finite amount is possible only at the expense of other. This win-lose approach gives rise to power struggles in organizations where each party strives to gain more power than the other. For instance, if *A* and *B* are playing a competitive game, if *A* is doing better than before, it automatically implies that *B*'s performance has worsened.

**Figure 10.5** Zero-sum Concept of Power

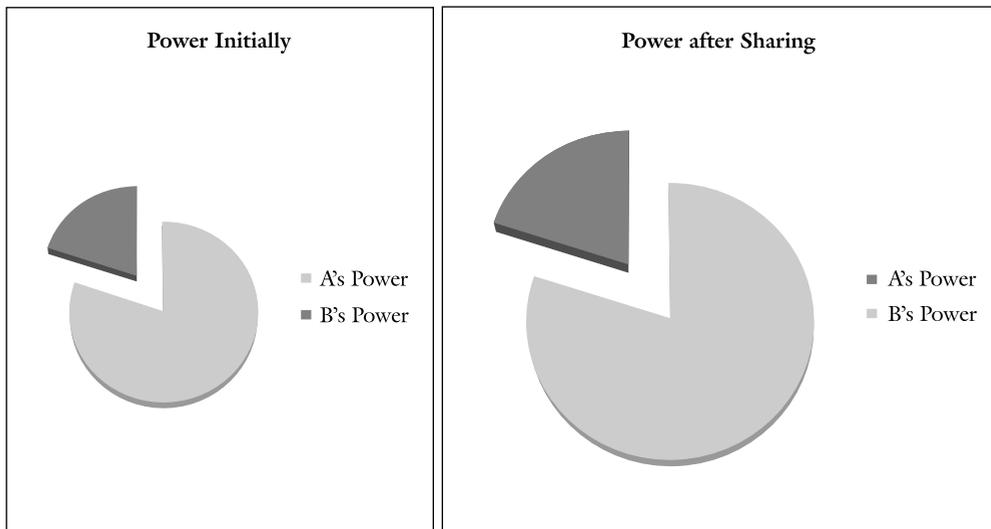


**Source:** S. Ramnarayan and Neha Gupta.

Contrary to the zero-sum conception of power, an alternate view of power looks at it as a *non-zero sum game*. It implies that power of the benefactor can grow by transferring it to other members in the group. It is also possible that both the parties may lose power in the process of exchange of power. For instance, in a sick organization, we confront rampant powerlessness at senior, middle, and lower levels. It would, however, be incorrect to assume that the top levels feel highly powerful. We may discover that people at those levels may also feel powerless to do anything. Without power, the whole system bogs down.

According to this concept, power does not exist in a finite amount. The powerful person does not experience decreased influence by bestowing some power on the less powerful members. Figure 10.6 shows a pictorial representation of power as a positive-sum game. In a positive-sum game, empowerment of *B* by *A* enhances power in the system and enlarges the size of the total pie. Therefore, both the parties are empowered in the process as opposed to the former cases in which *A* lost power to *B* or both *A* and *B* felt powerless. This approach to power promotes collaboration in the organization as it recognizes the collective capability to deal with organizational issues. The organizational members collaborate with their fellow members because they correctly believe that the exchanges are mutually beneficial. Thus, collaboration engenders a culture of empowerment where people willingly share their power with the less powerful members to increase the individual as well as combined quantum of power. Studies have shown that people at different levels in a high-productivity or high-performance organization feel empowered and capable of achieving standards of excellence. The unit becomes capable of taking up new challenges and pushing the frontiers further.

**Figure 10.6** Positive-sum Concept of Power



**Source:** Prepared by S. Ramnarayan and Neha Gupta.

Collaboration builds win–win relationships which is similar to the concept of positive-sum game. When people work together toward a shared goal, they can accomplish something larger, greater, and with more impact than something done in isolation. Thus, collaboration creates synergy and taps the full potential of the employees. Collaboration fosters interconnectedness and enables organizational members to work together for mutually beneficial organizational outcomes. Box 10.1 presents a checklist for OD practitioners and managers/leaders to promote collaboration and thereby, an empowerment culture in the organization. In short, collaboration paves the way for empowerment by creating a supporting culture which in turn facilitates the efficient pursuit of organizational goals.

**Box 10.1** Checklist for Enhancing Collaboration

**Agree on common goals**

- Ensure goals are compatible among individuals, teams, and organizations
- Set and maintain project timelines
- Define indicators of progress toward goals
- Establish measures for indicators and goals

**Clarify roles and responsibilities**

- Discuss roles and responsibilities for yourself, your department, and others
- Decide what you can realistically accomplish with the available resources

**Develop norms/protocols**

- Build on individual strengths
- Share and balance power; practice flexibility to create trust
- Develop a protocol for managing disagreements
- Reward collaboration instead of competition

**Commit the necessary resources**

- Utilize existing resources optimally
- Ensure that people have the required intellectual, social, and financial capital

**Create a flexible, trusting climate**

- Be trustworthy
- Keep your commitments
- Commit to the common good
- Create a common language
- Share credit
- Seek assistance from collaborators for new situations

**Source:** Prepared by S. Ramnarayan and Neha Gupta.

## DELEGATION: ROUTE TO STRUCTURAL EMPOWERMENT

The rapid pace of change in technology, competitive environment, and complexity of tasks mandates sharing of important functions that were traditionally performed by formal leaders, to let the leaders concentrate on critical strategic issues. Structured interventions are required to facilitate decentralization and delegation. The main function of a leader is to multiply power in the organization, which means empowering people at all the levels. The process of empowering involves structuring conditions in which organizational members' potential can be fully harnessed and utilized. Delegation empowers members by providing opportunities to exercise their power. Thus, delegation results in empowerment of employees, thereby multiplying power within the organization.

The concept of delegation does not entail superficial allotment of power, but empowerment of subordinates to take decisions on their own. Superiors should decide, jointly with their subordinates, areas in which they would like to use their competencies. They should discuss the ways in which subordinates can use their discretion to make the desired impact. The purpose of delegation is defeated if it is merely used by a senior person to assign tasks which s/he dislikes or has no time to undertake. It will also fail if the junior colleague feels overloaded with responsibility. Similarly, delegation cannot succeed if it is unilaterally decided by the superior. In other words, delegation involves joint decision-making with the subordinates in devising the work strategies. Delegation is not merely related to structured power devolution, but involves certain steps and processes. The eight steps stated in action terms below outline the process of delegation:

1. **Jointly define role boundaries:** Delegation involves two roles—the delegator and the delegatee. It leads to change of roles and responsibilities for both the parties. These changes must be discussed, decided, and formalized by both the delegator and delegatee. Since other organizational members should be aware of delegatee's functions, the changes should be communicated within the organization. The decision has to be consensual where the delegatee should not only be willing to perform those functions, but also feel that her/his role will be enriched as a result of it.
2. **Develop needed competencies:** The delegated functions are usually new with higher responsibilities for delegatee. The delegatee may not have the competencies required to perform these functions. S/he should do a self-assessment and openly discuss with the delegator the new competencies s/he should develop in order to perform the new functions. The delegator should then prepare a plan, in consultation with the delegatee, of how the latter will develop these competencies.
3. **Provide required resources:** The delegator and delegatee should together assess the resources required to perform the job effectively. The delegator should make provisions to supply these to the delegatee. They should identify different kinds of resources—financial, material, technological, human—required for effective performance of the new functions.

4. **Monitor but do not micromanage:** Monitoring the performance of the delegated functions is essential to ensure that the desired results are achieved. This will also provide an opportunity to identify and give the needed support/help. Monitoring may indicate the delegator's interest and moral support. If overdone, this can be counterproductive. Close supervision of the performance of delegated functions by the delegator may indicate lack of trust in the competence of the delegatee.
5. **Reward discretion and initiative:** Delegation is an evolutionary and developmental process which needs to be encouraged and reinforced. It involves taking initiative and using discretion in the delegated functions. If these are suitably rewarded by the delegator, the process of delegation will be strengthened and more successful.
6. **Respect role boundaries:** Once a decision on delegation has been taken jointly by the senior and junior colleagues, the redefined role boundaries must be respected. The delegatee is likely to make mistakes. The delegator may be tempted to rectify the problems. But, the interference of delegator can destroy the spirit of delegation. If the roles have to be changed, the delegatee should do it only after being convinced of the need to change the decision.
7. **Analyze mistakes together to plan for future:** In periodical reviews, the mistakes may be used as experiences from which to learn to improve delegation. The mistakes and the difficulties encountered in the process should be analyzed in the review meetings to plan how these can be avoided in future. Sharing the experiences will result in improvement of delegation and learning for participants.
8. **Review delegation down the line:** People often want delegation only up to their own level. In reality, delegation is a widening process of empowerment. Every person involved in delegation should discuss with his junior colleagues how the former will delegate some useful functions to his colleagues at the next level. This helps to multiply power through delegation.

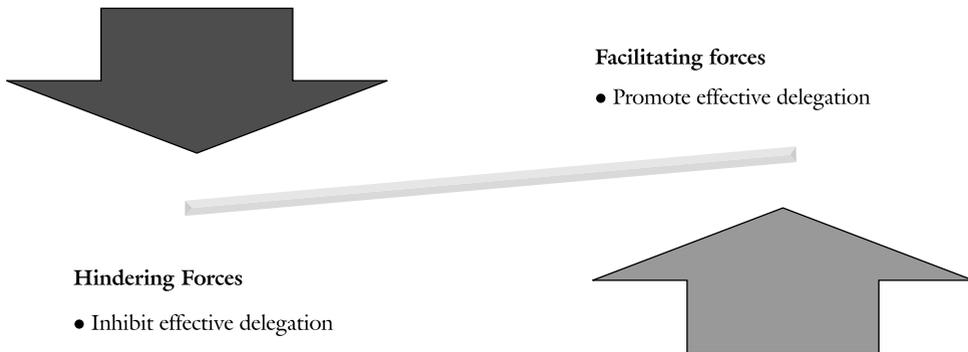
## Forces Influencing Delegation

Every situation encounters some positive forces which facilitate delegation and some negative forces which hinder it. One should identify such forces, and strive to reduce or even eliminate the hindering forces. Figure 10.7 displays the balance between the *facilitating* and *hindering forces*. The success of delegation depends on the delegatee, the delegator, both of them as a team, and the organization. The facilitating and hindering forces are categorized under these four heads.

### Facilitating forces

1. **Factors related to the delegatee**
  - i. *Competence of the delegatee:* The more competent a delegatee is, the more effectively s/he will perform the delegated tasks. Thus, competence acts as a positive force.

**Figure 10.7** Facilitating Forces versus Hindering Forces



**Source:** Prepared by S. Ramnarayan and Neha Gupta.

- ii. *Eagerness to take responsibility:* The delegatee's motivation, involvement, and commitment is reflected in her/his willingness to take responsibility. This helps to make delegation effective.

## 2. Factors related to the delegator

- i. *Role overload of the delegator:* If the delegator feels overloaded with work, s/he is likely to approach the delegatee to share some responsibility. In this case, s/he is more likely to help the latter succeed in the delegated functions.
- ii. *Inner security of the delegator:* If the delegator has a high sense of security, s/he is not afraid of losing power by empowering the junior colleague. Such a person is likely to delegate more effectively by trusting, monitoring, reviewing, supporting, and providing resources.

## 3. Factors related to both

- i. *Mutual trust:* This is an essential ingredient for the success of delegation. Without mutual trust, periodical reviews will be futile. Moreover, the delegator might only assign trivial jobs and keep all the important functions with her/him.

## 4. Factors related to the organization

- i. *OCTAPACE ethos:* An ethos of openness, confrontation, trust, authenticity, proaction, autonomy, collaboration, and experimentation in an organization promotes delegation. It engenders a culture of empowerment and trust.
- ii. *Entrepreneurial culture:* Delegation is likely to be more effectively and frequently used in organizations with entrepreneurial culture. Here, one which gives importance to new ideas, promotes risk taking, and provides support to employees to implement those novel ideas.

## **Hindering forces**

### **1. Forces related to the delegatee**

- i. *Dependency motivation*: A person with a high dependency quotient is not likely to receive delegation effectively. Such a person feels comfortable in following directives from her/his seniors, seeks approval for every action, and hesitates to take risk. S/he might be reluctant to work independently or assume higher responsibilities.
- ii. *Lack of initiative*: Lack of initiative might constrict a person's capability in handling additional responsibilities. Generally, the person suffers from the fear of failure or has the tendency to play safe.

### **2. Forces related to the delegator**

- i. *High need to control*: If the delegator has a high need to control, and uses personal power to closely monitor what happens and what should happen, s/he may find it difficult to delegate. Delegation requires system-orientation and trust in the junior colleagues.
- ii. *Inability to develop juniors*: Several people lack the competence and patience to develop junior colleagues. They are not skilled at listening to the juniors, guiding them by their own example setting behavior, encouraging them to experiment, reviewing their work and providing support. They may find it difficult to delegate successfully.

### **3. Forces related to both**

- i. *Lack of role clarity*: Delegation may not succeed if there is lack of role clarity about the new functions. Role ambiguity may relate to the main functions of the roles, role boundaries and its linkages, and decision-making power. It might hamper the delegator's performance.

### **4. Forces related to the organization**

- i. *Crisis managing climate*: Crisis managing climate is not suitable for delegation. Some organizations create crisis managing climate and are continuously working in a fire fighting mode. Obviously, such a climate prevents the process of delegation which involves experimentation and risk taking.
- ii. *Autocratic or Bureaucratic culture*: In the autocratic culture, the whole organization hinges on a few key people. The top people, even with good intentions, tend to centralize all powers, and the same behavior is modeled down the line. So, systematic delegation is not feasible, making it arbitrary in selected pockets. In a bureaucratic culture, rules and regulations are paramount. There are rigid lines of responsibility, functions, and norms. A person's performance is evaluated according to the laid-down rules and regulations. Since there is no pressure for innovation and risk taking, the incentive to delegate is low.

## DISPOSSESSION BY LEADERS: YIELDING POWER TO EMPOWER

There is a growing realization that in the face of dynamic environment, evolving technology, changing competitive landscape, and increasing complexity of tasks, “dispossession” by leaders translates to empowerment. The influence or power of a leader may be in proportion to his ability to “dispossess” the organization. The virtue lies in becoming “dispensable” for the organization by empowering other members and giving up control over routine tasks. It is akin to OD’s goal of individual and organization development. The leader initiates structural changes in the organization to act as a catalyst in transference of power to organizational members. Box 10.2 exhibits a three-pronged approach to empowerment by Randolph for leaders in organizations (Randolph 1995). It involves a combination of psychological and structural empowerment like training and new decision-making rules respectively.

### Box 10.2 Three-pronged Approach to Empowerment

#### Share information

- Help people understand the business
- Build trust through sharing sensitive information
- Create self-monitoring possibilities

#### Create autonomy through structure

- Create a clear vision and clarify the little and big pictures
- Clarify goals and roles collectively
- Create new decision-making rules that support empowerment
- Establish new empowering performance management processes
- Use heavy doses of training

#### Let teams become the hierarchy

- Provide direction and training for new skills
- Provide encouragement and support for change
- Gradually, encourage managers to let go of control
- Work through the leadership vacuum stage
- Acknowledge the fear factor due to change among employees

Source: Randolph (1995).

Effective leadership manifests itself throughout an organization by empowering its members. Withdrawal from controlling routine functions acts as a power enhancer for the leader. It enhances the leader’s real power as s/he will be able to perform the more important tasks of visioning, boundary management, lobbying for the organization, and so on. The research literature and interviews with some senior Indian managers revealed a set of 14 power enhancers. They have been grouped under five heads on the basis of factor analysis of power enhancers in an organization.

## 1. Professionalism

- i. *Competence building*: Professionalism is attained with the help of competent people in the organization. The learning and development programs and OD practices contribute to competence development. The more competent employees are, the greater the opportunity for leader to engage in more strategic functions.
- ii. *Rewards system*: Rewards play an important role in building an empowerment culture and in multiplying power. If creativity, innovation, and initiatives are rewarded, people are encouraged to wield their power. In this way, the leaders develop good resources and add to their overall power.
- iii. *Feedback system*: A well-developed system of giving feedback to the employees on their performance develops professionalism. It also reduces the subjective element in decision-making by the leaders. In fact, the feedback system in a way releases time for leaders to perform this function.
- iv. *Professionalism*: Professionalization includes recruiting trained and qualified persons with expertise in their fields, use of appropriate technology, and periodical competence building of personnel at various levels. Professionalism provides leader with more time and resources to execute functions at higher levels.

## 2. Team work

- i. *Strong teams*: “Strong and cohesive” teams are a major power enhancer. The more cohesive the team, the more the leader is able to deal with high-level issues. S/he can leave most of the internal matters to the teams.
- ii. *Self-governing teams*: When teams can function on their own, with minimum direction from the top, power can be decentralized. For example, autonomous work groups seem to reduce the role of supervisors on the one hand, and on the other, they add value to the supervisor’s role in helping them to become real leaders. They free up her/his time to attend to resource mobilization, boundary management, competence building, and consultation.

## 3. Formalization

- i. *Satisfying tasks*: Intrinsically satisfying tasks will build employee’s motivation and involvement, and the leader need not spend energy on this aspect. This also contributes to the effective use of discretion by the concerned employees, and thereby enhances power in the system.
- ii. *Rules and procedures*: Rules and procedures constitute an important element in formalization. They reduce the attention and time devoted by leaders for routine matters. Moreover, they reduce the anxiety level of employees arising out of uncertainty, thereby increasing their own sense of power. That is why organizations have clear rules and procedures for compensation, perks, facilities, and amenities.
- iii. *Organizational structure*: A clear well-defined structure helps in formalization. It reduces the leader’s discretion in several trivial matters, and allows the leader to

pay attention to other important functions. The leader can use her/his power to increase the effectiveness of the organization.

- iv. *Management systems*: In effective organizations, well-designed systems obviate leaders' roles in routine matters. For example, good planning, budgetary allocation, and information systems streamline the processes of decision-making. The human resource systems ensure that these functions are performed well, without the leader's involvement.

#### 4. Expert power

- i. *Staff functions*: On the one hand, advisory and staff functions develop formalization by introducing structured and formalized special functions, and on the other, they help to develop expertise. Power is distributed and gets multiplied by developing expertise through staff functions. It strengthens the leader's ability to lead the organization.
- ii. *Objective rewards*: When rewards are decided on the basis of specific criteria, developed, and managed by a team, they become more objective. The leader can give up the role of deciding about rewards and pass this responsibility to a team of experts. This releases the leader's time and energy for higher level tasks.
- iii. *Spatial distance*: Decentralization contributes to the development of expert power. When functionaries are relocated to units away from the central or head office, they are bound to inherit more autonomy. Therefore, increasing spatial distance between the employees and leaders enhances power in the system. Employees share power with the leader whose power is in turn enhanced.

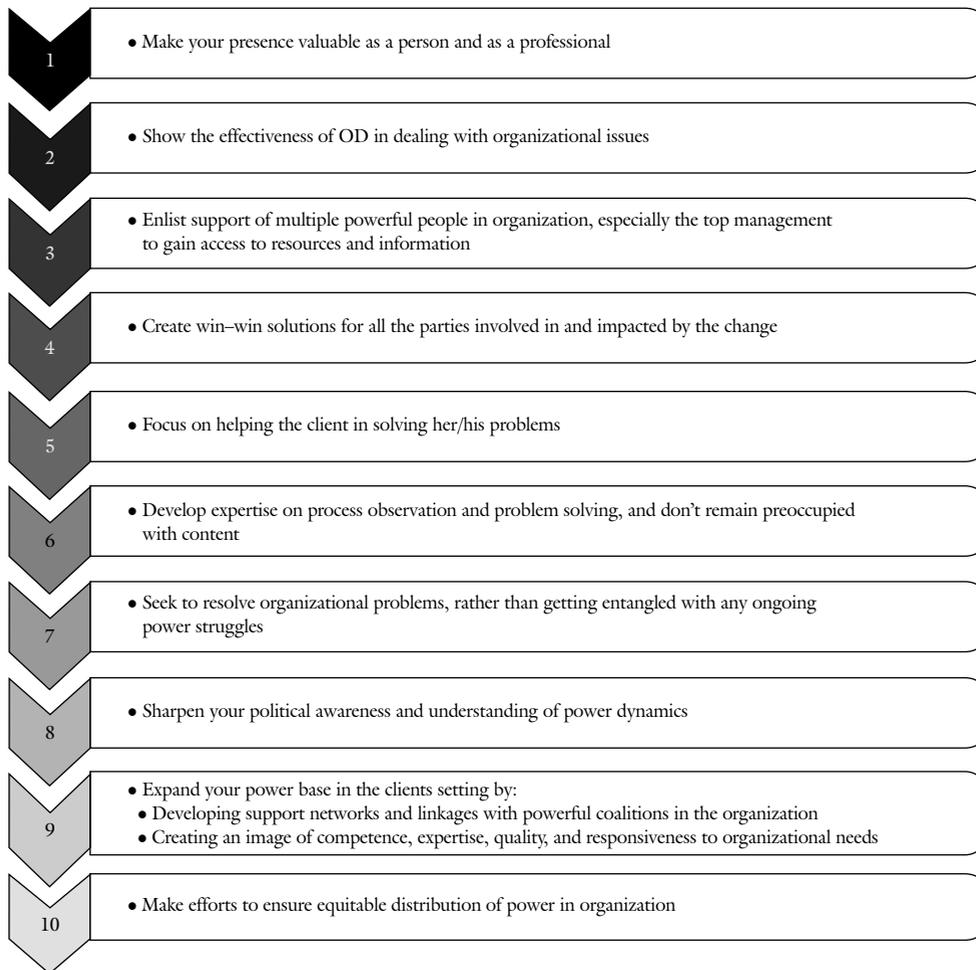
#### 5. Task clarity and autonomy

- i. *Task clarity*: Well-defined tasks are important for autonomous functioning of individuals. Clarity increases the power of the individual along with the leader who need not deal with any ambiguity. In brief, it gives clarity to employees on what is expected of them in terms of tasks and goals.

## OD PRACTITIONERS: FACILITATORS OF EMPOWERMENT

OD practitioners exercise persuasive power in the organizations to influence the organizational members in implementing the interventions effectively. The power wielded by them is expected to be persuasive and empowering, in congruence with the value based approach of the field. The use of persuasive power bases makes them more effective in mobilizing the support and commitment of employees. Besides gaining the commitment of employees, it is essential that OD is supported by the senior management in organization. OD practitioner usually has direct access to the top management which places an additional moral responsibility of not exploiting the closeness with the seniors (French and Bell 2001). Figure 10.8 presents

**Figure 10.8** Ten Commandments for an OD Practitioner



**Sources:** Neha Gupta prepared this checklist based on French and Bell (2001) and Randolph (1995).

10 Commandments for OD practitioners to gain and wield power in organizations (French and Bell 2001; Randolph 1995). These guidelines stem from the realization that power accrues to people who possess valued resources.

Michael Beer (1980) has identified means by which an OD practitioner can gain power:

1. **Competence:** Expertise in the behavioral sciences, process observation, and problem solving will make OD practitioners successful in client setting. The consultants can maintain the power positions till the client relies on their skills and expertise.

2. **Political access and sensitivity:** The linkages (formal or informal) with the key powerful people provide access to information as well as let the consultant understand the power dynamics in the client system.
3. **Sponsorship:** OD consultant can enlarge their power base by gaining the sponsorship from the top management or other powerful people or the past clients. This will add to their credibility and reputation as a practitioner.
4. **Stature and credibility:** It refers to impression management by the consultant as being “effective and successful” in implementing change. It will assist in maintaining the image of the consultant in the eyes of the powerful people in the organization.
5. **Resource management:** If consultant utilizes the resources like time, financial resources, etc., in an effective way and deliver the desired results, it will increase their influence on the client. The success of their initiatives will reinforce client’s interest in OD.
6. **Group support:** Cohesive groups are more powerful. They can be fostered through collaboration or common goals. Therefore, the consultant should take initiative to build solidarity among group members involved in OD intervention.

The OD practitioner should be cautious in ensuring that s/he does not become a pawn in the ongoing power struggles in the organization. This requires her/him to understand the multiple power bases and power dynamics in the organization. In addition, the emphasis on humanistic values can be employed to foster positive political behavior in the client setting. OD cannot remain insulated from the prevailing power struggles and political coalitions in the organization. If the practitioner wants to work effectively, s/he should expand her/his power base by displaying the prowess in resolving organizational problems. The ability to improve the individual and organizational functioning is a valued commodity in OD practitioner’s possession. S/he should capitalize on expertise in behavioral sciences to make herself/himself in particular and OD in general, a desired commodity.

OD defies the conventional wisdom of *power-coercive strategy* of change which advocates more powerful people to impose their choices on people with less power (French and Bell 2001). On the contrary, it employs *normative-re-educative strategy* and calls for empowerment of organizational members to successfully implement change. Since, the process calls for redistribution of power in the client setting, OD practitioners would, therefore have to intervene in the power dynamics in organizations (Morgan 2006). To facilitate an equitable distribution of power, they cannot remain as traditional passive political players. Today, the OD practitioners require and display an increased awareness of organizational politics and power dynamics to achieve the ultimate goal of enhancing individual’s well-being and organizational effectiveness.

## CONCLUDING COMMENTS

Whether it is a casual cafeteria conversation or a serious seminar deliberation, power and politics emerge as important themes in discussions among organizational members. The

persons may be talking about international affairs, industry level issues, or their individual departments, but we find direct and indirect references to the dynamics of power. As Gareth Morgan (2006) observes, one of the curious features of organizational life is that although many people know they are surrounded by organizational politics they rarely come out and say so. You may know that the manager *A* is pushing for a particular project because it will serve his own aims or that *B* got a particular job because of her association with *C*, but you don't say it openly. For these and other reasons, including the fact that secrecy and lack of transparency serve political ends, the subject of organizational politics has become a taboo, though it is a crucially important aspect of organizational reality.

Aristotle has said that politics stems from a diversity of interests. Following Aristotelian view, we recognize the constructive role of power and politics in the creation of organizational and social order. Organizational politics arise when people think differently and want to act differently. There may be many ways in which you may resolve the differences: autocratically (“We’ll do it this way”); bureaucratically (“We’re supposed to do it this way”); technocratically (“It’s best to do it this way”); or democratically (“How shall we do it?”). In each case, the choice between alternative paths of action usually hinges on the power relations between the actors involved (Morgan 2006: 156). Thus, the study of power and politics helps us see how all organizational activity is interest based and then evaluate different aspects of organizational functioning.

John Kotter (1985) says that very few managers enjoy the luxury of directly controlling all the resources necessary for doing their jobs. The managers are dependent not only on their direct reports, but also on people like their superiors, peers, regulators, investors, or suppliers whom they do not directly control. They may be dependent on people who don't even cooperate with them. As Kotter writes, “Power is extremely important in organizations because the dependence inherent in managerial jobs is greater than the power or control given to the people in those jobs. Power dynamics, under the circumstances, are inevitable and are needed to make organizations function well.” Thus, power provides the basis for the direction of organizations and for the attainment of social goals. It is important for managerial performance and organizational effectiveness.

It is commonly assumed in organizations that if there has to be an increase in power at one level, it implies its diminution at other levels. This assumption is clearly inaccurate. In fact, one of the main functions of experimenting with distribution of power through a variety of OD interventions is to enlarge the quantum of available productive power—the volume of power that is available not only to certain levels but to all the organizational members.

Organizational power can grow in part by being shared. Sharing power is obviously different from giving or throwing it away. The concerned managers have to create appropriate systems and processes to ensure that institutional goals are achieved. It should also be noted that a leader does not decrease his/her personal power by empowering others. Instead the power is increased especially if the whole organization performs better. The total amount of power is, therefore, related to the total system effectiveness. So when people feel more powerful, more is accomplished.

The work gets done in organizations when employees feel powerful to act, contribute, and deal with issues on their merits or lack of merits. Employees realize their own and organizational potential when they feel free to stretch their contributions to their joint capacities. OD interventions have a vital role in helping employees experience a sense of power, so as to release the vast human potential that otherwise remains dormant and underutilized in organizations.

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## Four leadership roles for OD

S. Ramnarayan

Peter Drucker writes that all the effective leaders whom he has encountered did not start out with the question, “What do I want?” They started out asking, “What needs to be done?” Then they asked, “What can and should I do to make a difference?” Drucker asserts that leadership does not refer to rank, privileges, titles, or money; it is responsibility. Ronald Heifetz and Marty Linsky express a similar viewpoint. They note that leadership involves getting people to own and engage with difficult problems facing the group or the organization. Tackling major challenges requires bringing about changes in people’s values, beliefs, habits, ways of working, and ways of life. In short, leadership is fundamentally about changing the way in which people think and act.

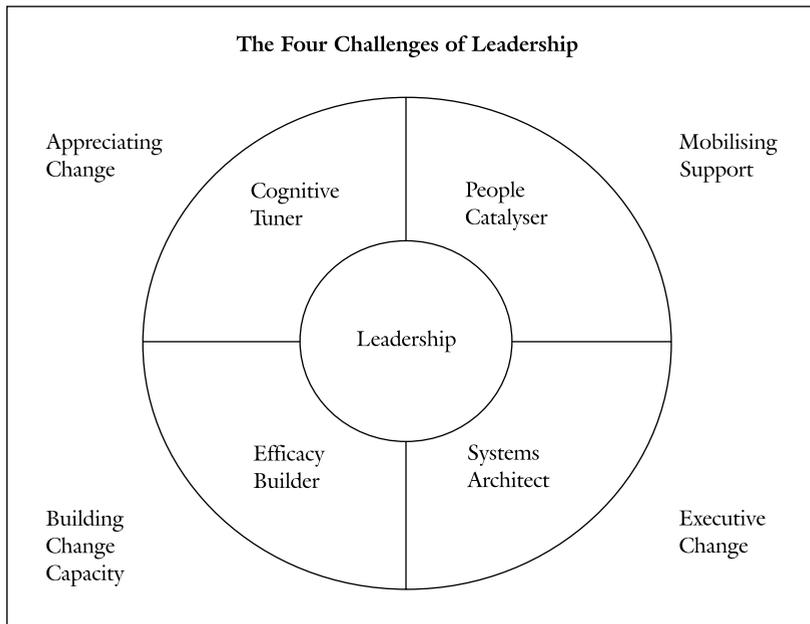
An inquiry into this leadership journey of altering mindsets over a number of years involved the study on how managers and organizations tackle the complexity and uncertainty posed by the global context. The study has shown four major challenges that are crucial to the leader’s success as a navigator through the rocky process of altering mindsets. These challenges are presented below in the form of four roles that a leader should perform:

- **Leader as cognitive tuner:** One who is tuned to people’s mindsets inside the organization and outside forces of change impacting the organization. This helps in clear articulation of the destination and an appreciation of what is required to reach that destination;
- **Leader as people catalyzer:** This involves more than mere exhortation of people to do the right things; it refers to strengthening influence and communication efforts to muster, assemble, and rally people together to bring about meaningful change;
- **Leader as systems architect:** This entails designing, building, and sustaining a social architecture that can establish new routines to replace old routines; just as the mould determines the shape that jelly takes, right structures and processes create the architecture for desired cross-functional linkages and innovation efforts to emerge; and
- **Leader as efficacy builder:** One who creates positive context that enables people to have faith in their own capabilities, take risks, and learn. By engendering a feeling of

optimism and hope, the leader fosters a positive belief in people that they can face challenges of change; this positive belief lies at the heart of capability building.

Leadership failures occur because one or more of the above roles are not performed effectively. In the rest of this chapter, a brief review of each of the above four roles, as outlined in Figure 11.1, is illustrated.

**Figure 11.1** Four Leadership Roles for Change Management



Source: Nilakant and Ramnarayan (2006).

## LEADER AS COGNITIVE TUNER

A traditional organization had sought to make certain important structural interventions to be able to face greater competition. Accordingly, teams were constituted and resources were allocated. The objective was to strengthen interface management among the key functions for developing new products. For the success of the change effort, employees were required to behave in ways that would be qualitatively different from the manner in which they had been used to operating.

For example, the organizational members were required to move away from a hierarchical culture in a number of ways. Juniors were expected to talk openly about difficulties and voice opinions freely at meetings. They had to assume responsibility, work across functional

boundaries, and operate with minimal guidance and specific role prescriptions. If required, they had to communicate requirements and demands to individuals, groups, and functions even if they were powerful. The seniors, on the other hand, were expected to actively seek opinions, encourage dissent, and support efforts to modify dysfunctional procedures. They had to feel comfortable with initiative being taken at lower levels and feedback and expectations being expressed frankly by their direct reports.

No thought was given to how such changes in mindsets were expected to be brought about. Not surprisingly, these mindset changes did not occur and so the structural changes did not take root. There was also no clarity on how the inherent contradictions among different sub-goals were expected to be resolved. For instance, the sub-goal of new product development was at odds with the sub-goal of maximizing production of existing products. Incentive systems, goal setting, and measurement procedures were not geared to accept possible higher rejections, extra costs, and the dip in the top-line and bottom-line flowing from investments for the future.

A key leadership challenge is to ensure that all such factors are visualized and considered before the direction is concretized in terms of specific sub-goals and tasks. When people are able to visualize both the larger picture and their assigned tasks, they become hopeful, optimistic, and committed to the transformation process.

This challenge has been termed as cognitive tuning because it is largely a process of reflection, analysis, and thinking. Cognitive tuning occurs through the medium of dialogue and conversations. Leaders must, therefore, be skilled in initiating dialogue to both understand prevailing mindsets and make people aware of their mindsets. They also need to pay attention to the evolving environment. While cognitive tuning is all about paying attention to mental models both inside and outside the organization, one cannot understand the mental models of others unless one is aware of one's own mental model. Therefore, as cognitive tuners, change leaders need to be able to reflect on their own ways of thinking. This very act of cognitive tuning initiates change in an organization.

## **LEADER AS PEOPLE CATALYZER**

When Delhi Metro Rail Corporation (DMRC) undertook the massive project in the nation's Capital, the leadership realized that among other challenges, it had to generate external support from Delhi's residents, politicians, bureaucrats, contractors, and several other groups. The project owes its success to effectively managing the dependencies on a wide array of these external stakeholders. To illustrate the leadership's approach, let us examine how the public support was mobilized.

The leadership saw the challenge not merely in terms of communication, but as winning people over to the corporation's philosophy and approaches. For example, a number of procedures were instituted at work sites to minimize disturbances. The procedures even specified that the vehicles should not be allowed to leave the work sites without their tyres being

cleaned. As the other public utilities were notorious for their inefficiency, the interface with those agencies was handled by taking additional responsibilities to ensure that there was no public discontent. For instance, when traffic diversions had to be made, DMRC appointed additional personnel at important signals to help traffic police in maintaining smooth flow of traffic. Though it was clearly not its responsibility, DMRC also undertook road widening and road repairs where necessary to ensure that no road was closed at any time and people were not inconvenienced in any way. In the same way, power, water supply, sewerage, and other issues were also proactively addressed.

Right through the process, there were regular community interaction programs. People were provided advance intimation and regular updates by using several media. Helplines were available to report difficulties. As a result, the project consistently enjoyed a great image in the eyes of the Delhi residents and received their support whenever required.

When top managers emphasize the content of change at the expense of process, they may wrongly perceive the process from a limited perspective of education and exhortation. Change involves a long and difficult journey, and managers need to listen to diverse views, keep making changes in a variety of settings, and keep up the momentum of the change campaign. An important set of leadership challenges pertain to: building supportive coalitions; evaluating the interests of people whose support is needed; altering people's incentives for change; framing and crafting the message in a way that evokes support; instituting a process that is open, transparent, and inclusive; consulting as widely as possible before making a decision; attend to the timing issue; and sustaining the momentum as mobilizing is not a one-time activity. This requires a blend of logic, emotions, and values.

## **LEADER AS SYSTEMS ARCHITECT**

In the celebrated case of Nissan's turnaround, the new leader found that the organization had very capable people; but the organization's architecture in terms of its hierarchy, procedures, policies, and decision-making processes had contributed to a culture of learned helplessness. Compartmentalization of functions/roles and rivalry between departments/divisions had reached such an extent that there was a culture of blaming each other for organizational problems. Employees had lost both focus and energy. Changing anything seemed to be a huge task beyond any individual's capacity.

To convert this learned helplessness into learned optimism, the leadership altered both the structure and the culture of the organization. Cross-functional teams (CFTs) were set up to address critical issues. CFTs were supported by a number of thoughtful interventions, and so they became instrumental in creating a strong foundation for the remarkable turnaround of the company.

A key leadership challenge is to facilitate modification of mindsets by attending to four requirements: exposing people to alternative perspectives; enabling people from different functions to work together; identifying and removing roadblocks to modifying existing routines;

and creating new routines to focus the organization's attention on continuous improvement. Leadership establishes a context that facilitates these four requirements. This is done by creating an appropriate architecture that is made up of roles, responsibilities, systems, and procedures. I refer to this important leadership role as that of a systems architect.

As a systems architect, leaders create cross-functional linkages in the organization; align policies, procedures, and remove structural impediments to performance and change; and create new routines for continuous improvement. Apart from the emphasis on structure, leaders also pay attention to creating a climate of hope and optimism by clarifying purpose, enhancing preparedness, and providing psychological safety.

## **LEADER AS EFFICACY BUILDER**

For a company that is almost 100 years old, Tata Steel has shown remarkable agility since the early 1990s. When the forces of liberalization were set in motion, the leadership put in place myriad processes to prepare the company for global competition. Over a hundred teams were mobilized to bring about improvements in different areas. Cumulatively, over 5,000 people were entrusted the challenge of carrying out various initiatives for modernizing mindsets of the company's 40,000 employees, enhancing quality, bringing about radical performance improvements through Total Operational Performance (TOP), creating a market-oriented organization, de-bottlenecking facilities, phasing out technologically obsolete plants, adding new facilities for manufacturing value-added products, capacity expansion, and so on. The entire workforce of 40,000 people was trained in certain improvement techniques to change patterns of thinking. A major change initiative called ASPIRE (Aspirational Initiatives to Retain Excellence) was launched to use teams as an instrument and source of innovation in the company. The idea was to get people to look at existing operations with new eyes, be innovative, and translate the ideas into effective ground-level implementation. Not surprisingly, the company has been rated among the top five steel producers in the world for the last four years by the World Steel Dynamics, and was ranked the best steel company in the world in 2005.

Though the company changed all the components of capability—its skills, systems, structure, strategy, and culture—the heart of the leadership lies in building self-efficacy. Self-efficacy refers to the confidence an individual has in his or her ability to achieve challenging goals. A high level of self-efficacy makes it easy for individuals to learn new things because they experience less learning anxiety. The subjective world and mindsets of organizational members determine what they see and how they would think and act. This leadership role of fostering a positive belief in people that they can face the challenges of change and overcome them has been termed as “efficacy builder.”

To build self-efficacy, leaders enhance the aspirations of people to face challenging tasks. They create positive role models for others to emulate; design incentives that induce people to set high goals for themselves; ensure that there are support mechanisms to help people achieve

their stretch goals; and promote learning as a desirable goal in the organization. In short, they structure opportunities for people to set challenging goals and achieve them.

Finally, it is important to note that a single leader need not necessarily address all the four sets of challenges by himself/herself. An effective leader understands his or her strengths and limitations and teams up with other leaders having complementary strengths so that the leadership team can perform all four roles to be able to navigate through the complex challenge of altering mindsets.

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## A systemic approach to OD

Christine Wawra and Niranjan Janardhanan

### INTRODUCTION

Organizational Development (OD) refers to the planned collaborative activities followed by the various members throughout the organization moving toward a common goal of improved effectiveness. Thinkers and practitioners have contributed several approaches to OD and change management. In the 1980s in German speaking Europe, the “systemic approach” was developed combining “hard facts” like organizational structure, processes, business models, financials, etc., and “soft facts” involving people, team communication, group dynamics, and culture.

Managers and consultants view organizations in different ways—starting from the individual level to teams, departments, and the organization as a whole. This influences their behavior and hence the type of interventions and actions they undertake in order to implement their strategies and achieve their goals. The mechanistic model, which is often used in classical management, defines the organization as a machine that can be steered, controlled, and influenced manually by setting rules and regulations. On the other hand, the systemic approach views organizations as “living and social systems.” These systems consist of communication patterns influencing the interaction and relationship of individuals who are part of the system and can therefore not be steered and controlled.

When working with organizations we focus on analyzing the existing patterns and setting interventions on how to best promote or perturb them in order to unleash the creative potential and the resources within the organization. From our experience, most of the knowledge and resources required to cope with business challenges are available within the organization. Our goal is to support the system in mobilizing its resources in an appropriate way by setting impulses from outside in order to reach the best result for the organization.

We will start by illustrating a case of an organization undergoing strategic change, the goals of the transformation process, and the areas of the organization that were influenced by the change. We will present two main models that form the basis of our work. During the

course of the chapter, we also present some tools and tips on how to use the models, which we believe would be useful in any corporate setting.

## **CASE STUDY: HOW TO IMPLEMENT A STRATEGIC CHANGE PROCESS**

### **The Challenge**

#### ***Shift in Strategy: From a software vendor to a solution provider***

The headquarter of one of the world leaders in Enterprise Resource Planning (ERP) software intended to implement a new strategy—a fundamental transformation from a supplier of standard software to a solution provider that prepared and implemented value-oriented solutions in collaboration with its customers. The strategic priority would shift from increasing sales by acquiring new customers to expanding the business by increasing the profitability of existing customers by providing additional value-added services and solutions. The question in the minds of the top management was “*How do we communicate the need for change and how do we implement this change seamlessly across the local units around the world?*”

On observing the various facets of this organization, we understood that the “shift in strategy” was only the tip of the iceberg and that this change would require a transformation of the entire organization at several levels in terms of structure and processes. Sales of standard software solutions required a team with a strong sales focus, which helped bring in sales and expand the customer base. However, a change in strategy to provide a service required a completely different approach. The business development team had to develop the ability to identify the needs of the customer and provide customized and value-added services to meet those needs. Consequently, their performance indicators could not be based on sales or number of new customers. They had to be assessed based on the types of services provided and the overall willingness to push the new strategy.

To ensure the success of the project, it was critical to communicate the new strategy and the changes resulting from it and set the right expectations in the minds of both existing and prospective customers. The relationships with suppliers would have to be revisited to ensure that they were aligned to the new strategy. This strategic alignment with external stakeholders would have to result from clear communication of the proposed changes. As the business was very successful at the outset, the need for change was not visible to everybody in the various units of the organization. Before the change could be communicated externally, it was crucial to involve all internal stakeholders such as the managers and employees and explain to them the need for a shift in strategy and the effect it might have on their workplace.

The leadership, namely, the top management and subsequently the middle management who were the responsible drivers of the implementation faced a lot of pressure and resistance. Hence, strong support and tight collaboration within the management team was crucial for the successful implementation of change.

When explored deeper this development also implied a culture change, a change in the mindset of the members in the organization. The customer interface had to change from a sales approach to a consulting approach, where the interaction with the customer is collaborative, rather than unidirectional. The shift in strategy from software to services and solutions also changed the purpose of the organization and required the development of a new vision that would be supported by the entire executive team and spread throughout the organization.

Thus, it became clear to the management and consultants working on the transformation project, that a holistic approach was necessary. There were several elements characterizing the organization and the potential impact of the proposed change on each of these elements had to be studied. In addition, as it was a global strategy roll out international aspects also needed to be considered. The subsequent section explains in detail, the International Corporate Development Model, which provides the various aspects to be considered while implementing organizational change through the systemic approach.

## International Corporate Development Model

In today's international business environment, change managers and consultants need to consider carefully the various national and global aspects that could influence the organization as a whole. The holistic perspective of the systemic approach can be best explained based on the International Corporate Development (ICD) Model illustrated in Figure 12.1. The model consists of six elements: strategy, organization, stakeholder relationships, leadership, culture, and purpose.

- **Strategy:** Critical to an organizational change process are the definition or the (re)definition of the strategy, its implementation, and the fundamental topic of strategic innovation, that is, how do we reinvent the Business Model.
- **Organization:** This element includes organizational structure and processes and the operating model of the organization.
- **Stakeholder relationships:** We define stakeholders as all relevant environments of the organization including internal stakeholders such as employees, managers, etc., and external stakeholders such as suppliers, clients, etc.
- **Leadership:** The understanding of leadership and different leadership styles have a strong impact on the steering of the company (including change processes).
- **Culture:** Culture comprises corporate values, norms, artifacts, typical behavior, and unwritten rules for interaction within the organization. Culture derives from a combination of factors such as the company location(s), national culture, industry and market culture, company history, alliances, founders, leaders, etc.
- **Purpose:** At the core of the organization is a purpose, which is the very reason why the organization exists. This purpose, including the vision and the mission of the organization could be referred to as the “DNA of the Organization.”

**Figure 12.1** International Corporate Development Model



**Source:** Doujak (2009).

The first four elements of the model present themselves more readily to the average manager as candidates for change. Sometimes, when minor changes are required in one or two of these aspects in an Organization, a “linear management approach” or in other words adopting a quick-fix solution would suffice. However, more often, managers and consultants start working on one element and realize in the course of time that these elements are inter-related and any change process would be incomplete without delving deeper into the core of the organization.

Culture and purpose are intangible characteristics, which flow right through to the heart of the organization. Hence, the linear management approach could potentially touch these aspects only partially, underestimate the intensity to which they have to be considered, or ignore them altogether. The success of the Systemic Approach lies in aligning people, processes, structure, strategy, and culture to support the purpose of the organization.

Having defined the “context” of change, we have enumerated the various aspects that need to be considered as the potential candidates for change, or in other words the “content” of the change implementation. Before delving into the actual “process” of the change implementation, we have to bear in mind certain factors that are essential for the effective implementation of the change.

## **Key Factors for Effective Change Implementation**

During the strategy implementation at the software company, the following factors were identified as the most critical drivers for the change process. Although not a comprehensive list, these factors have been found to be pervasive across change implementation projects in general.

### ***Team effectiveness and strong leadership***

The importance of the composition of the leadership team for the change implementation cannot be overemphasized. The team of change agents must comprise members from the top and middle management, with adequate representation from the center and the regions. The team members should have a unified view of the change strategy and the end goal. Throughout the project, the top management and subsequently the middle management may face a lot of pressure and resistance. Hence, strong support and tight collaboration between the management team and the external consultants is crucial to ensure process security for these change agents and for the successful implementation of the change.

### ***Effective communication***

Strategy implementation has to be executed carefully throughout the organization reaching all “hearts” and “heads.” It is extremely important to communicate the common vision of the organization to employees, using the most effective communication methods and channels. The strategic vision should be communicated whenever necessary to the external stakeholders, namely, customers and suppliers. This will make them understand the need for change and at the same time, make them feel important and committed to the organization.

### ***Employee involvement and commitment***

During any organizational change process, there is usually a lot of uncertainty and resistance in the employee community. Early and intensive involvement of the employees in the change implementation is the best way to overcome these resentments. Involving them early will also increase their understanding and hence their commitment toward the new strategy of the organization. There may also be a lot of hidden knowledge among the lower ranks of employees. Hence, the bottom-up involvement could bring valuable observations to the surface and hence enhance the quality of the change implementation process.

### ***Procedural openness***

Decisions on changes of the organizational structure, processes, and resulting personnel decisions need to be made throughout a fair and transparent process. Interventions should be based on best practices and frameworks provided by the change consultants, and at the same time modified based on the specific requirements of the organization. This ensures that the tools and methods used in the change implementation are established keeping in mind, the best interests of all stakeholders. The process should include interim evaluations of the situation and progress at various stages with a tangible goal in sight. This would ensure regular feedback to all stakeholders about the progress of the change.

### ***Centralization–decentralization balance***

The goal of the change process is to establish a strong central corporate culture but at the same time take into consideration the local uniqueness of the regions. Thus, clear direction from the executive board is required on strategy issues that are global and non-negotiable. At the same time, a certain level of adaptation and negotiation at the local level is necessary as well. Maintaining this balance is crucial for the progress and sustainability of the change implementation. Integration of local networks or regional change agents is very important. Therefore, it is crucial to have local people from the regions working closely with the global strategy implementation team.

Taking into consideration the elements of the ICD Model and at the same time keeping in mind the above factors important for success; let us now take a detailed look at how we implemented the changes in the organization. The following section briefly explains the methodology using the Systemic Loop, which consists of four stages: look, think, develop, and act.

## **The Change Process**

As the first step, qualitative interviews with the executive team and with a mix of people in the organization from different levels and departments were conducted by global and regional teams. Several guiding questions were posed to the executive board, management, and employees in order to obtain a clear picture of their perspectives about the organization. The objectives of these interviews were (*a*) to understand the big picture, (*b*) to make an analysis of the current situation and general mood in the organization, and (*c*) to identify the key stakeholders and their diverse perspectives about the organization and the project. This process of questioning and making observations was the “Look” stage in the change process.

After conducting interviews and observing people’s behavior in the organization, the results were analyzed. To commence this process, the Strategy Implementation Project Team (SIP Team) was formed, comprising managers from different functions and regions. The information was clustered into various aspects falling broadly into the six elements of the ICD Model. The next step involved developing hypotheses and assumptions about the organization. Behavioral

patterns, dynamics, and resources in the organization were analyzed with a key focus on the main barriers and enablers for strategy implementation to define the key focus areas for the change. This was the “Think” stage in the change process.

Having analyzed the organization and decided on the focus areas based on the hypotheses, we reached the “Develop” stage. In this stage, the various options and concepts for the project were developed, in other words the project architecture, the preliminary ideas of design and hence the interventions for the change. These were developed in agreement with the Executive Board in a “Kick-off” workshop. This process promoted two-way feedback and established the commitment from all stakeholders for the rest of the change process.

The “Act” stage referred to the actual initiatives or interventions that were set in order to reach a specific, predefined goal. Workshops were conducted for the global leadership team, the local management teams, and employees at the various regions during the course of what was called a “high impact week.” During this week, highly interactive large group events called the “location dialogue” were conducted where, all employees were invited to give feedback from a local perspective and ensure a match between global and local strategy, fostering cooperation, and implementation. “Deep dive” workshops took place to facilitate in-depth dialogue between global and local managers on concrete implementation topics. Discussions and evaluations were done on a regular basis, where consultants and managers brainstormed on key aspects of implementation, evaluated the effectiveness, and identified potential areas for improvement.

While following this approach, there are several aspects of importance and concern at every stage of the Loop, which both consultants and managers should keep in mind for effective implementation of the Organizational Change. The following section is a tool kit with a detailed explanation of each of the four stages of the Systemic Loop.

## **The Systemic Loop of Look–Think–Develop–Act**

The usual routine of many managers and consultants is problem–action oriented. This leads to constant trouble shooting. Sometimes it is wiser to step back, observe what is happening, analyze why the situation is as it is, develop ideas and options how the situation could be improved, and then choose a suitable action for that specific situation. This method might take more time and practice but in the long run will prove more efficient and valuable results.

When working with organizations it becomes crucial to adapt the development initiatives to the respective current situation and to design the process specifically to the needs of the organization. The systemic loop supports managers and consultants in this process of constant observation, evaluation, development, and adaptation in order to implement the changes effectively.

- **Look:** Refers to the analysis of the current situation of the organization by observing, conducting interviews, and having informal talks. Several observation categories can support the process.

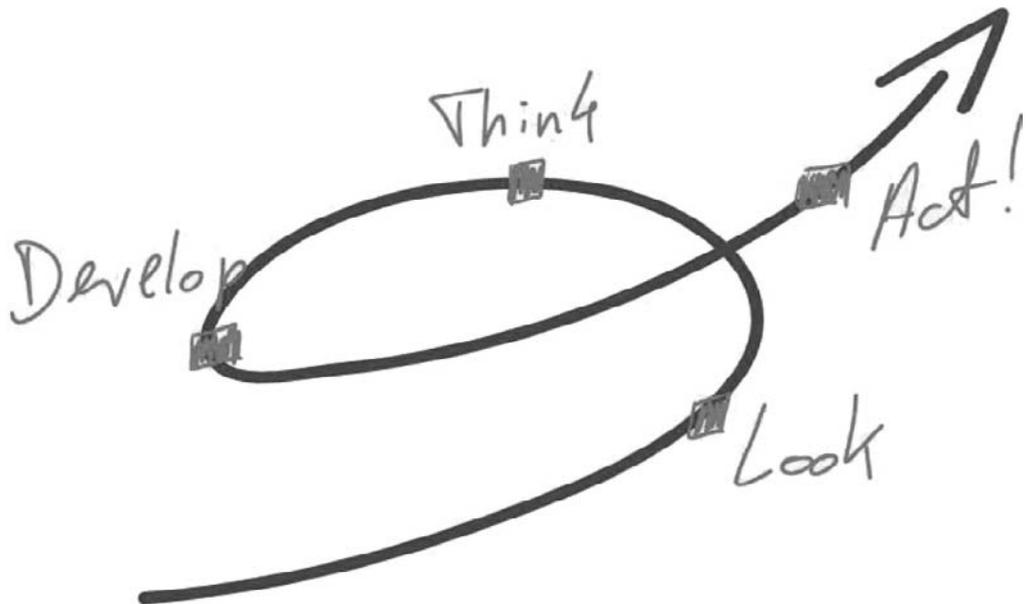
- **Think:** Refers to the development of assumptions/hypotheses regarding the system, analyzing current resources and barriers to change, focusing on similarities and differences within the organization, evaluating success factors, typical dynamics, and patterns of behavior of the organization, and generating ideas on how they could be broken or perturbed in a constructive way. This phase also includes the definition of the main focus areas of development.
- **Develop:** In this phase, the first ideas, change architectures, and interventions are developed.
- **Act:** Refers to the concrete intervention that is taken.

One of the main characteristics of the loop is that, after having set an intervention, we continue to evaluate the impact of the intervention, come up with assumptions and consequently adapt existing interventions or develop new ones. In the following pages, each step in the Systemic Loop will be illustrated in detail (Figure 12.2).

## Look

Systemic consultants always start a project with an analysis of the current situation to get an understanding of the dynamics of the organization, key resources, main levers, and barriers

**Figure 12.2** The Systemic Loop: Look–Think–Develop–Act



Source: Exner and Königswieser (2001).

for change and define the goals and the path of the transformation process. Look refers to the analysis of the system by observing, conducting interviews, and having informal talks.

### ***Quantitative and qualitative techniques***

At the outset, it is useful to apply qualitative methods such as a mix of face-to-face and telephone interviews to collect a broad base of information. During these interviews, it is important for the interviewer to have a clear structure with “guiding questions” but at the same time follow the flow of the interview. This will enable him/her to get additional information, weed out unnecessary questions, and hence make suitable changes to adapt the questionnaire to the specific situation. During the course of the project, a mix of qualitative and quantitative tools can be used at several stages in order to reach a larger proportion of people and obtain ongoing feedback and insights. These insights are then used to evaluate the actions being set and modify them whenever required. This constant evaluation forms the basis of the systemic approach.

Some examples of questions asked to the *board*, *management*, and *employees* at the beginning of the project to get a feeling for the current mood in the organization, clarity of goals, impact of communication activities, and ideas for the implementation are the following:

#### ***Big picture***

- How would you describe the current situation in your company in a picture or metaphor?
- How would you describe your vision of the project in a picture? What will it look like when the project is completed?
- How clear are the goals of the project for you on a scale from 1 to 10 (1 being very unclear and 10 very clear)?
- How will you realize that the project has been a success?
- What should not happen?

#### ***Current situation***

- How satisfied are you with the current situation in the project on a scale from 1 to 10 (1 being very low and 10 very high satisfaction)? What is working well? What could be improved and how?
- How would your major stakeholders describe the current situation?
- Where do you see the main resources in your organization?
- What are the main barriers for change?
- What will be critical phases in the change project?
- What will be important for the implementation?

#### ***Stakeholders***

- Who are the people mostly affected by the changes?
- What do you think are their main expectations?

- Who are the key people that need to have special attention?
- How do you perceive the communication in your organization referring the project? How satisfied are you with the communication on a scale from 1 to 10 (1 being very low and 10 very high satisfaction)?

### ***Circular questioning—changing the perspective***

“A good interview is a conversation where the interviewee knows more about him/herself after the interview than before” (Doujak 2009). A questioning method developed by Systemic Family Therapy in Milan is typically used in the systemic approach. This method consists of circular questions, which allow the interviewee to change perspective and look at the same situation from different angles, sometimes from a more distant position. Instead of asking “How are you?” the circular question would be “What would your friend say about how you are feeling?” (Boscolo et al. 1987; Burmeister 2009).

Some sample questions that could be asked are (Boscolo et al. 1987; Burmeister 2009):

- Instead of asking “How do you describe the tension between headquarters and region” one would ask: “What do you think your employees say about the tension between headquarters and the regions?”
- Instead of asking “What are the most relevant topics at the moment,” the question would be “If your employees would be here now—what would they mention as the most relevant topics?”
- Instead of asking “What could be a possible solution for the problem,” the perspective would focus on “What would your colleague suggest to solve this problem?” or “How would your competition react in that situation?”

The goal of circular questions is not only to get important information about the organization but rather to make the interviewee step out of his or her normal mental setting and look at the same topic from multiple perspectives in order to find one or multiple possible solutions to approach it. Therefore, this method is often used in coaching settings or situations where a change in perspective is required. The role of the interviewer, consultant, or coach is to support the interviewee in finding the answer—the solution—himself. After the information is gathered, it is analyzed according to specific observation categories and assumptions about the organization are developed.

### ***Observation categories***

Observation is a very powerful instrument of analyzing a situation or organization. The observation categories can support the information gathering process of “Look” and the development of assumptions at “Think.”

The observation categories comprise several levels starting with the *overall context*—looking at the scope of the project and what role it plays in the organization. Another focus is looking at the *relevant environments* or internal and external stakeholder groups. This includes

analyzing their relationships with the system and amongst each other and the influence they have on the organization. *Inner roles and structures* also need to be observed. Certain aspects such as organizational structures and processes and their effects are clearly visible. There are also some invisible aspects like informal networks, roles, norms, behavior patterns, and expectations of the individual groups. Observations could also be on how decisions are taken and communicated in the organization. Another invisible factor is the definition of success in the company and how people behave to achieve it.

One crucial observation context is to focus on *similarities, differences, and contradictions* in the system, and analyze how the organization deals with them. These contradictions could result in tension between centralization and decentralization, as mentioned in the strategy implementation case. Another area of tension could exist between entrepreneurial spirit and bureaucracy. This tension is prevalent mainly in traditional businesses but can also be observed in entrepreneurial ventures undergoing expansion through organic growth. Although bureaucratic systems are in place and serve certain important functions, due to changing market conditions the entrepreneurial spirit (ownership—taking responsibility, thinking out of the box to generate new ideas how to stay competitive, etc.) becomes an important factor as well. In this context, it is interesting to observe how the system uses its capabilities and resources in order to cope with those differences.

Another observation area is the “functionality of dysfunctionalities,” or in other words “What is the good in the bad and what is the bad in the good?” Many problems also have a good side or sometimes serve a hidden purpose. By analyzing the (dys-) functionalities, problems can be made more comprehensible and options for solutions might be reached.

All these observation categories serve to disclose blind spots and analyze typical patterns of the system. In change projects, it is crucial to analyze the main *barriers and drivers for change* in order to find out how to set up and manage the change process.

Having defined the observation categories, let us carefully identify who these observers are and how the observations are made and interpreted.

## Think

“Think” refers to the development of hypotheses or assumptions regarding the system, or in other words the process of interpreting the observations. In this phase, the resources and capabilities of the organization are analyzed, main drivers for change and possible change barriers are identified. Analysis, in the systemic approach, is not limited to just discovering areas for improvement. It involves understanding the fundamental strengths of the system and identifying opportunities to develop them and use them to overcome problems.

There are three categories of people, who are usually responsible for making these observations. The following classification is based on their proximity and involvement in the organization:

1. **Resident Observers:** These are usually members of the organization (managers, employees), or in other words, those who are a direct part of the system. They have a high level of involvement and largely present their own perspective of the organization.
2. **Primary Observers:** This category usually represents the consultants and/or members of the SIP team. They interact with the resident observers to gather their insights and perspectives. They also observe aspects of the organization that are not mentioned explicitly and examine why these aspects were neglected.
3. **Distant Observers:** Distant observers are those who are not directly involved in the information gathering process, and bring fresh perspective to the observations. The distant observer “observes the observer” and is usually a consultant who joins the team when the analysis is ready. He focuses on the areas that may have been overlooked and helps sharpen the process of building hypotheses (Glaserfeld 1994).

In practice, it could be a team or just one person performing all three levels of observations. The perspectives of the three categories of observers are actively used to formulate clear hypotheses about the organization.

### ***The hypothesis building***

Hypotheses can be defined as assumptions about phenomena, events, and observations. They are based on people’s observations, and are influenced by their perspectives. They can never display the whole picture nor are they the objective truth but they are a good way to interpret certain dynamics and patterns of an individual, team, or organization and can support the manager and consultant in his thoughts and actions he sets with the system.<sup>1</sup> The goal is not to single out the best among the different perspectives but rather to disclose the hidden and most important aspects in the organization. It is natural for people to have diverse perspectives. The goal is to align them and create a common landscape of the situation in order to have a good basis to develop the architecture, design, and interventions.

### ***Application in the strategy implementation case***

After conducting the interviews, the results were analyzed by the SIP team also focusing on different observation categories as mentioned in the previous section.

#### ***The overall context***

- Whole versus parts for the organization (scope of the project)
- Definition of success in the organization (hard and/or soft success factors)

#### ***Relevant environments***

- Customers, suppliers, competitors, owners, employees (relationship with them, influence they have)

### *Inner roles and structures*

- Organizational structure and processes
- Networks (formal and informal)
- Expectations, norms and roles
- Patterns of behavior (decision-making processes, openness in communication, etc.)

### *Major similarities and differences*

- Main contradictions in the system/organization
- Handling these contradictions
- Entrepreneurial spirit versus bureaucracy
- Centralization versus decentralization
- Customer orientation differences when moving from a product manufacturer to a service provider

### *Functionality versus dysfunctionality*

- Functionality of existing problems
- “What is the good in the bad and what is the bad in the good?”

### *Resources and capabilities*

- Tangible versus intangible resources

### *Barriers and drivers for change*

- Key players who drive the change
- Possible obstacles for change
- Critical phases in the change process
- Key success factors

These categories also guided the team when putting together the questionnaire. They were then used to dive deeper into the gathered information of the organization in order to analyze the key patterns, dynamics, and resources in the organization on the one hand, and on the other hand focusing on the strategy implementation analyzing the main barriers and enablers for change. The information was clustered according to the relevant topics out of the interviews and the project outline. The next step was the most important and in daily business often neglected part of: developing hypothesis/assumptions on the organization. Following the framework of the International Corporate Development Model the SIP Team built hypothesis on the system, levers, and barriers for change. Based on the hypotheses the focus areas for the project were deduced, which formed the basis for the change architecture.

Once the hypotheses are developed and the key focus areas are identified, these form the basic design elements based on which the change architecture was “developed.”

## Develop

In this phase, the options for action are identified and the change architecture, design and the preliminary ideas for interventions are developed.

### **Architecture**

Development projects need to follow a master plan or roadmap. Architectures include the timeline for the relevant content that needs to be worked on and a clear plan on which stakeholders should be involved, when and how. A “top-down” approach involves directives from the top management communicated down the hierarchy and may suit the organization better in times of crisis. On the other hand, a “bottom-up” approach is more interactive and fosters discussion and feedback from employees. A bottom-up approach is preferred when creative processes new ideas are being developed. A mix of top-down and bottom-up initiatives can be applied depending on the desired result, the present situation and the culture of the organization.

A good architecture is one that clearly defines milestones for the implementation based on the business and social impact on individuals, groups, and the entire organization (Exner and Königswieser 2001).

On the *individual* level, coaching sessions with the CEO, Executive Management, or the project leader serve to sharpen the picture of the project goal and support to deal with pressure and resistance in order to be able to steer the project effectively.

The *team* level includes elements which promote teambuilding activities, facilitate decision-making processes within the board or the management team or support the core team (or SIP Team) in the overall project management to assure process security and discuss team issues or problems in the project.

The *organizational* level refers to the involvement of a larger group of employees or sometimes all employees in the organization. This can be achieved through large group events like “kick-off” workshops and milestone events or management conferences.

Smaller workshops with project teams or functional teams could also be used as elements of the change process. All written communication activities are also planned within the architecture. In effect, the architecture shows the involvement and communication activities of different stakeholders in the project on a timeline.

### **Design**

While Architecture refers to the big picture of communication events during the course of a project, design focuses on the detailed planning of one specific communication activity (Exner and Königswieser 2001). This could be a workshop, large group event, meeting, coaching session, etc. In this respect, it is not only the planning of the agenda, but also the working mode (for example, group or individual work) and the format (for example, lecture, discussions, marketplace, etc.).

While planning, the effect of the individual steps is considered. The design determines how the spatial, social, temporal, and content dimensions of the communication are organized. For

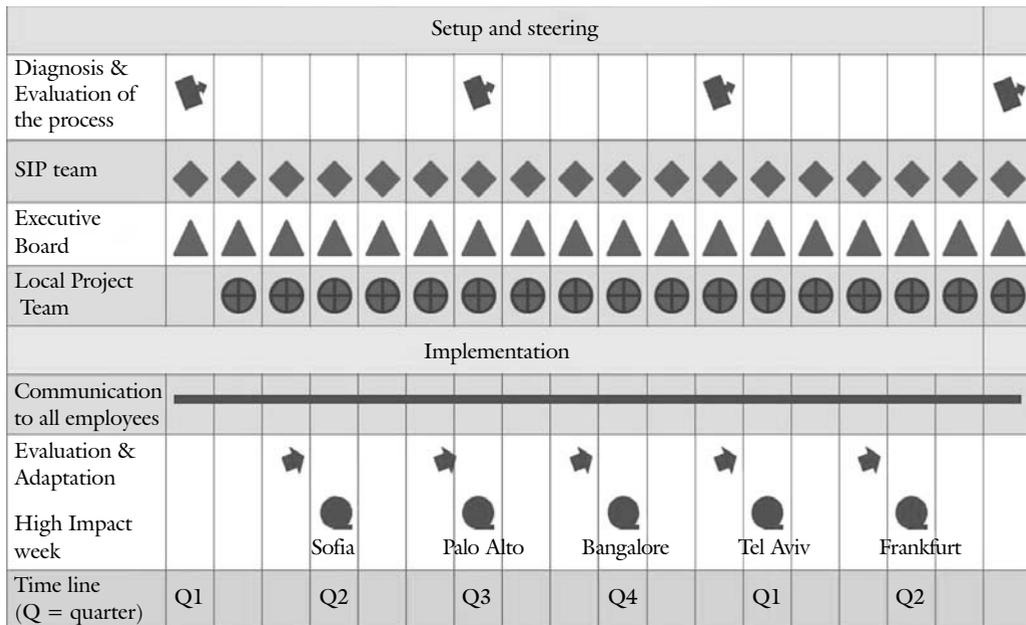
instance, the ambience in the room where a meeting or a workshop is conducted could have significant impact on the communication and the final quality of the result. A room with a big table, like in executive board meetings, could convey a different message compared to a room with chairs arranged to form a circle.

It is important to find the right social setting depending on the goal, which could be plenary sessions, group work, discussions in pairs and individual reflection. The temporal aspects include the actual time at which the communication takes place, how long it takes, etc. While the content of the message being delivered is the crux of the matter, the way in which it is conveyed could also create an impact. A speech may not necessarily be the only way to communicate. Interactive formats such as interviews and discussions could be more effective based on the situation and the context of change. For instance, the “marketplace” concept is one where small group discussions are fostered as people move across several “booths,” each presenting a different topic.

**Application in the strategy implementation case**

In the SIP for the software company, the architecture of the change process and the respective fine design of the specific elements of the architecture were developed by the SIP team (Figure 12.3). The architecture consisted into two parts:

**Figure 12.3** Architecture for the Global Strategy Implementation



Source: Doujak (2009).

- Project setup and steering
- Project implementation

The four key components of the project setup and steering were the Diagnosis and Evaluation of the process, the SIP Team, the Executive Board, and the Local Project Teams:

- **Diagnosis and Evaluation:** As already mentioned in the sections “look” and “think” a detailed analysis of the organization was conducted as a starting point for the overall project setup. In the course of the implementation, several evaluation loops were integrated in the process to monitor the change progress and adjust the respective activities if required.
- **The SIP Team:** The SIP Team was set up at an early stage of the process. This team consisted of managers and consultants who met regularly to manage the implementation process. They reported the progress to the board and coordinated the local project teams.
- **The Executive Board:** The executive board acted as the main control panel for the transformation. They were embedded in the change process, taking major decisions, leading by example, and communicating consistent messages to the employees.
- **Local Project Teams:** In order to steer the global strategy implementation on the local level, regional managers were a very important resource in the project. They had the responsibility of implementing the strategy in the regions, driving the change, and come up with ideas for adaptations of the process if needed.

The “Develop” stage where the architecture and design elements are established forms the basis for the actual implementation—the Action!

## **Act**

The “Act” stage involves several *interventions*—the implementation of the activities based on the architecture and design. The systemic approach has enabled us to develop certain intervention techniques, which can be applied in various settings.

### ***Interventions***

Interventions can be defined as actions that are set to achieve a particular goal and a specific change in organization. They represent targeted communication (that is, with a calculated effect on the partner) and have to be designed carefully to respect the autonomy of system in which they are being undertaken (Doujak and Heitger 2008; Exner and Königswieser 2001).

Interventions have the following functions or features:

- Relieving the burden on individuals (for example, speaking out loud concerns, emotions, ideas)
- Opening up contradictions (for example, mirroring the differences and contradictory opinions in an organization)
- Collecting information (for example, stimulating by questions, involving employees in the diagnosis)
- Proximity—distance regulation (for example, enabling a helicopter view of the situation)
- Stimulation of system formation (for example, teambuilding activities)
- Conveying alternative perceptions (for example, outside in view by interviewing major stakeholders)
- Emphasizing emotional aspects (for example, analogue interventions)

Interventions can be divided into two types: “Opening” and “Closing.” *Opening Interventions* are used to mobilize the potential within the organization, to stimulate dialogue and discussions, to break barriers and blockades and bring the core issues on the table. Some of the opening interventions are analogue in nature. In a strategy development project, for example, we would ask the teams to describe the current situation in a picture, a metaphor, a sketch, a poem, or a fairy tale. Although this may sometimes bother managers who are used to working with facts and figures, these analogue interventions often bring out strong messages which may be difficult to express in words. These interventions are targeted at people’s emotions and can be used as a subtle method to understand and analyze the differences in their views and perspectives. The nature of these interventions and the way in which information is extracted are highly effective and unique to the systemic approach. The purpose of *Closing Interventions* is to collect the ideas, converge to a clear goal, and enable constant and sustainable implementation by focusing on concrete next steps and action plans.

### ***Application in the strategy implementation case***

The actual implementation consisted of two main steps being

- the communication of the changes to all employees and
- the actual implementation in the high impact week

The first step in the implementation process was the *Effective Communication* of the changes—the shift in strategy and resulting changes in structure, processes, and corporate culture. This was done through “Kick-off” workshops and using online media to reach out to large audiences. At this stage, employees experienced tremendous insecurity regarding the impending change. Hence, it was extremely important to ensure transparent and participative communication. This helped create a situation where employees were forthcoming to highlight

their concerns with the process. At the same time, care was taken to engage the right people at varying involvement levels to the change implementation activities.

The second step in the process was the actual *Implementation* of the change process across the regions. Organizations could follow one or several of the following activities or interventions, to bring about a change in mindset toward the new strategy and could spend varying amounts of time and effort on them depending on the relative importance and the actual situation. One possibility, which we developed together with the SIP team, was to combine all the activities into a single “High-Impact Week” with several interactive workshops and open discussions.

The preparation, implementation, and wrap-up of the high impact week was organized and coordinated by the global SIP team together with the local project teams. The major goal of all these activities was to enable interaction and dialogue and leave room for discussions and joint development of topics. Therefore, the design of the interventions was as interactive as possible. The High Impact Week consisted of the following activities:

- **Global Executive Team Workshop:** At the beginning of the week the global executive team meet in the respective location to discuss overall strategy topics, the process of the implementation till then and make important decisions on how to proceed at the broader level.
- **Local Management Workshops:** In order to strengthen the connection between the global and local management team each high impact week included one workshop day to discuss the adaptation of the overall strategy and current strategic topics.
- **Location Dialogue:** Toward the middle of the week, all employees were invited to attend an event together with the global and local management to give feedback from local perspective and ensure a match between global and local strategy, fostering employee participation and effective local implementation. Those location dialogues were characterized by a very interactive design enabling discussion and exchange. Customers were invited to share their perspectives talking about their view on the company, their requirements and what a shift in direction meant to them.
- **Deep-dive Workshops:** These workshops took place with smaller focus groups of employees and members of the management going deeper on selected topics of the implementation.
- **Executive Coaching Sessions:** With the executive team or individual board members to strengthen their leadership skills and support them in managing the changes were also organized during this intense week.
- **Re-evaluation:** As a wrap up of the week, an evaluation session was executed analyzing the effectiveness of the implementation techniques in order to incorporate any changes for the next region if necessary.

In general, the overall design of the “High Impact Week” was the same in all regions. Nevertheless, in order to ensure a sustainable implementation of the organizational changes,

it was necessary to make local adaptations in terms of topics and fine design of the workshops. There was a difference in the level of interaction and usage of specific interventions from one region to another. For instance, analogue interventions were specially promoted by the unit in India in order to stimulate dialogue, while in Tel Aviv the “marketplace” concept was more effective.

The continuous process of evaluation using the systemic loop helps refine the entire process of implementation at several stages. As already mentioned, the implementation process itself can be seen as a collection of loops, where the process of Look–Think–Develop–Act is completed several times in each of the implementation steps. Organizational change projects no doubt require a well-structured change architecture, which gives a clear direction on when to implement the necessary actions and how to involve the relevant stakeholders. At the same time, it is crucial to embed continuous feedback and learning loops in the change process to fine-tune the interventions to cater to the specific needs of the organization. This mix of the big picture, coupled with constant adaptation, ensures a long-lasting impact and a sustainable implementation of the transformation.

## **CONCLUSION**

Conventional consulting approaches advocate action-oriented problem solving, which involves directly acting on areas of improvement, sometimes followed by several phases of troubleshooting. This works well for changes in the strategy or structure of the organization. However, more often than not, the changes in one area affect other aspects of the organization such as the people, culture, and purpose. It is then wiser to take a step back, observe the current situation, analyze the fundamental reasons behind the situation, develop ideas and options to counter it, and then choose a suitable course of action accordingly.

The Look–Think–Develop–Act loop forms the basis of the systemic thinking, which advocates a holistic approach to OD and Change Management. It considers the organization as a system and adapts interventions to suit the inherent aspects and specific situations in the organization. Although the systemic approach may involve more time and practice, it enables an adequate mix of top–down and bottom–up initiatives, which help managers and consultants to constantly develop both the tangible and intangible elements of the organization.

## **NOTE**

1. Systemic thinking incorporates elements from the constructivist approach: “There is no objective truth; the observer is part of the observation.” In other words, reality cannot be seen in an objective way and is always seen as constructed by the observer. See Krizanits (2009).

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## OD and the quality movement

Jagdeep S. Chhokar

*... required a dedication to the improvement process as well as the commitment of the entire company. An improvement prerequisite quickly became clear: Top management had to be actively involved in the process. Such high-level commitment was considered essential to establishing seriousness of purpose and long-run devotion to ...*

*In most cases, these programs have shared the same goal: the creation of an organization-wide commitment ... Top management participation has been one approach used; another has been extensive training and team building.*

[Do these quotations refer to an OD program or a quality program? The reader is encouraged to answer this question before reading further.]

Organization development (OD) has been part of organization and management literature for quite some time, whereas quality movement (QM) appears to have gained popularity in relatively recent years. QM seems to be associated more with management science literature than with organization and management. This paper attempts to compare these two fields of study and to present an integrative approach combining the two complementarily. Since the volume as a whole focuses on OD, the descriptions of OD will be kept to the minimum required for a satisfactory comparison. QM will however be described in some detail to facilitate meaningful comparison with OD concepts and practices.

### ROOTS AND EVOLUTION

The expression *organization development* was, in all probability but not definitively, first used in the mid-1950s in connection with training programs in human relations (French, Bell, and Zawacki 1983). The field of study which finally converged as OD evolved in the early 1950s from the basic work of Kurt Lewin through the laboratory training movement, and the survey research and feedback methodology (French and Bell 1972). With these beginnings, OD has grown and developed a large number of interventions for various organizational levels, some

of which are sensitivity training or T-groups, team building, process consultation, confrontation meeting, and survey feedback.

The origins of the quality movement go much further than those of OD because QM has its roots in the fields of manufacturing and engineering. There has been a widespread belief, which is quite prevalent even today, that the engineering approaches are more reliable than the behavioral approaches in producing desired results. Conclusions such as “the alternative of solutions to influence behavior or performance is not regarded as equally viable because behavioral and social sciences are less developed and less certain in their predictions and application” (Singleton 1983) illustrate this belief although the efficacy of the behavioral approaches has been demonstrated (Chhokar 1987).

One of the earliest mentions of quality is found in the work of Frederick Winslow Taylor, the “father of scientific management.” The inspector is responsible for the quality of work, and both the workmen and the speed bosses (who see that the proper cutting tools are used, that the work is properly driven, and that cuts are started in the right part of the piece) must see that the work is finished to suit him. This man can, of course, do his work best if he is a master of the art of finishing work both well and quickly (Taylor 1919).

Quality remained almost synonymous with inspection till the early 1930s. W.A. Shewhart introduced the concept of *economic control of quality of manufactured products* in 1931 (Shewhart 1931) which became the basis of what came to be known as *statistical quality control (SQC)*. Interestingly, most of the work of Shewhart and his colleagues was done at the Hawthorne Works of Western Electric Company, known in the organizational literature for the famous Hawthorne experiments of Elton Mayo and his associates. Joseph Juran (1951) led the next phase of the quality movement in the early 1950s. This phase which has been called *quality assurance* (Garvin 1988) consisted of activities such as total quality control, zero defects, costs of quality, and reliability engineering. The next transformation of the quality movement occurred rather gradually and imperceptibly in the 1970s and 1980s. Quality has now come to be seen as a “powerful competitive weapon.” What has come to be called as *strategic quality management* is “more comprehensive than its predecessors, more closely linked to profitability and basic business objectives, more sensitive to competitive needs and the consumer’s point of view, and more firmly tied to continuous improvement” (Garvin 1988). This approach places much greater focus on the customer; relates satisfaction to competitive offerings and over the life of the product and not only at the time of purchase; and considers quality as a composite of attributes which provides the most satisfaction to users of the product (Hagan 1984). These developments in the quality movement are summarized in Table 13.1.

In its current form, quality has become an all-encompassing, overall management function which seems to transcend and include everything that happens in the organization. A conference in 1983 on quality and productivity described this approach as follows:

Managing the quality dimension of an organization is not generically different from any other aspect of management. It involves the formulation of strategies, setting goals and objectives, developing action plans, implementing plans, and using control systems for monitoring feedback and taking corrective action. If quality is viewed only as a control system, it will never be

**Table 13.1** The Four Major Quality Eras

<i>Stages of the quality movement</i>				
<i>Identifying characteristics</i>	<i>Inspection</i>	<i>Statistical quality control</i>	<i>Quality assurance</i>	<i>Strategic quality management</i>
<b>Primary concern</b>	detection	control	coordination	strategic impact
<b>View of quality</b>	a problem to be solved	a problem to be solved	a problem to be solved, but one that is attacked proactively	a competitive opportunity
<b>Emphasis</b>	product uniformity	product uniformity with reduced inspection	the entire production chain, from design to market, and contribution of all functional groups, especially designers, to preventing quality failures	the market and consumer needs
<b>Methods</b>	gauging and measurement	statistical tools and techniques	program and systems	strategic planning, goal setting, and mobilizing the organization
<b>Role of quality professionals</b>	inspection, sorting, counting, and grading	troubleshooting and the application of statistical methods	quality measurement, quality planning, and program design	goal setting, education and training, consultative work with other departments, and program design
<b>Who has responsibility for quality</b>	the inspection department	the manufacturing and engineering departments	all departments, although top management is only peripherally involved in designing, planning, and executing quality policies	everyone in the organization, with top management exercising strong leadership
<b>Orientation and approach</b>	“inspects in” quality	“controls in” quality	“builds in” quality	“manages in” quality

Source: Garvin (1988).

substantially improved. Quality is not just a control system; quality is a management function (American Productivity Center 1983).

## **BASIC CONCEPTS AND DEFINITIONS**

Given the broad ranges that both OD and QM cover, it is essential to develop a common understanding of each of these two fields of study before a comparison is attempted. This is no easy task because both the fields have rather permeable and elusive boundaries and are difficult to specify with great accuracy.

## Organization Development

Two of the most widely quoted definitions of OD are by Richard Beckhard and Warren Bennis.

Organization development is an effort (a) *planned*, (b) *organization-wide*, and (c) *managed from the top*, to (d) increase *organizational effectiveness and health* through (e) *planned interventions* in the organization's "processes," using *behavioral-science* knowledge (Beckhard 1969).

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

French and Bell (1978) appear to be conscious of its wide-ranging scope when they say:

Although a literal interpretation of the words *organization development* could refer to a wide range of strategies for organization improvement, the phrase has come to take on some fairly specific meanings in the behavioral science literature and in practice. We say "fairly specific" because the *boundaries are not entirely clear, perceptions of different authors and practitioners vary* somewhat, and the *field is* evolving.

After this clarificatory note, French and Bell (1978) go on to say:

In the behavioral science, and perhaps ideal, sense of the term, organization development is a long-range effort to improve an organization's problem-solving and renewal processes, particularly through a more effective and collaborative management of organization culture—with special emphasis on the culture of formal work teams—with the assistance of a change agent, or catalyst, and the use of theory and technology of applied behavioral science, including action research.

What these definitions suggest is that OD is a technology—a set of tools and techniques—rooted in the behavioral and social sciences which can be used effectively to enable an organization to focus on its internal processes and health, and to develop the organization's capability to continually renew itself on its own. The targets of most usual OD interventions are individuals, teams, or groups in an organization, though organization-wide interventions have also gained currency and popularity as the field has continued to evolve and expand. Nonetheless, one fairly common and widely held albeit narrow view continues to persist as reflected in the comment in an organization theory text (Robbins 1983), "...individual and group change, (which) is typically studied in organizational behavior courses under the heading of organizational development..."

The essence of OD is perhaps best captured by Bennis when he says that OD attempts to convert organizations from mechanical to organic systems. The differences in these two systems, according to Bennis (1969), are given in Table 13.2.

**Table 13.2** Differences between Mechanical and Organic Systems

<i>Mechanical systems</i>	<i>Organic systems</i>
Exclusive individual emphasis	Relationships between and within groups emphasized
Authority—obedience relationships	Mutual confidence and trust
Delegated and divided responsibility rigidly adhered to	Interdependence and shared responsibility
Strict division of labor and hierarchical supervision	Multi-group membership and responsibility
Centralized decision-making	Wide sharing of responsibility and control
Conflict resolution through suppression, Arbitration and/or warfare	Conflict resolution through bargaining or problem solving

**Source:** Bennis (1969).

## Quality Movement

The concepts subsumed under the label “quality movement” are very diverse. It is therefore very difficult, almost impossible, to capture all these in either one or several definitions. Being involved very deeply in the movement, David Garvin’s accurate understanding of the problem is reflected in his statement (Garvin 1988), “Quality is an unusually slippery concept, easy to visualize and yet exasperatingly difficult to define. It remains a great source of confusion...” To provide a flavor of the concept, some well-known definitions are given below:

- Quality is neither mind nor matter, but a third entity independent of the two...even though quality cannot be defined, you know what it is (Pirsig 1974).
- ... a condition of excellence implying fine quality as distinct from poor quality .... Quality is achieving or reaching for the highest standard as against being satisfied with the sloppy or fraudulent (Tuchman 1980).
- Differences in quality amount to difference in the quantity of some desired ingredient or attribute (Abbott 1955).
- Quality refers to the amounts of the unpriced attributes contained in each unit of the priced attribute (Leffler 1982).
- Quality consists of the capacity to satisfy wants (Edwards 1968).
- In the final analysis of the marketplace, the quality of a product depends on how well it fits patterns of consumer preferences (Kuehn and Day 1962).
- Quality is fitness for use (Juran 1974).
- Quality (is) conformance to requirements (Crosby 1979).
- Quality is the degree to which a specific product conforms to a design or specification (Gilmore 1974).
- Quality is the degree of excellence at an acceptable price and the control of variability at an acceptable cost (Broh 1982).
- Quality means best for certain customer conditions (Feigenbaum 1961). These conditions are (*a*) the actual use and (*b*) the selling price of the product.

The above definitions taken together provide an overall sense of the bundle of concepts which can collectively be called the *quality movement (QM)*. We see in these, shades of philosophy, product attributes, meeting specifications, customer preferences, and cost. While these generally describe the broad territory, these are not detailed enough to enable a meaningful comparison with OD. In order to do that it is useful to review the specific concepts offered by some of the major contributors to QM.

The name of W. Edwards Deming is perhaps most closely identified with QM and not only for the Deming Prize which is the most coveted prize for quality in Japan. Deming, a Ph.D. in physics and specialist in sampling techniques, was a disciple of Walter A. Shewhart (of SQC fame), and was first invited to Japan by the Union of Japanese Scientists and Engineers (JUSE) to present a seminar on quality control in 1950. Among his many contributions to QM, two stand out.

First is the Plan, Do, Check, Act or PDCA cycle. Originally called the Shewhart cycle, it has been popularized so much by Deming that it is now called the Deming cycle. Deming also replaced the “check” in the cycle with “study” in 1990, changing it to the PDSA (Plan, Do, Study, Act) cycle. The cycle is a methodology for reducing variation and quality improvement, and focuses on implementation. The first stage, *plan*, involves an understanding of the existing situation, collecting data, and planning for improvement. The second stage, *do*, is limited or trial implementation in a small section or in a laboratory or with a small group of customers to see how the plan works. The third stage, *study*, is meant to understand and analyze the actual working of the plan as tried out in the second stage, to locate existing and potential problems and their solutions, and also to look for opportunities for further improvement. The last stage, *act*, is the full-scale implementation of the plan finalized after the study stage so that improvements can be standardized and institutionalized. As would be expected in any cyclic pattern, Deming insists that the “act” of one cycle should lead to the “plan” of the next, leading to continuous improvement.

The other contribution of Deming, which is perhaps better known, consists of his 14 points for management (Deming 1986). These are detailed in Table 13.3.

Joseph M. Juran (1951) focused on the economics of quality. He was also invited to Japan by the JUSE in 1954 when he began by conducting seminars for top and middle level executives. He emphasized managerial issues and focused on planning, organizational issues, management’s responsibility for quality, and the need to set goals and targets for improvement. An example of his approach is the following seven steps (Juran 1993) which he recommends “a responsible CEO must take”:

1. Set up and serve on the company’s quality council, the quality equivalent of the finance committee.
2. Establish corporate quality goals, including quality improvement goals, and make them part of the business plan.
3. Make provision for training the entire company hierarchy in managing for quality.
4. Establish the means to measure quality results against quality goals.

**Table 13.3** Deming's 14 Points of Management

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Point 1	Create constancy of purpose toward improvement of product and service with the aim to become competitive and to stay in business, and to provide jobs.
Point 2	Adopt the new philosophy. In new economic age, western management must awaken to the challenge, must learn their responsibilities, and take on leadership of change.
Point 3	Cease dependence on mass inspection to improve quality. Eliminate the need for inspection on a mass basis by building quality into the product in the first place.
Point 4	End the practice of awarding business on the basis of price tag alone. Instead, minimize total cost. Move toward a single supplier for any one item, on a long-term relationship of loyalty and trust.
Point 5	Improve constantly and forever the system of production and service, to improve quality and productivity, and thus constantly decrease costs.
Point 6	Institute training on the job.
Point 7	Institute leadership. The aim of supervision should be to help people and machines and gadgets to do a better job. Supervision of management is in need of overhaul, as well as supervision of production workers.
Point 8	Drive out fear, so that everyone may work effectively for the company.
Point 9	Break down barriers between departments. People in research, design, sales, and production must work as a team, to foresee problems of production and use that may be encountered with the product or service.
Point 10	Eliminate slogans, exhortations, and targets for the workforce asking for zero defects and new levels of productivity. Such exhortations only create adversarial relationships, as the bulk of the causes of low quality and low productivity belong to the system and thus lie beyond the power of the workforce.
Point 11	(i) Eliminate work standards (quotas) on the factory floor. Substitute leadership. (ii) Eliminate management by objective. Eliminate management by numbers, numeric goals. Substitute leadership.
Point 12	(i) Remove barriers that rob the hourly worker of his (or her) right to pride or workmanship. Supervisor's responsibility must be changed from sheer numbers to quality. (ii) Remove barriers that rob people in management and in engineering of their right to pride of workmanship. This means, inter alia, abolishment of the annual or merit rating and of management by objective.
Point 13	Institute a vigorous program of education and self-improvement.
Point 14	Put everybody in the company to work to accomplish the transformation. The transformation is everybody's job.

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**Source:** Deming (1986).

5. Review results against goals on a regular basis.
6. Give recognition for superior quality performance.
7. Revise the reward system to respond to changes demanded by world-class quality.

Philip B. Crosby has been a major advocate of zero defects. Crosby has also operationalized his recommended program for quality improvement in 14 specific steps (Crosby 1979), which are briefly described as follows:

1. **Management commitment:** This is considered a necessary condition for a quality program to succeed. Demonstrated personal commitment of top management increases the visibility of the program and ensures general acceptability and cooperation within the organization.
2. **Quality improvement team:** This is required to be set up with representatives from each department. It is responsible for the purpose, content, and process of the program.

3. **Quality measurement:** Measures are required to be developed for each activity and data collected on them to show where and what improvement is possible, where corrective action is necessary, and to provide an empirical basis for assessing performance improvements or lack of them.
4. **Cost of quality evaluation:** Reliable and accurate figures are required to be obtained on the cost of quality (or lack of it) to establish where corrective action will be profitable. This also assists in an organization-wide measurement of the performance of the quality improvement program.
5. **Quality awareness:** This requires to be generated by sharing with the employees the measurements of what lack of quality is costing. Visible and credible evidence of concern for quality improvement needs to be provided through a mix of communications material such as books, posters, and films. This often leads to the employees and supervisors talking about quality and its possible positive outcomes. It also works toward changing existing attitudes.
6. **Corrective action:** As a result of the employees and supervisors talking about quality, particularly in the context of existing problems, opportunities and options for corrective action and suggestions for improvement often emerge from the employees themselves. These need to be taken up with the managers and implemented and resolved. Looked at positively, as employees see their suggestions being implemented and problems being solved, they are likely to gradually get into the habit of identifying the problems and coming up with solutions to deal with them.
7. **Ad hoc committee for the zero defects program:** Three or four members of the quality improvement team are designated as an ad hoc committee to study the “zero defects” concepts and to think of ways to implement the program. This is required to appropriately communicate the meaning of “zero defects” and the need for and advantages of doing it right the first time.
8. **Supervisor training:** It is necessary for all managers to understand each step well enough so that they can, in turn, explain it to their people properly. As a result, supervisors also get to understand the program and realize its value for themselves.
9. **Zero defects day:** This is the day when “zero defects” is established as the performance standard for the organization. This should be done on one day so that everyone develops a common understanding of the concept and the standard. Doing it on one day also provides a point of emphasis and a long-lasting memory.
10. **Goal setting:** Goals need to be set by each supervisor to be achieved. Goals should be specific and measurable.
11. **Error cause removal:** When someone faces or claims to face difficulties in performing error-free work, the person should be asked to describe his problems or difficulties on a simple, one page form. Such problems must be acknowledged quickly and answers or solutions should also be developed quickly. This helps in developing employees’ trust in management, beginning with the experience that their problems are being heard and taken cognizance of.

12. **Recognition:** Award programs need to be established to provide recognition to those who exceed or meet their goals or display outstanding performance. Prizes or awards need not be financial because recognition for good performance is what people care for more.
13. **Quality councils:** These need to be set up consisting of quality professionals and team leaders to meet regularly to discuss the progress of the quality program, and to determine actions necessary to upgrade and make the program more effective. These councils are often the most reliable source of information on the status of the program and for ideas for action.
14. **Do it over again:** The process has to go on iteratively with a typical program taking about 12 to 18 months in a reasonable sized organization. Changes in the organization require new efforts for improvement. After several such cycles, quality is likely to become ingrained in the organization.

David A. Garvin of the Harvard Business School is associated most closely with shifting the focus of the quality movement from product attributes, cost consciousness, and customer preferences to that of a strategic, competitive opportunity and weapon at the level of the entire business and organization. His thoughts on strategic quality management have been summarized in Table 13.1 (Garvin 1988). The other major contribution of Garvin is the identification of eight dimensions of quality (Garvin 1987) which, according to him, serve as a useful framework for strategic analysis of quality as a major competitive opportunity. These are described below in brief.

1. **Performance:** This is the “primary operating characteristic” of the product or service. Garvin however suggests that overall performance rankings are not only very difficult to develop but are also not of much practical use because they involve benefits which every consumer does not need. It is suggested that superior performance is and should be related to specific task(s) to be performed. Performance differences are quality differences only when they are related to preferences based on functional requirements and not on taste.
2. **Features:** This is a secondary aspect of performance, what has been called the “bells and whistles” of the product or service, characteristics that supplement the basic essence of performance. Separating basic performance from features is not always easy. It is again important to remember that differences in features become differences in quality when the features have objective, measurable attributes pertaining to the task(s) to be done.
3. **Reliability:** This refers to the probability of the product developing some defects or not functioning properly or failing within a specified time period. It gains in importance as downtime, maintenance, and repairs become more expensive.

4. **Conformance:** This is the degree to which a product satisfies specified standards of design, manufacture, and operating characteristics. This is where Genichi Taguchi's idea of "robust quality" which measures conformance as the degree of variability (or uniformity) around the target dimension or center line becomes relevant. The basic contention is that "robustness begins from meeting exact targets *consistently*—not from always staying within tolerances" (Taguchi and Clausing 1990).
5. **Durability:** This reflects, in simple terms, the life of a product. It has two components, technical and economic. One way to define it is the amount of use one can get from the product before it breaks down and it is economical and preferable to replace it rather than repair it. Durability and reliability are therefore closely related and durability figures need to be interpreted very carefully.
6. **Serviceability:** This refers to service and repairs which the product requires. It can be thought of in terms of things such as the ease and speed of repair and service, and the competence and courtesy with which these are performed. Since there often are differing personal standards of acceptable service, some measures of serviceability can be quite subjective whereas some of its aspects can be measured quite objectively.
7. **Aesthetics:** This and the next dimension, more than any others, are a matter of personal preference, likes, and dislikes. Aesthetics refers to how a product feels, looks, sounds, tastes, or smells. This is of course different from the subjective criteria relating to the "performance" dimension of quality. Aesthetics is one dimension on which it is impossible to satisfy everyone and, therefore, organizations have to look for niches to concentrate on rather than working on wide ranges.
8. **Perceived quality:** Lack of adequate and objective information about the attributes of a product or service often results in potential consumers forming perceptions about the product or service based on various tangible and intangible aspects of the product or even the producers. Perceived quality relates directly to reputation of products, brands, and organizations.

Garvin maintains that more often than not, it is impossible for an organization to effectively pursue all eight dimensions because that will make the costs of products and services exorbitantly high. Trade-offs, therefore, have to be made to pursue strategically chosen combinations of selected dimensions. It is in the context of such choices that Garvin (1987) states that "quality is not simply a problem to be solved; it is a competitive opportunity."

Garvin has not only recognized the criticality of commitment, attitudes, etc., in strategic quality management, but has also stressed it repeatedly. The two quotations at the beginning of this chapter attest to that fact (Garvin 1988). The following observations also stress the same. Of course, attitudes and philosophy alone are seldom enough to improve quality. While they provide direction and emphasis—and thus *play a critical role* in shaping behavior—supporting structures are also necessary (Garvin 1988).

## COMPARISON AND POSSIBLE INTEGRATION

It is not easy to miss the commonalities of OD and QM in the preceding descriptions. It appears that as QM has moved from inspection to strategic quality management; it has also moved closer to and incorporated some of the features and characteristics of OD. At the broadest level of similarities, both OD and QM are now considered to be organization-wide planned change efforts which need the commitment of top management. The major differences appear to be that OD seems to have a greater internal focus in terms of individuals, groups, and organizational health, whereas QM has also acquired a distinctive external orientation in terms of customer focus.

It is revealing to analyze various quality-related concepts, from macro to micro, from the perspective of organization studies. Most of the analyses attempted in literature have used the Total Quality Management (TQM) variant of the quality movement. Considering customer focus, continuous improvement, and teamwork as the major constituents of TQM, Dean and Evans (1994) enumerated the principles, practices, and techniques of TQM which have summarized by Dean and Bowen (1994). They have been presented in Table 13.4.

The overlap of QM and OD is obvious from even a cursory analysis of Table 13.4, particularly the column “teamwork.” TQM has also been related to various models of organization which have been proposed or which have evolved as organizational literature has grown. Spencer (1994) has compared various components of TQM in the context of three organizational models: mechanistic, organismic (also called organic), and cultural. Her findings have been presented in Table 13.5. Three interesting conclusions emerge from this comparison:

**Table 13.4** Principles, Practices, and Techniques of Total Quality

	<i>Customer focus</i>	<i>Continuous improvement</i>	<i>Teamwork</i>
Principles	Paramount importance of providing products and services that fulfill customer needs; requires organization-wide focus on customers	Consistent customer satisfaction can be attained only through relentless improvement of processes that create products and services	Customer focus and continuous improvement are best achieved by collaboration throughout an organization as well as with customers and suppliers
Practices	Direct customer contact, collecting information about customer needs, using information to design and deliver products and services	Process analysis, reengineering Problem solving, plan–do–study–act	Search for arrangements that benefit all units involved in a process, formation of various types of teams, group skills training
Techniques	Customer surveys and focus groups, quality function deployment (translates customer information into product specifications)	Flowcharts, pareto analysis, statistical process control, fishbone diagrams	OD methods such as nominal group technique; Team building methods (for example, role clarification and group feedback)

**Source:** Dean and Bowen (1994).

**Table 13.5** Comparison of Organizational Models

<i>Dimensions</i>	<i>Mechanistic model</i>	<i>Organismic model</i>	<i>Cultural model</i>
Organization goal	Organizational efficiency or performance goals	Organizational survival (requires performance)	Meet individual needs or human development (requires system survival)
Definition of quality	Conformance to standards	Customer satisfaction (requires conformance to standards)	Constant satisfaction (requires customer satisfaction/conformance to standards)
Role/nature of environment	Objective/outside boundary	Objective/inside boundary	Enacted/boundaries defined through relationships
Role of management	Coordinate and provide visible control	Coordinate and provide invisible control by creating vision/system	Coordinate and mediate negotiations regarding vision, system, rewards; lead by sharing control, demonstrating values
Role of employees	Passive/follow orders	Reactive/self-control within system parameters	Active/self-control; participate in creation of vision, system
Structural rationality	Chain of command (vertical communication) Technical rationality	Process flow (horizontal and vertical communication) Organizational rationality	Mutual adjustment in any direction Political rationality
Philosophy toward change	Stability is valued but learning arises from specialization	Change and learning assist in adaptation	Change and learning are valued in themselves

Source: Spencer (1994).

1. TQM seems closest to the organismic model of organizations while including several facets of the mechanistic and cultural models. This is almost parallel of the “organismic systems” view (described in Table 13.2) which is also endorsed by OD (Bennis 1969).
2. A lot of TQM seems to follow the systems view of organizations. Systems perspective (Katz and Kahn 1966) has been a constant theme in organization studies since it was introduced in management literature in the mid-1900s. It has also figured prominently in OD literature (Jayaram 1983).
3. Unlike OD, the quality movement does not seem to reject the mechanistic view of organizations. Each component of the organismic model seems to subsume and build upon the corresponding element of the mechanistic model. It is congruent with Boulding’s (1956) view that higher order systems are inclusive of the properties of lower order systems. The importance given to reduction of variation (Deming 1982, 1986; Taguchi 1979) is clearly a mechanistic principle but continues to be important in QM. This also fits in well with some organization theory concepts such as those of mechanistic core (Mintzberg 1979) and organizations buffering their core technological functions (Thompson 1967).

TQM has also been analyzed as a comprehensive set of management practices brought under one umbrella from a practical point of view. Following the same dimensions as mentioned in Table 13.5 and building on the works of several researchers, the management practices have been summarized as follows (Olian and Rynes 1991; Saraph et al. 1989; Spencer 1994):

- **Goal:** TQM establishes quality enhancement as a dominant priority and one that is vital for long-term effectiveness and survival. It claims that improving quality can decrease rather than increase costs and facilitate attainment of other demands and objectives.
- **Definition of quality:** Quality is satisfying or delighting the customer. All quality-improvement initiatives must begin with an understanding of customer perceptions and needs.
- **Role/nature of environment:** TQM blurs the boundaries between the organization and the environment. Entities previously regarded as outsiders (for example, suppliers, customers) are now considered part of organizational processes.
- **Role of management:** Management's role is to create constancy of purpose for improvement of product and service (Deming 1982), and to create a system that can produce quality outcomes. Managers and the system, not the workers, are held responsible for poor quality (Juran 1991; Ross 1993).
- **Role of employees:** Employees are empowered to make decisions, build relationships, and take steps needed to improve quality within the system designed by management. Additional training and educational opportunities provide necessary skills for this broader role.
- **Structural rationality:** The organization is reconfigured as a set of horizontal processes that begin with the supplier and end with the customer. Teams are organized around processes to facilitate task accomplishment.
- **Philosophy toward change:** Change, continuous improvement, and learning are encouraged. Ideally, all organizational members are motivated to improve the status quo (Spencer 1994).

Two of the above practices, *role of employees* and *philosophy toward change*, are consistent with practices which any OD program would recommend.

It is not surprising that Deming's 14 points for management (Table 13.3) have attracted considerable attention in organization and management literature. Using seven experts from academia and industry who had been involved professionally and personally with Deming, members of a Delphi panel (Anderson, Rungtusanatham, and Schroeder 1994) attempted to develop a theory of quality management underlying what they called the Deming method of management. After three iterations, the Delphi panel members identified 37 underlying concepts which they felt were the source of Deming's 14 points for management. These 37 underlying concepts were further reduced to *seven clusters* of more abstract concepts which captured the essence of Deming's 14 points. These clusters are (Anderson, Rungtusanatham, and Schroeder 1994):

1. **Visionary leadership:** The ability of management to establish, practice, and lead a long-term vision for the organization, driven by changing customer requirements, as opposed to an internal management control role. This is exemplified by *clarity of vision, long-range orientation, coaching management style, participative change, employee empowerment, and planning and implementing organizational change.*
2. **Internal and external cooperation:** The propensity of the organization to engage in noncompetitive activities internally among employees and externally with respect to suppliers. This is exemplified by *firm-supplier partnership, single supplier orientation, collaborative organization, teamwork, organization-wide involvement, systems view of the organization, trust, and elimination of fear.*
3. **Learning:** The organizational capability to recognize and nurture the development of its skills, abilities, and knowledge base. This is exemplified by *company-wide training, foundational knowledge, process knowledge, educational development, continuous self-improvement, and managerial learning.*
4. **Process management:** The set of methodological and behavioral practices emphasizing the management of process, or means of actions, rather than results. This is exemplified by *management of processes, prevention orientation, reduction of mass inspection, design quality, statistical process control, understanding of variation, elimination of numerical quotas, elimination of management by objectives, elimination of merit-rating reward systems, understanding motivation, total cost accounting, and stable employment.*
5. **Continuous improvement:** The propensity of the organization to pursue incremental and innovative improvements of its processes, products, and services. This is exemplified by *continuous improvement.*
6. **Employee fulfillment:** The degree to which employees of an organization feel that the organization continually satisfies their needs. This is exemplified by *job satisfaction, job commitment, and pride of workmanship.*
7. **Customer satisfaction:** The degree to which an organization's customers continually perceive that their needs are being met by the organization's products and services. This is exemplified by *customer-driven focus.*

Five of the above seven concepts, that is, visionary leadership, internal and external cooperation, learning, process management, and employee fulfillment, could belong perfectly legitimately in any discussion of OD. Deming's view of managing quality and organizations therefore overlaps heavily with OD.

Deming's views on people also almost echo what an OD practitioner would say.

People are born with a natural inclination to learn. Learning is a source of innovation. One inherits the right to enjoy his (or her) work. Good management helps us to nurture and preserve these positive innate attributes of people (Deming 1993).

Consistently advocating the intrinsic rewards of work and opposing the use of extrinsic incentives, he has noted the necessity of preserving "the power of intrinsic motivation, dignity, cooperation, curiosity, and joy in learning that people are born with" (Deming 1993).

The famous Deming cycle “plan–do–study–act” (PDSA) has an interesting parallel in OD literature. Edgar Schein (1987) has suggested a cycle of “observation–emotional reaction–judgement intervention” for process consultation. PDSA can also be thought of as a form of action research which is an integral part of OD.

Some of the OD related aspects of QM have even been formally recognized and included in the evaluation process for quality awards. Leadership and human resource development and management are two of the several categories which are assessed for the Malcolm Baldrige National Quality Award established by the United States government in 1987 to recognize quality excellence and to stimulate quality improvement in the US industry (National Institute of Standards and Technology 1994).

TQM has also been described as a systematic approach to the practice of management, requiring changes in organizational processes, individual beliefs, attitudes, and behaviors (Olian and Rynes 1991). It has been observed that successful implementation of quality programs requires “metamorphosis; total change” (Dobyns and Cranford-Mason 1991), “radical change ... a change in the basic philosophy of everyone in the company” (Munroe-Faure and Munroe-Faure 1992), or a “paradigm shift” such as one that occurs during scientific revolutions (Blackburn and Rosen 1993; Kuhn 1970). It should be evident by now that there is lot of overlap between QM and OD.

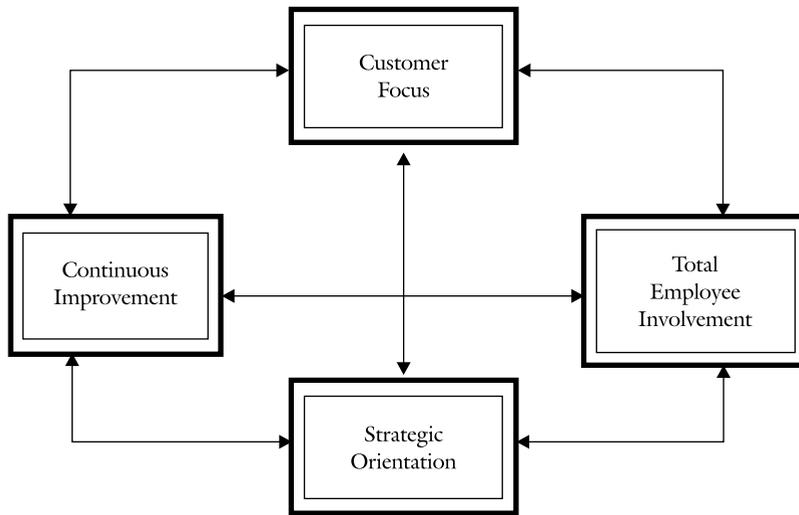
These two major attempts at improving the functioning of the total organization including all its various components down to the individual have been evolving more or less independent of each other. The evolution of quality from inspection of outgoing products to strategic quality management, encompassing almost all facets of the organization including the customers, is a very interesting example of the application of general systems theory. Considering the organization as a system composed of many interlinked subsystems, and itself being part of a larger supra-system, it has been possible to start at one, arguably small, facet—of product quality—and move on to cover the entire organization.

The quality movement as it has evolved so far seems to consist of four mutually reinforcing interactive streams as shown in Figure 13.1.

There can be a variety of ways of establishing a relationship between OD and QM, depending on the perspective preferred by the analyst. One possible integrative approach could be that while OD is a *general* organizational improvement strategy, QM has a *specific* orientation and objective though it does cover the entire organization in the process. Being general in nature, OD, in its several variations, has therefore much to contribute to QM, just as QM has much to gain from OD. As a matter of fact, a number of TQM training programs already include several OD activities without actually knowing or acknowledging them to be so. It should nonetheless also be recognized that QM is not only different from but is also even more than OD in some ways, in as much as it has its own technologies such as SQC, robust quality, and sampling and process control procedures. A diagrammatic representation of the proposed integration is given in Figure 13.2.

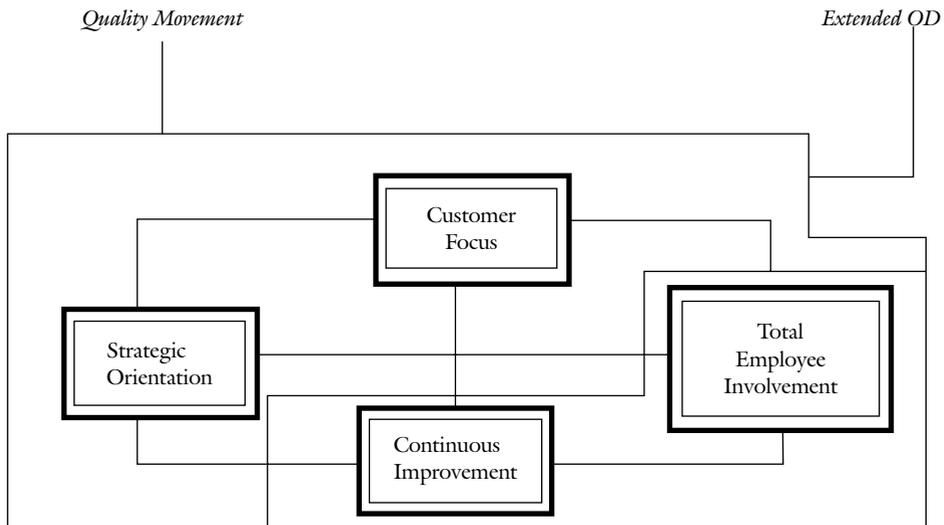
Figure 13.2 implies that two components of QM, total employee involvement and continuous improvement, are very much a part of OD as the latter is conventionally understood.

**Figure 13.1** Four Streams of the Quality Movement



Source: Author.

**Figure 13.2** Proposed Integration of OD and QM



Source: Author.

The other two components of QM, strategic orientation and customer focus, can be considered to be related to OD if an extended view of OD is taken. OD can either be part of a long-term strategy for the growth and well-being of the organization or an OD exercise can also lead to

the emergence of a long-term strategy for the organization. The relationship of customer focus to OD becomes quite evident if one takes the concept of internal customer into consideration which is invariably stressed in quality literature.

The basic objective of proposing the integrative model of Figure 13.2 is not to suggest subsuming of one by the other. On the contrary, it is to suggest that organizations as entities, and society of which organizations are a part, have a lot of gain if there is greater interaction between these two fields of study which so far appear to have been quite isolated from each other.

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## Eight OD myths that keep consultants from doing their best work

Marvin Weisbord and Sandra Janoff

This article presents eight long-held “myths” that represent prejudices the authors have held or noticed in their years of working in the public, private, and non-profit sectors around the world. They explore each myth and talk about action implications that are worth considering if one wants to do satisfying work without burning out.

### **MYTH #1—THE LEARNING ORGANIZATION**

#### **Organizations Don’t Learn, People Learn**

However, people learn only from their own experience, not other people. An organization’s memory is no longer than the tenures of those at the top. If organizations learned, Chrysler and Daimler-Benz might never have merged. If organizations learned, People Express, Kaypro Computers, Bethlehem Steel, and Scott Paper would still be leaders in their fields instead of being no more. If organizations learned, those who lived through Vietnam would not have taken on Iraq. A “learning organization” is one where new people keep doing such projects over and over, year after year. However, do not fool yourself that because an organization learns this year, it will continue learning next year. We have seen new managers rip apart highly effective learning organizations that took years to build—in a matter of weeks or months. You have to control this.

*Action step:* Help people learn from their own experience. Study the past for inspiration. Help people do action research and action learning NOW. Do not imagine that any processes you establish will outlast the next change in leadership. Today is the future.

## **MYTH #2—PERSONAL SKILLS TRAINING WILL TRANSFORM CORPORATIONS**

Personal skills training, self-awareness, and interpersonal competence are of enormous benefit to individuals. Such training has little or no impact on the way organizations function. If you want to change the way an organization functions—that is to create a climate which is more open, honest, supportive, satisfying, and productive—you will have to get people working on organizational goals, policies, procedures, systems, structure, and rewards. That requires giving people more influence in the design, control, and coordination of their own work. When people can influence their work systems, training can be of enormous benefit. If they cannot, no amount of training will give them what they need to make a difference.

*Action step:* Undertake personal training because it is existentially right to help people improve their skills. Do not mistake training for organizational change. If you cannot offer people opportunities to influence their policies, procedures, structures, and systems, you cannot do OD.

## **MYTH #3—THE BEST PLACE FOR OD IS A FORTUNE 500 COMPANY**

The Fortune 500s ought to be good places for OD consultants. After all, they change fast and need lots of help. Also, they pay well. However, they are far from the most auspicious places for OD work. For one thing, their executives turn over every few years. OD requires continuity in leadership. For another, they tend to fragment the implementation of systems. Technology is run by one department, cost control by another, personnel policies and rewards by a third.

However, by far the biggest negative influence on long-term development is Wall Street, or whatever stock exchange your stock is traded on. Executives in companies that (a) are publicly traded, and (b) pay quarterly dividends cannot always do what is right for the company. They manage with one eye on the analysts' dividend projections and profit scenarios. Wall Street loves layoffs. It's fashionable to claim Fortune 500s as clients. They are good for today, and maybe, next quarter. You cannot count on them next year.

*Action step:* Seek clients where (a) there is continuity at the top, for example, Microsoft, Apple, and/or (b) the stock is privately held (IKEA), or if traded, does not pay quarterly dividends (Whole Foods Market). Look for privately held or family businesses whose owners share the values you want to practice.

## **MYTH #4—“HARD DATA” WILL CONVINCe PEOPLE TO DO OD**

### **Just Get the Right Statistics**

There are two parts to this myth. First, hard data rarely convinces anybody to do what they are not inclined to do. If hard data were persuasive, companies would fall all over themselves to have employees design their own work. Such involvement has been shown for decades to produce gains of 20 to 40 percent in productivity or cost reduction. (See *Productive Workplaces Revisited* for numerous examples.) Stories of enormous gains realized through OD projects function mainly to reassure people who would undertake such projects anyway. Second, you can find data to prove whatever you want to prove that OD does not work, or that it does. Even if it does, see the part one above.

*Action step:* Seek out good data on what works and use it to reassure yourself and clients who already share your values that they are doing what is good for the bottom line and for society.

## **MYTH #5—GREED MOTIVATES CORPORATE MANAGERS**

### **Maximizing Profits is More Important than Anything Else**

In our experience, the “bottom line” is power and control, not money. If it were money everybody would do participative work redesign and future searches (see Myth #4). Corporations need not maximize profits to go on forever. They need to merely avoid loss. A company has much to gain by empowering people at all levels. For many executives, the perceived risks and uncertainty outweigh the evidence. Keeping control is much more comfortable than opening a system to who-knows-what. At the same time, many companies embrace a “triple bottom line” that includes not only money but social capital and benefits to society. They habitually invest a percentage of profits in developing their people and supporting their communities.

*Action step:* Watch out for clients whose stated motivation is money alone. Nearly always they are the same people whose control needs are so great they cannot undertake the sort of development work that would actually make them more money. Seek out those who believe in multiple bottom lines in addition to money.

## **MYTH #6—CHANGE PROJECTS REQUIRE EXPERT DIAGNOSIS OF A COMPANY’S STRENGTHS AND WEAKNESSES**

Actually, change projects require leaders willing to take risks. Change means doing something you never did before. Those who hire consultants to write diagnostic reports are rarely risk

takers. Moreover, they often get reports they cannot implement. Diagnosis, far from being a precursor to action, can be a soothing substitute. There is something comforting about having a report naming, categorizing, and laying out problems clearly. It is quite another thing to get action from such a report. More often than not, the people who read it will have a million reasons why they cannot act on it.

*Action step:* If your client wants fast change, invite them to involve their own people in studying the system and doing their own diagnosis. Then action is a certainty.

### **MYTH #7—THE GOAL OF OD PROJECTS IS CULTURAL CHANGE THAT CAN BE SUSTAINED FOR YEARS OR DECADES**

Sustainable change is an oxymoron. No organization lasts indefinitely, no matter what “interventions” are used. Half the companies we consulted within the 1970s and 1980s no longer exist. Instead of trying to “build in” new norms, that will go on indefinitely, we run every meeting by the norms we believe in and let the cosmos take care of the future. We believe every meeting should be a success, whether or not something follows. If you invest your life force in making some large corporate change project “sustainable,” the only thing you are likely to sustain is a bruised ego and impaired idealism. If sustainability attracts you, embrace recycling and reducing your carbon footprint. You won’t make the world worse and you could help sustain life on earth. The goal of OD projects ought to be giving these people, in this room, at this moment, opportunities they never had before to understand their own work in a deeper way and take responsibility for acting on what they learn. Companies change, one meeting at a time. So much depends on markets, technology, and world events over which nobody has control, your best strategy will always be to help people do the best they can with what they have today.

*Action step:* Make the best of every meeting. Let the future take care of itself. If you want a different “culture,” see if you cannot have it right now, today, in the way you do your work; keep doing this one day at a time, and you will be sustainable, even if your client is not.

### **MYTH #8:—DEFENSIVENESS AND RESISTANCE TO CHANGE ARE HUMAN DEFECTS THAT MUST BE OVERCOME BY COMPETENT CONSULTANTS**

To be human is not pathology. The best and worst exist in all of us. Therefore, most “process” issues are not problems to be solved; they are realities to live with. “Isms” are everywhere—ageism, racism, sexism. The operational question is whether people act on them, not whether they have them. People miscommunicate. They make mistakes. They talk too much. They do not talk enough. They are too loose. They are too authoritarian. There exist more diagnoses of

human frailties than stars in the galaxy. If you have to fix every individual's personality before you can do good OD work, you will never do any work. In the 1970s it was widely believed that training everybody in an organization in nondefensive communication would transform companies. Indeed, many people transformed their relationships with spouses, children, and coworkers. Their companies went to doing whatever they did before. Such training was a form of getting people ready to do something they never actually did. To change the company they would need to exert influence over its policies, procedures, systems, and structures (Refer to Myth #2).

*Action step:* Teach yourself to accept people the way they are, not as you wish them to be. Focus people on goals and the task at hand. Help people motivate themselves by involving them in projects that have consequences for their own lives and the lives of those close to them.

## Organization development: Now and beyond

Roland Sullivan, Sandhya Gopalkrishna, and William J. Rothwell

Organization Development has a long, venerable history starting in the 1940s in the USA. In India it started in the 1950s. And it remains current today and for the future, despite those who periodically suggest that OD is “dead.” Change is as much an issue today as it has ever been, and the speed of change is dramatically increasing. This chapter examines OD now and beyond. It defines what OD is and what it is not, explains why decision-makers should care about OD, reviews the continuing relevance of OD, offers prediction on where OD (as a field) is headed, explores how OD and human resources (HR) are converging, offers thoughts on Global OD, remarks on unique dilemmas confronting OD practitioners in India, and reviews OD against the backdrop of Whole System Transformation (WST).

### **WHAT IS OD, AND WHAT IS NOT OD?**

#### **What Is OD?**

OD can perhaps best be understood as a way of facilitating the whole enterprise to make transformative leaps to desired visions where strategies and systems continually realign with sensitivity to the local culture and are supported by an innovative and trusting leadership style. This definition was collectively created by Asians for Asia at the first Asian OD Network. A few traditional OD experts view the definition as setting expectations too high. The creators would disagree. They recognized that incremental change is no longer effective in organizations that require dramatic reshaping.

The futurist David Houle notes that we are entering the first decade of transformation (Houle 2010). He says that future leaders must become adaptable, resilient, collaborative, trusting, and lead a morphing enterprise that is constantly undergoing reorganization. The new Asian definition of OD helps resolve the needs that Houle identifies.

A second definition is built on Beckhard’s work. His first definition has been most widely used over the years. Beckhard with Sheppard is known for coining the phrase “organization

development.” According to Sullivan and Beckhard,<sup>1</sup> OD is “a holistic systemic and systematic change effort, using behavioral science competencies to change or transform the organization to a new desired state.”

A definition that we like for the mainstream is: Organization development (Cummings and Worley 2009) is “a process that applies a broad range of behavioral science knowledge and practices to help organizations build their capacity to change and achieve greater effectiveness, including increased financial performance, customer satisfaction, and organization member engagement.” However, we are troubled that OD is becoming all things to all people. If all the following characteristics are not involved, then one cannot be said to be applying OD.

1. *OD is long-range journey in its perspective.* It is not a “quick-fix” strategy for solving short-term performance issues, as employee training is often inappropriately perceived to be. Many managers are becoming acutely aware of the need to move beyond quick and often unworkable solutions to complex quality and organizational problems. OD is a means to bring about complex, deep, and lasting change within organizations. Warner Burke (2010) said that OD fails because organizational leaders give up on their OD efforts. A long-term commitment to change must be sustained if it is to be successful.
2. *OD works best when it is supported and led by executive leadership.* Executives are traditionally the chief power brokers and change agents in any organization. One enhances the chances for success if the transformation begins with the CEO and the executive leadership team. Ideally, executives should not just support but actually model dramatic professional transformation. There should be a visible shift in their behaviors and attitudes.
3. *OD effects change primarily, although not exclusively, through education.* We do not mean learning by training but learning by experiential action research. OD expands people’s ideas, characters, beliefs, and behaviors so that they can apply new approaches to old states of existence. Even more importantly, OD change efforts concentrate on the work group or organization in which new ideas, beliefs, or behaviors are to be applied. The words *change* and *learning* are often used to mean the same thing. Consider, for example, the title of a classic book, *The Laboratory Method of Learning and Changing*, by OD founders Benne, Bradford, Gibb, and Lippitt (1975). Many of the early leaders of the field were innovative educators. Many OD founders were leading educators. They saw innovating and re-inventing education as one of the major goals of OD. Historically, in India, OD was introduced in the educational system.
4. Since the beginning of OD in the 1950s, whole systems theory has been foundational. There is an integration of economic and human realities. OD is not just about people. People and values are as important as being result-focused.
5. OD emphasizes employee engagement and participation in assessing the current state and in planning for a positive future state. OD allows change participants to make free and collaborative choices on how implementation should proceed and,

empowers people in the organizational system to take responsibility for creating and evaluating results.

6. OD also emphasizes *sustainability* and making people in the organization realize the competence to help organization build capacity to change and achieve greater effectiveness. Continuous change becomes a way of life. It is a journey, not a “fix it” event, coaching program, or training.
7. An internal change agent is trained along with the establishment of an OD office or function.
8. Real-time data are gleaned and turned into business intelligence. The wisdom is generated from within the system and not from expert external consultants. These data provide the basis for measurable action and build commitment at all levels. They may include inter-department agreements.
9. OD also involves the development of relationships. All OD approaches focus on understanding and acknowledging the impact group members have on each other, thus focusing on building relationships between individuals within groups and between groups. In today’s world, everything is changing. But many relationships remain constant. Healthy interpersonal relationships are a prerequisite to effective organizations.

## **What OD Is Not**

OD is not a toolkit filled with canned tricks, piecemeal programs, gimmicks, or techniques. Rosabeth Moss Kanter (1995) wrote that “piecemeal programs are not enough. Only total transformation will help companies and people master change.” Consultants reduce their chances for success if they rely on “cookbook approaches” to change. One size does not fit all. One approach to change, as listed in a step-by-step model, does not work with all groups, corporate cultures, national cultures, or people, unless the “approach” is designed for guidance, is understood to be flexible, and is subject to adaptation to the needs of the group and the culture in which the intervention is being used. OD is not a mechanical rote application of someone else’s best practice. On the contrary, it involves one’s whole self, encountering the full and quantum living system. Living systems are made up of vibrant communities and changing networks (formal and informal) that practice feedback, self-organization, continuous change, and learning. Such systems need helping processes that are organic and emerging. Rote mechanisms and un-integrated change processes are less effective and usually short-lived.

OD is also not about the short-term manipulation of people to achieve immediate financial gains. It is a long-term journey. The goal is to help integrate OD into the core of the organization. OD helps to build in a change process. Using OD for a short-term focus ensures failure. Instead, OD provides an adaptable, real-time discipline for living systems that require information sharing to govern next moves and adjustments. It is interactive, relational, participative, and engaging. Rigid tools most often prevent the use of robust living; organic processes and

can actually keep a high-performing culture from emerging. Effective trainers are often understood to be in control of a management development effort. But facilitators of organization change are not in control of the change effort. Instead, they facilitate collaboration with internal partners. Facilitators learn and personally change with the organization. Successful change efforts thus require an ebb and flow. If an inappropriate approach is chosen, it quite likely will not relate to the living and constantly changing interpersonal realities of the system.

## WHY CARE ABOUT OD?

The annual Global CEO IBM study highlights the effect of rising complexity which calls for CEOs and their teams to lead with bold creativity, connect with customers in creative ways, and design their operations for speed and flexibility. OD has the competence to help organizations position themselves for success in the 21st century. Enterprises of the future will be characterized by five key traits:

- A hunger for change
- Innovation beyond customer imagination
- Globally integrated
- Disruptive by nature
- Genuine and not just generous

OD provides a collaborative approach to addressing these challenges, paving paths for organizational success. In an interview at the World Economic Forum, Nandan Nilekani,<sup>2</sup> erstwhile CEO and MD of Infosys, highlighted the rapid integration of emerging economies into the global trading system. He added that these markets have opened up new opportunities, making it imperative for companies to transform themselves dramatically. As the world changes and organizations are forced to redefine themselves, Asia—and especially India—will undergo even more dramatic change. Recently, one of the authors was in India with US presidential candidate and Minnesota Governor Tim Pawlenty. On that trip they met almost 1,000 US and Indian business people. Everyone in attendance realized that, from a whole system perspective, the future of the US was tied to the support and collaboration it provided India in becoming a global superpower. The image of a powerful India leading the world in GNP, financial, innovative, and ethical dimensions by the end of the century, seemed very compelling. And OD has a significant role to play in facilitating the transformative process.

## THE RELEVANCE OF OD

In a survey completed by 40 contributors to *Practicing Organization Development* (Rothwell et al. 2009), it was found that 75 percent of the contributors said OD was very relevant

to organizations today. Those who completed the survey represented a cross-section of leading OD professionals. Included, for example, were founding pioneers, the authors of best-selling OD books, originators of key OD concepts, many OD researchers, highly regarded practitioners, and those who are relatively new to the field. The major reasons they mentioned for OD's significance in organizations today is summarized below.

In times of dynamic change, fierce competition, and a global perspective, OD is extremely important as it is the principal discipline that deals specifically with an organization's health, effectiveness, change, and transformation. The ability of an organization to effectively manage change and make changes in today's chaotic global economy will be a major key to the success, growth, and sustainability of the organization. OD is the major discipline that studies and develops expertise in managing change.

OD is the primary field that focuses on building humane, high performing organizations capable of competing in rapidly changing times while creating a quality work environment that brings out the best in people.

OD is the most complete discipline organizations have at their disposal to help them develop, improve, change, and transform. It is such an important discipline for the times that the fundamentals should be taught to leaders, managers, and key people throughout the organization.

As the world changes—often in unexpected ways—people and organizations need a collaborative approach such as OD to address the many issues then. The ability of organizations to engage all of their stakeholders in formulating innovative solutions to the challenges they face will differentiate, and ultimately define, their success. OD offers unique expertise in facilitating these activities.

Some say that India will lead the world in all areas by the end of the 21st century. The future of the United States, in part, depends on the rise of India. It is amazing how much revenue for the US now comes from Asia. For Indian companies to transform themselves to becoming global corporations, OD provides a valuable platform for facilitating the transformation process.

## **THE SHIFTING PRACTICE OF OD: WHERE IS OD HEADED?**

From its birth in the 1940s, OD has taken the shape of, and responded to, the environment. The environment of the future is sure to be one of dynamic change. To be impactful and facilitate change expected to occur across the globe, OD practitioners will need to be cognizant of the changes that are occurring or are expected to occur in the future.

*Globalization* is going to erode industrial-age organizational models typified by hierarchical control and homogenous corporate cultures. The work force in such a world will be more vulnerable as radical change becomes the natural state in which organizations must compete.

*The speed of change* will continue to increase. It will ultimately affect every product or service, every department or function, and every organization, large and small, private or public.

*Relevance* will become OD's rallying cry. In an era when relevance is measured in weeks or even days, Israeli OD consultant Allon Shevat<sup>3</sup> reminds us that like a piece of solid, yet somewhat outdated piece of software, traditional OD will need to add applications and fix bugs, and eventually upgrade its platform, reinventing itself and its original "core code."

OD is also shifting eastward. Born in North America, OD has an emerging epicenter somewhere east of its birthplace as it comes to thrive in cultures where norms around decision-making, authority, and motivation are quite different.

*Managerial Darwinism* may mean that tomorrow's executives are more ruthless as the pressure to compete and move more quickly in a rapidly changing marketplace weeds out more humane candidates. This could open a place for the other pole of the polarity: "pockets" of high performing/high satisfaction in the organization, led by skilled managers who authentically attend to the "people factor."

The *human spirit* may increasingly become the focus of OD, as we learn how to connect the hearts and minds of employees with something of energizing and redeeming value in their work experience (Scherer 1993). As Allon Shevat<sup>4</sup> noted, "it is not inconceivable that a new post-modern union may appear. This new type of manager and union will provide OD with ample opportunities, provided we have morphed accordingly."

Warner Burke (2010) pointed out that OD needs to innovate in at least following four areas:

- Loosely coupled systems
- Organizational culture change
- Resistance
- Leadership development

In India specifically, Dr Udai Pareek<sup>5</sup> believed that OD was headed in a positive psychological path. He liked the Appreciative Inquiry approach of discovering a positive future. He also saw the use of large group interactive groups in the context of whole system change as an essential trend. In his last days, he was passionate about bringing OD to help India with its social problems. He was especially concerned with how to use OD to facilitate rural development.

## **THE CONVERGENCE OF HUMAN RESOURCES AND OD**

According to thought leaders in the fields of human resource management (HRM) and OD (Costello et al. 1996), HR and OD are converging (Sicard et al. 2002). HR practitioners are increasingly expected to act like OD practitioners by effecting culture change and unleashing worker creativity (McBain 2001). Conversely, OD practitioners must increasingly become knowledgeable about HR if they are to be most successful in helping clients. Some also believe that OD should take the lead in HR transformation (Rothwell, Prescott, and Taylor 2008). The future will see close linkages between HR and OD where the two can impact organizations as one converging entity.

OD experts like Peter Vaill, Arielle Sullivan, and David Jamieson<sup>6</sup> believe that OD must maintain separate boundaries from HR. Each requires unique competencies. The new awareness is that HR and OD need to eliminate the tension that has historically existed between them. Instead, serious respect and effective collaboration among practitioners in these fields are mandatory.

The history of OD illuminates how OD and HR relate. According to Billie Alban:

First a little bit of history: When Shel Davis first brought OD to TRW systems, he trained all his HR people in OD skills. It worked very well. Several organizations have used similar models. Union Carbide had an OD group and an HR group. The OD group reported to the president. I remember Beckhard saying at the time that this was a mistake. That the organization in tough times might get rid of the OD group, but that they would never get rid of the HR group. A few years later this is exactly what happened! New York telephone had the two functions that reported to a VP of Administrative services. On important projects they worked collaboratively. There were clearly skills that both groups brought to help the client, and they worked well, teaming up to work on the project. The phone company also had a system where line managers had to rotate through staff functions. Many line manager rotated through the OD group. This worked very well. Where do I stand? I am a pragmatist. I am for training HR people in OD skills. I also am in favor of giving managers OD skills. Just because I took music, it does not make me a musician, but I did learn to appreciate what music can do as well as appreciate the musician. So there are a lot of models. I am for using one that works for your organization. I do worry about job security, I think Dick Beckhard was right.<sup>7</sup>

Warner Burke has noted that internal OD functions go through predictable stages of development (see Table 15.1). These stages can be related to how well OD is integrated with HR. In the first stage—the traditional—OD is regarded as a “touchy feely” function. But as the sophistication grows, so does the sophistication of how HR and OD relate. OD is transformed into a strategic function, assisting organizational leaders with long-term initiatives of critical importance to the business.

## **GLOBAL OD**

A special issue confronting the OD field is globalization, as reflected in world markets in which corporations strategize, produce, and market across national boundaries. Countries that were once absent on the global stage now have exciting, and growing, global participation in the world of business. China, Pakistan, India, and other parts of Southeast Asia represent the new ways in which the world does business.

But it is not just globalization in terms of business that is changing rapidly. The world is also changing in terms of beliefs and ideologies, the global impact of religious beliefs, and their implications for world peace or conflict. The increased impact of business ventures on our environment is global considerations. OD practitioners increasingly function on a global stage.

**Table 15.1** Five Organizational Models for the Internal OD Function

<i>Internal OD model</i>	<i>Advantages</i>	<i>Disadvantages</i>
Traditional	Legitimate function within human resources (HR). Strengthens HR services. Provides face validity for OD. Focuses HR more on organization change. Strengthens training and development. Strengthens HR expertise.	Further taints OD as “touchy feely.” May relegate OD to facilitate only. May dilute OD expertise due to taking on other HR duties. Weakens OD’s power base.
Independent	Enhances specialization. Contributes to one’s feelings of being professional. Feeling a part of an elite team.	Vulnerability of being free standing OD. OD is not really a profession susceptible to power plays and political maneuvers in the organization.
Decentralized	Each OD practitioner has considerable autonomy and challenge. Emphasizes on being an effective generalist. Each OD practitioner is part of a network.	Difficult to grow professionally. Jack of all trades by master of none. Performance evaluation by a non-OD person.
Integrated	Mitigates overfunctionalization. Broadens the expertise and usefulness of HR. OD becomes a more “legitimate” contribution to organizational effectiveness.	Merging can dilute both OD and HR. May be difficult to pay sufficient attention to both HR and OD.
Strategy	OD is central to the business of the organization. OD’s strength of strategy implementation is brought to the table. OD plays central role in overall organizational change.	OD practitioners must gain new knowledge and skills. OD practitioners must work hard to be accepted into strategic planning circles.

**Source:** Burke (2004).

For OD consultants to be successful internationally, they must first understand the core values of OD. They should then attempt to understand how much national cultural values differ or are compatible with the core OD values of respect, dignity, and collaboration. They must also make an effort to understand how OD, or a change effort, is perceived in a host country. What do the clients expect of OD consultants? Do they need to enter as an expert or do they need to be regarded as facilitators? Is the host country culture stable, or is it undergoing transition? What is the sophistication level of management? What is the status of economic development in the host country? What is the nature of the political and legal system? All these questions should be evaluated by a global OD consultant on a consulting assignment in an international location.

The consultant should also try to assess the national culture of the host country. Based on Hofstede’s research, the consultant should attempt to understand the societal orientation in terms of power distance, uncertainty avoidance, masculinity, and individualism.

In subsequent steps, the OD consultant should aim to understand if the values of the host country are compatible with OD values. Those countries with values most compatible with OD have been identified as Denmark, Sweden, and Norway. Countries with values moderately different from those of OD included Australia, France, Germany, Great Britain, India, Singapore, South Africa, Turkey, and the United States. Countries that differ the most were identified as Argentina, Belgium, Greece, Hong Kong, Italy, Japan, Mexico, Pakistan,

Taiwan, and Thailand. The degree to which the cultural values of the nation match those of OD has important implications for global OD consultants.

In countries with highly coherent values to OD, resistance to change would be expected to be low, so a full range of OD interventions would be appropriate, ranging from job redesign to socio-technical change and large-group interventions. In countries with moderately matching OD values, the interventions would frequently be more conservative than in the Scandinavian countries. Teambuilding needs to be more explicitly task-focused and autonomous work groups would require more attention to development and implementation. Management by objectives would not have the same degree of employee involvement. Transition and change to a more organic organization would require greater time, effort, and preparation. In countries with values least consistent with the values of OD, greater attention needs to be given to the choice of interventions, the method of implementation, and the role of the global OD professional. In these countries the acceptance of the OD professional is based on a demonstration of “expert” knowledge. In these countries, the OD professional will be challenged and may need to find innovative and creative ways of resolving value dilemmas. The implementation of any change may very well be more directive and less inclusive and participatory. Appropriate interventions may have to be more task-oriented and structured. Appropriate interventions include job enrichment and job redesign, management by objectives, survey feedback, and use of The Managerial Grid. The emphasis in each of these initiatives would be to concentrate on structure, task, and quantitative data (for example, survey feedback).

Is OD universal or situation-specific? There are good arguments on both sides. The matching approach suggests that OD is universal but needs to be tailored to specific national cultural values.

## **THE DILEMMAS OF AN OD CONSULTANT IN INDIA**

An OD consultant in India might face one of the following dilemmas:

1. The practices followed by global OD consultants may be in contrast with those of another culture. The Indian culture is quite masculine, high in power equalization, high in long-term orientation, high in collectivism, and low in uncertainty avoidance.
2. Indian culture places a high value on relationships, trust, family, face, and education. OD consultants must bear this in mind when carrying out OD interventions. Matching the approach to Indian culture is critical to their success.
3. The authoritarian leadership style pervades hierarchical organizations throughout most of India. This issue, combined with the Indian values about the importance of preserving status and personal dignity, often leads to a “yes” culture.
4. The “speed of change” poses a problem when the OD professional happens to be interested in rapidly implementing a new managerial philosophy. Given the high long-term orientation of most Indian organizations, the interventions must lead to

long-term impact. However, they must exhibit short-term impact as well to sustain client engagement and interest.

5. Another dilemma is that the global OD professional is at the very center of the tornado. Regardless of what is done, how it is done, what the culture is, and what is the managerial philosophy of the client organization, special consideration must be given to a fact (one of the few things we really know): “The OD professional *is* the intervention.”
6. It is possible that other cultural dimensions may be as important as Hofstede’s five dimensions. Some clients have shown interest in other dimensions—such as external versus internal locus of control and rewards based on “satisfying needs” or on the basis of “merit.”

Finally, to learn how to deal effectively with these dilemmas, OD consultants may have to learn what happens the “day after” the intervention is finished. And perhaps they may have to start doing this learning at their own cost.

## **WHOLE SYSTEM TRANSFORMATION (WST)**

WST has great potential in helping India move to its leadership role in the new world. The WST journey is a dynamic, wholistic process designed to help leaders engage a critical mass of the organization to reinvent itself by creating a future of aligned and committed people who share a sense of purpose of enhancing profitability. To conceptualize WST, start at the center of the model shown in Figure 15.1. Perpetual change is the ultimate goal. Ideally the organization is built to facilitate change on a continuous basis. Individuals, teams, the entire organization, and relationships with customers are all based on an action research methodology.

WST gets the change process started and involves the following steps:

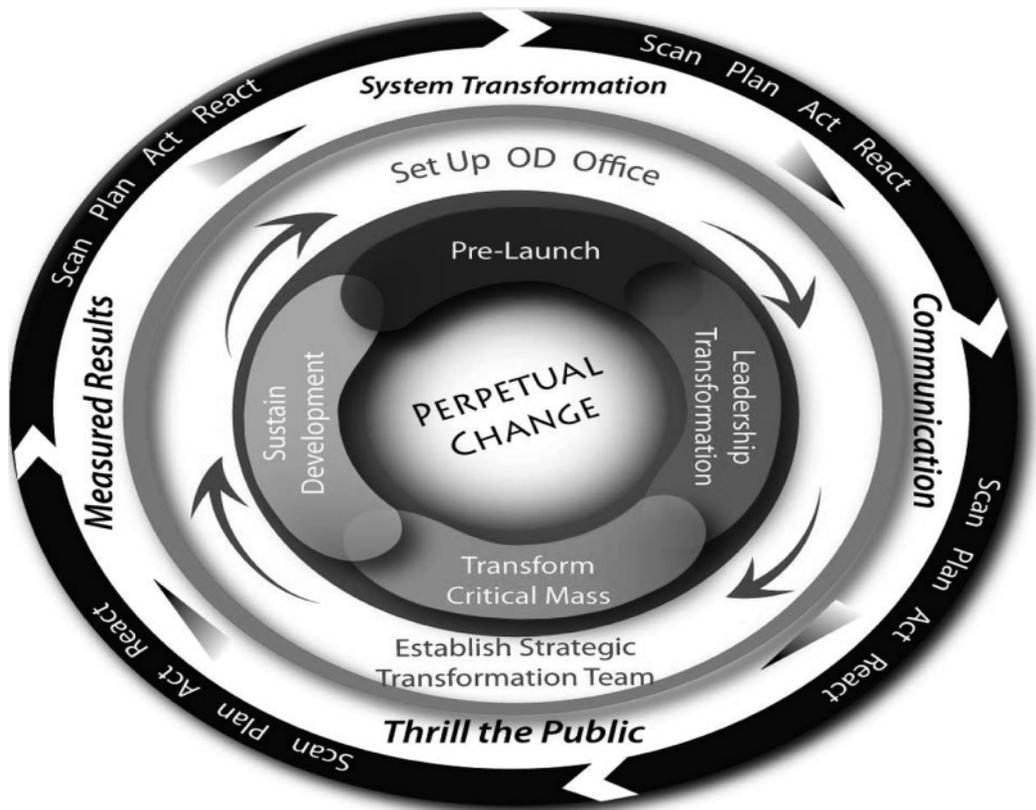
### **Step 1: Leadership Transformation**

A traditional action research team development process is used. The outcome is multidimensional; an engaged executive leadership team is aligned both intellectually and emotionally with the new vision, strategy, and the implementation plan. The team is moved forward with the vision for the one future as they coalesce into a single heart and mind. Only after the leadership is aligned can the process move into transforming a critical mass of the organization.

### **Step 2: Transform Critical Mass**

This step is accomplished through the design and execution of a powerful large-group interactive event where many employees within the system participate to drive a significant shift for the organization.

**Figure 15.1** The Whole System Transformation (WST) Journey



Source: Prepared by Roland Sullivan.

### Step 3: Sustained Development

Edgar Schein<sup>8</sup> articulates that it is ineffective to change culture head on. What happens in a WST effort is that a new, more participative, honest, trusting, and effective culture emerges. That happens because of how the intervention is consciously facilitated. Thus the new culture drives the sustainability of change. The members of the system are so excited about the progress they have made that they want leaders to learn how to be successful in leading change and transformation.

### Step 4: Change Foci

The *change foci* is what the system determines is the most important conversation that must now occur in the organization. To name a few, the journey can be focused on a new strategy,

customer service, profitability, a merger or acquisition, or aligning the organization to take advantage of emerging opportunities in a dynamic marketplace.

### **Step 5: Communication**

Throughout the transformation journey there needs to be a system-wide *communication* effort that keeps a multidirectional information flow alive. Success stories are shared. Emerging decisions are shared, and the results are published.

### **Step 6: Thrill the Customer**

In today's era, it is not enough to just meet, or even exceed, customer expectations. To attract new and retain existing customers, organizations must continuously discover new, innovative ways to *thrill people* who purchase their products or services. In the case of WST, increased customer joy becomes an expectation.

### **Step 7: Measured Results**

Kathy Dannemiller, the founder of large (300 to 2,000 participants) group interactive events, often said that if it is necessary to measure outcomes after a large-group interactive event, then the event failed. Dramatic results must be visible to all. It must especially be evident to the dissenters and the CEO. However, we tend to value cost-effective measurement methodologies to compare intended with actual results.

### **Step 8: Action Research**

Throughout the journey a simple process of recycling *scan. plan, act, and re-act* is applied. *Scanning* is the assessment of what is going on. *Planning* without diagnosis is malpractice and necessitates convening the right people from the system to review the data and collaboratively develop action plans and commitments. *Acting* is the implementation of planned change. *Re-acting* means repeating the entire journey and reacting to the measured results. Measurement provides an idea about the change focus as the process begins to sustain itself. Re-evaluation is necessary during the implementation process, and re-actions are required to respond to new realities and unanticipated obstacles.

## ILLUSTRATION OF WST AND ITS IMPACT

In a division of 10,000 employees in a Fortune 100 financial services company where WST was implemented, every organizational metric moved in a positive direction. Millions of dollars were saved, and customer service moved to unbelievable levels. Almost half a billion customer transactions moved from 77 percent to 84 percent satisfaction over a seven-month time span.

The post-surveys and various indices were much higher than ever before. The post-call evaluation survey results, a survey that the customers take when they phone a call center, started to improve immediately. Years had gone by with absolutely no movement. Half-way through the year, there was concern about meeting sales goals, but after the large meetings, the numbers rose and the team eventually exceeded the sales goals by year end. The organization experienced a positive change in expense management. Without direction, the division raked in millions of dollars while investing more in advertising and providing resources back to the company.

A survey was conducted after a long interval to measure the inclusion behaviors; focus groups were conducted with 10 percent of the population; and leadership “knee-to-knee” intimate conversations were held to assess behavior change across the organization. These assessments, along with the yearly employee opinion survey, indicated collective behavior change in a stable 75-year-old culture. Employee engagement and learning significantly increased. Through employee engagement, the masses learnt that their voices and actions count, and their contributions are important to achieving the division’s business goals. The transformation proved that, by systemically engaging the whole organization in the change process, significant shifts are possible in business results, leadership, and the culture of a large, long-standing Fortune 100 corporation. Over 10,000 employees participated directly in the WST. One of the most prestigious OD research scientists declared that transformation had occurred.

A change effort of this kind—or variations of enterprise-wide change—is now needed by most organizations to respond to a chaotic, unpredictable milieu. Research tells us that an organization performs better when the entire system—the “whole” and its interdependent parts—engages in a continuous change process.

WST leads to dramatic differences—not just *incremental change* but *transformation*. Characteristics of organization transformation by definition suggest radical changes in how organizational members perceive, think, behave, and manage themselves (Cummings and Worley 2009). In the above case, the mantra became “getting different.” The leadership sponsor wanted the journey to create a deep paradigm shift—a breakthrough. This breakthrough meant a personal transformation for each person in the whole system and a collective shift in mindset across the division.

The process at this financial giant included four launches:

1. Pre-launch
2. Launch 1 (alignment of the core leadership team that set direction for the organization)
3. Launch 2 (20 percent of the organization participating in four large group interactive events or waves)
4. Launch 3 (evaluation and sustainability planning for the ongoing change—eventually 10,000 participated in large group interactive events)

Following the transformation launches, evidence was seen immediately in the measurements.

In this process, the ten key principles of WST were used:

1. First, leaders must model transformative mindsets and behaviors as individuals and leadership teams.
2. A compelling purpose drives everything, including conversations, relationships, actions, and events.
3. The entire effort is about the people and the business results “getting different.”
4. Inclusion in behavior and attitude leverages different views so that each person contributes and is valued in the process.
5. Outcomes are a result of trusting the process of self-realization to self-actualization.
6. The wisdom is in the system by using microcosms and collaborative interaction, and the system listens and learns from itself in real time.
7. Robust tools, activities, and processes in most cases are created in a customized manner. They are activities that a local design team uniquely comes up with to connect to the organization’s culture.
8. Conversations are multi-directional, and truth is elicited in a safe way so that everyone contributes to the learning and change.
9. Valid current data are key influences that bring awareness and direction to the system.
10. Freely choosing positive and shared aspirations with deep meaning leads to a committed and aligned action.

## **SUMMARY AND CONCLUSION**

OD has had a long and venerable history. The ability to manage change has emerged as a key competency for managers—and, indeed, for all employees in the organizations. This chapter examined OD in the past, at present, and in the future. It defined what OD is and what it is not. It also explained why decision-makers should care about OD, offered prediction about the

future of OD, explored how OD and human resources (HR) are converging, offered thoughts on Global OD, revealed some unique dilemmas facing OD practitioners in India, and reviewed OD against the backdrop of WST. In light of the discussion in the chapter, we come to the conclusion that *OD remains as current now, and in the future, as it was in the past.*

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## Part 2

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### Cases and Learning Resources

Part 2 consists of nine learning resources and nine case studies on OD interventions. Learning resources are application-oriented short essays and instruments to aid in successful implementation of OD for enhancing organizational effectiveness. While critics may question the relevance of OD in today's world of discontinuous changes, the case studies in this section elucidate the importance and effectiveness of OD in today's dynamic world.

The section on learning resources begins with an exploration of how to make participatory processes work. The article outlines the guidelines for designing participative processes. The story of Nissan's revival and GE's transformation are used as illustrations to drive home the point. The next article on "training workshops" posits that training can provide important diagnostic insights without sacrificing the educational objectives of the program. The next two articles equip business and HR leaders with the know-how of creating "ownership" of problems among employees; and what factors constitute the building blocks for organizational capability.

The write-up on "five execution necessities" for ensuring success of people system initiatives is a handy guide for any manager and change leader. The essay on Future Search by Marvin Weisbord presents ideas and thoughts from the originators of Future search. "Reflections on Whole System Change" by Santhosh Babu discusses the Large Scale Interactive process (LSIP) and its altered form, the Large Group Intervention (LGI).

This section also includes two instruments. The questionnaire "Is Your Organization Ready for Change" can be used to gauge the level of organizational readiness for change. The leadership style inventory, based upon Daniel Goleman's six leadership styles can be used to assess an individual's leadership style.

The latter section of Part 2 comprises nine case studies on Public and Private Organizations by eminent OD practitioners and academicians. A detailed description of LGI combined with appreciative inquiry is presented by Anil Sachdev in the story of Mawana Sugars. The author shares his experience of transformation at this sugar manufacturing company in an insightful manner.

The metamorphosis of two large Indian public sector enterprises, i.e., SBI and Indian Railways, has been extensively studied, critiqued, and published by researchers and

management practitioners alike. Rajesh Chakrabarti, author of “Grit, Guts, and Gumption” shares the fascinating story of how the visioning exercise in SBI was actually conceptualized and executed. V. Nilakant and S. Ramnarayan narrate how the mindsets underwent a transformation in Indian Railways.

Next, M.K. Srivastava describes in detail the leadership development process at a leading IT and highly respected organization, i.e., Wipro. In the light of change at Unified Seeds, Rajkumar articulates the emergence of requirements to build collaborative orientation at peer levels and a series of interventions to address those needs. The case study by Gopal Mahapatra outlines his observations of OD interventions in a multinational company in its efforts to keep up with times. B. Sudhakar and Kantharao describe the transformation process at Tata Chemicals including business imperatives, leadership alignment, alignment between in-house and external change agents and extension motivation development among various sections of employees. K.N. Rekha and Sri Reddy share the transformation journey of HCL into an employee-centric organization under the stewardship of Vineet Nayar. Uday Pareek and Somnath Chattopadhyay’s experience of change facilitation in an NGO marks the end of the section. Thus, the different cases focus on a multitude of relevant issues and aspects in OD.

This section is a deliberate attempt to be inclusive in nature by covering a wide range of OD interventions in PSUs, Private organizations and NGO. It endeavors to provide a panoramic view of OD interventions in various corporations.

## Participation: Considerations for designing process

S. Ramnarayan

### INTRODUCTION

There are broadly two approaches to implementing change. One approach, called the participative school, argues that people should be involved and given opportunities to participate in the planning and implementation of change. The rationale for this approach is that organizational change will always involve an element of uncertainty. Top management will not have all the information to plan the change. Therefore, participation leads to better ideas and better plans for change. In addition, participation reduces resistance to change. If the people who are the targets of change are allowed to participate in planning and implementation, they are less likely to oppose the change.

The second approach, called the directive school, argues that organizational change, particularly discontinuous change, needs to be implemented swiftly. Participation consumes time, does not always lead to better information or ideas, and is more likely to consolidate resistance to change. Therefore, a strong directive approach is more likely to be effective. In the recent past, organizational transformation has meant elimination of jobs, positions, and people. As employees have been made redundant, new terms such as downsizing, de-layering, and restructuring have been added to the managerial lexicon. Given the nature of these changes, it is not surprising that they have been implemented with little employee consultation and involvement. The directive approach is also allied to a related school of thought that holds downsizing and de-layering as essential for survival in a dynamic, competitive environment.

Just as continuity and discontinuity are integral parts of any change, participative and directive approaches are also implicit in any change. No organizational change can be completely participative or completely directive. The two issues that are central to choosing an appropriate mix of participation and compulsion are:

- Need for better information and ideas.
- Managing resistance to change.

Is participation necessary to produce ideas and information? Does discontinuous change have to be directive? In an award-winning article published in the *Harvard Business Review*, Gary Hamel (1996) argues that strategy making in an organization in today's environment is a process of discontinuous change. According to him, top management in any organization must engage other people within the organization in a dialogue. Hamel contends that strategy making ought to be a democratic process. Organizations in today's dynamic environment cannot afford to be elitist. Top management must be able to identify key individuals in the organization who are "activists," that is, people who have enthusiasm, energy, and initiative to shape the future of an organization. Strategy making should combine unity of purpose with diversity of perspectives. This can be achieved, according to Hamel, by taking a diagonal slice of the organization and involving the people in the change process. Hamel seems to suggest that participation and involvement are imperatives, not choices, for organizations seeking to survive the highly dynamic business environments of the 21st century.

How can organizations involve people to bring about participative change? A number of ideas and techniques for participation and involvement of people have emerged from the field of Organization Development (OD). Knowledge and insights from behavioral sciences are incorporated in OD practices to improve performance through participation, trust, open confrontation of problems, collaboration between individuals and groups, and empowerment of organizational members. Effective participation releases the dormant human potential in organizations and leads to better quality of working life and improved organizational performance. A few illustrations are discussed with the objective of highlighting how certain organizations have built their change process on the foundations of OD principles and practices.

## **THUMB RULES FOR EFFECTIVE PARTICIPATION**

The field of OD has developed several interventions to systematically address problems and opportunities through effective participation. The field has accumulated principles, rules of thumb, and practical knowledge to guide managers on how to structure activities in such a manner that individuals and groups can bring about improvements and enhance learning.<sup>1</sup> These thumb rules are reviewed under four broad categories: Structuring Problem Solving, Involvement of Multiple Perspectives, Strong Communication, and Creating Right Mood/Climate.

### **Structuring Problem Solving**

- It is important that the participative process ensures that the individuals facing the issue identify the problems and opportunities. People feel involved and interested when the issues have been defined by them. Then, they are also more likely to follow up with appropriate actions.

- Processes should be set in motion to help people clarify the goals and ways to reach the goals. One cannot assume that the destinations and pathways are clear to everyone. It would be highly de-motivating for people participating in the group process to not know what the group is working toward and how they can attain the goals.
- Expectations ought to be realistic. Even if the tasks are hard, complicated, and taxing, they should be attainable. After the experience, success or failure in accomplishing the goal should be examined for learning.
- Participative processes should be designed in a manner that the members learn both how to solve a particular problem and “learn how to learn.”
- In their approach to change, people should not operate from narrow role perspectives. The participative process should encourage them to freely bring in their expertise, thoughts, beliefs, feelings, and aspirations.
- The process must help surface data that the members did not know or did not previously take active account of. They must have opportunities to become aware of the changing socio-cultural norms or dysfunctional current norms influencing their behavior. Awareness of new information or norms lead to change if the feedback is not too threatening.

### **Involvement of Multiple Perspectives**

- Group composition should be thoughtfully planned. Include the people affected by the problem or the opportunity. If the goal is improved team effectiveness, have the whole team engage in the activities. If the goal is improved relations between two separate work groups, have both work groups present.
- Depending on the task, bring in, for example external and internal perspectives, cross-functional teams, as appropriate.
- Involve people who are strong on experience and those with good conceptual understanding to bring in multiple perspectives.

### **Strong Communication**

- The process should create opportunities for individuals and groups to communicate with people that they do not normally interact with. This holds potential to create changes in attitudes and behavior.
- Surface and examine differences in beliefs, feelings, attitudes, values, or norms to remove obstacles to effective interaction. This process referred to as confrontation seeks to discern real differences that get in the way of greater effectiveness.
- Develop knowledge, skills, and attitudes and increase the number of people involved in problem solving, goal setting, and generating new ideas. This enhances quality and acceptance of decisions, increases job satisfaction, and promotes employee well-being.
- It is important to institute activities that clarify people’s responsibilities and monitor performance related to those responsibilities.

## Create the Right Mood/Climate

- The mood and climate in the participatory process should be shaped in a manner that frees up individuals, not make them anxious or defensive.
- Activities and processes ought to be instituted that energize and motivate people through visions of new possibilities.

Having set out the thumb rules for effective participation, let us now review two short case illustrations involving performance enhancement at middle management levels or at subunit level. First, examine how the design principles enunciated above underlie those approaches. Then, move on to study a celebrated case illustration of major organizational transformation. One would observe that a significant contributor to the effectiveness of those change initiatives has been the design of the participative processes utilizing the insights from the OD field.

## PARTICIPATORY DESIGN PRINCIPLES IN ACTION

### Box 16.1 A Case Illustration: Design Principles for Effective Participation

A manager shared the following experience: “I had gone through a team meeting for planning a project. The plan was more or less ready, but I did not see much excitement about the project. It seemed as if the members had reservations, but they were not expressing them. Then I tried what I like to call a ‘reverse brain storming’ session. After we prepared the project plan I got my group together and we brainstormed the *reasons why the plan would fail*. Though the group initially thought that it was a strange assignment, they warmed up to the task. In an hour’s time, we came up with 46 reasons why our plan would not work. At that stage, I informed the group that there was another important part to the exercise. We had to prioritize the concerns and do action planning. The group then looked at the 46 items carefully, cleaned up the list, for example by removing those duplicate items that had been expressed in different words, and then identified 5 significant factors, which posed major threats. We then worked out a detailed plan to ensure that those factors were taken care of. This exercise helped us identify and avoid a number of potential problems, and substantially increased our level of confidence and optimism about achieving the plan targets.”

Source: Author.

In the above case illustration, the manager had paid attention to all the four broad design principles for effective participation. First, the process had been *structured effectively for problem solving*. The initial process of compiling list of the risks, weak spots, and fail points in the original plan helped participants obtain a clear understanding of the problem. Then the process of prioritization and action planning was aimed at gaining clarity on possible solutions. By giving voice to every single member through brainstorming, the process maximized diagnostic data. By creating a psychological sense of community outside functional/departmental/task

boundaries, the process ensured that people would not get stuck in their narrow role perspectives. Second, *multiple perspectives* were involved. It was not just the manager or a few seniors who did bulk of the data generation or problem solving. Every single member was involved, and yet the process was quick and simple. Third, there was *strong communication*. Differences in beliefs, feelings, and perspectives were surfaced and examined. The confrontation process sought to discern what was coming in the way of greater effectiveness. The nature of approach was markedly different from the way interactions and communication would have occurred in that organization and this paved way for a different set of attitudes and behavior. Finally, the *mood and climate* were right for effective problem solving. Individuals felt freed up rather than defensive. The process generated greater energy and optimism.

## OD PRINCIPLES FOR EFFECTIVE TRANSFER OF BEST PRACTICES

To transfer best practices, most organizations will put the practice on the intranet, arrange talks or organize a few visits. Let us look at how General Electric (GE) utilizes OD principles to effectively transfer the best practices across its units (Kerr 1996).

### Box 16.2 A Case Illustration: Transfer of Best Practices at GE

If the GE appliances group has developed a good new technique, the GE's leadership education center would invite a team of say, seven members from that unit to the center; the team might include finance person, marketing person, union leader, HR person, purchase person, etc. Another 80 people from six other GE units would also be invited to learn from the appliance group. The learning process may be designed as follows:

1. Appliance team does a 15-minute overview. Not much is given away because the intention is to get people to learn how to learn, not just learn.
2. The seven appliance people go to separate rooms to answer questions from others in smaller groups. The 80 people from other units divide themselves up into smaller groups; they consult each other on what they would ask and the issues that they would explore. Each individual goes to two of the seven rooms for 45 minutes each. But collectively, each unit team would have gone to all seven rooms.
3. Teams from different units, then, meet in their respective groups and discuss what they have learnt, and how they can apply it in their units.
4. Then all the groups come into a big room, where each group presents what they think were the keys to the success of the appliances group.
5. Finally, the appliances group is asked: "What questions were not asked? What part of your transformation is a success that they did not figure out?" The group responds and gives useful suggestions. For example, they may say, "There were hardly any questions on how we did the training. No questions were asked about the relationship with the suppliers, and that was the key."

Source: Kerr (1996).

GE's approach is interesting because it is rooted in the OD philosophy that learning should be reflected in quality of action rather than in a mere understanding of a principle in abstraction. The approach incorporates all the four principles referred above. How was *structuring for problem solving* accomplished? A multi-functional group was involved from each unit. Not only did it send a powerful signal that the organizational challenge needs to be perceived in an integrated manner, the process also helped create a psychological sense of community outside work boundaries. The process provided considerable scope for generating information on process dynamics, expectations, and comparative performance. There was also an element of feedback involved, which helped the learning process. The members learnt skills of "learning to learn." For example, inquiry involved questioning and integrating skills and also attitudes of curiosity or keenness to learn.

What was done to *involve multiple perspectives*? Each unit sent a multi-functional group. There were a variety of perspectives that could be constructively utilized for problem solving. How was *strong communication* ensured? Despite a large gathering, there were opportunities for numerous conversations. Participants were put in an active rather than passive mode. In addition, the multi-functional group had several opportunities to interact among itself. The group members had opportunities to learn from colleagues to examine issues from different perspectives. This helped adapting the practice to the needs of the unit and evolving plans for moving to action phase.

What about *creating right climate and mood*? The process involved an element of friendly competition among different units. It put the focus on learners. It also had a "fun" element. All these factors facilitated learning. Thus the GE's practice provides an interesting illustration of OD principles in practice.

## **OD PRINCIPLES UNDERLYING NISSAN'S CROSS-FUNCTIONAL TEAMS**

Nissan's revival has been one of the highly celebrated stories of organizational transformation (Ghosn 2002; Ghosn and Ries 2005). The discussion will show that insights on participatory process were put to excellent use in achieving this transformation. For the purpose of illustration, the focus is limited to cross-functional teams (CFTs) (See Box 16.3).

It is clear that the design of CFTs utilized the OD insights. The *structuring of problem solving* process helped the CFT members deconstruct the problem and maximize diagnostic data and valuable feedback. Psychological sense of community was created across functions working on a common and important organizational challenge. *Multiple perspectives* were involved—there were managers from different levels and functions working together bringing in external perspectives (for example, industry benchmarks) and internal perspectives (mindsets and cultural barriers within the organization). Most important, there was a great deal more of *interaction, communication, and confrontation*. This was especially important as the cultural barrier was the one that was not allowing newer ideas and perspectives to emerge within the organization.

Finally, the mood was one of confronting (not avoiding) the challenges ahead on by committing to honest inquiry, and rejecting energy-sapping and unproductive compromises.

**Box 16.3** A Case Illustration: Nissan's Revival through CFTs

CFTs were the centerpiece of the successful turnaround of Nissan between 1999 and 2002. Carlos Ghosn, Nissan's new leader put together nine CFTs to address the key drivers of Nissan's performance. Each team was given 90 days to review the company's operations and come up with recommendations for profitability and growth. The teams reported directly to Nissan's nine-member executive committee. There were about 10 members in each CFT. These members were drawn from the middle management of the company. Each CFT formed a set of subgroups, consisting of CFT members and other managers selected by the CFT. Each subgroup was also limited to about 10 members. The manufacturing CFT, for instance, had four subgroups focusing on capacity, productivity, fixed costs, and investments. About 500 people in Nissan worked in the nine CFTs and their subgroups.

Each CFT had two leaders drawn from the executive committee, who acted as sponsors to remove roadblocks and provide resources. According to Ghosn, "Having two such senior voices made it less likely that the team would focus its efforts too narrowly. Their voices would balance each other, so no single function's perspective would dominate." The team leaders stayed true to their role as sponsors, and did not play an active role in the team's work. They attended few of the meetings and were mostly in the background.

The actual work was carried by the regular members. One of the members acted as the team's "pilot" taking the responsibility for driving the agenda and the discussions. Typically, the pilots were managers who had frontline experience with Nissan's operating problems and the credibility with the rank and file. The pilots were selected by Nissan's executive committee. The leaders and the pilots of the CFTs selected the rest of the team.

For example, one of the CFTs dealing with the purchasing issue made recommendations to the Executive Committee that would have resulted in 10 percent savings in purchases over three years. But their recommendations were rejected as they were not aggressive enough to achieve the turnaround. It was at that stage that the team decided that they had no alternative other than to challenge the Engineering Department to achieve the targets given to them. The Engineering Department was large, cohesive, and all-powerful. They viewed Purchasing merely as a supporting function. It was unthinkable at old Nissan for Purchasing or for that matter anyone to challenge the Engineering Department. But everyone in the Purchasing Department was clear that they wanted no part of the unrealistic recommendations. The team leaders, two executive vice presidents, helped them in convincing the Engineering Department to support the steps that were necessary to achieve the 20 percent reduction in the next three years. After a wrenching two weeks of hard work and tough negotiations, the CFT finally came up with recommendations that met the organization's expectations.

After the group made the final presentation it really dawned on them that although their recommendations sounded radical, they were not at all. They were pretty straightforward and obvious. This project made them realize that Nissan's problem in the past was their inability to implement what was so obvious.

**Sources:** Ghosn (2002); Ghosn and Ries (2005).

## FACILITATING RECOGNITION AND OWNERSHIP OF PROBLEMS

The examination of above cases illustrate that an important transition for the organizational members has been from the stance of “spectator” to the stance of “actor.” In a spectator stance, the individual is indifferent, cynical, or helpless. From an actor stance, the person recognizes the issue and takes ownership. Ownership moves the person from inaction or ritualistic action to reflective practice. Studies show that there are four factors that lead to recognition and ownership of problem (Landry 1995). These include: (a) People perceive crisis or opportunity; (b) They view issue as controllable at their level; (c) They get interested in allocating time, attention, and resources to the issue; and (d) They reject the off-the-shelf existing solutions and undertake systematic reflection. In each of the case illustrations considered above, the participative processes contributed successfully to these four factors.

Let us consider the first factor of *helping people perceive crisis or opportunity*. This emphasizes the importance of the process being designed in a manner that ensures that employees receive relevant feedback. In the first case illustration, individuals were motivated and encouraged to report problems or limitations without being labeled as cynics or complainers. In the case pertaining to transfer of best practices, there were opportunities for benchmarking and peer comparisons. The Nissan case utilized progress reviews and critical appraisal of change proposals to identify, analyze, and discuss the root causes of the problems and what needs to be done.

To *enhance feelings of controllability*, a number of steps can be taken. In all the case illustrations, the larger challenge was broken down into manageable components and clear responsibilities were assigned for different parts. Organizational arrangements were created for communication and coordination so that there were convenient forums and methods for sharing information, views, and ideas and obtain assistance. Members had necessary resources, information, assistance, and support to solve problems. Last but not least, processes were designed in a manner that generated optimism and hope that improvements can result from the initiatives taken by the employees.

How can organizations *get employees interested in allocating time, attention, and resources to the issue*? Energetic communication of the importance of change agenda would be a good starting point. In all the above case illustrations, there were clear expectations that employees would address the change issues. In Nissan, it was prestigious to be part of the CFTs. When individuals realize that they would develop valuable new ideas and skills or gain status, they would become willing to allocate energy and resources to the issue. It is equally important to remove roadblocks; for example, in the above case illustrations there was recognition and appreciation of inherent risks and so acceptance of genuine mistakes as a normal part of learning. In Nissan, managers chosen for CFTs worked exclusively on the developmental initiative so that they could comfortably devote their time and energy.

What actions can help in *getting employees to reject ready-made solutions and be willing to search for newer approaches*? Carlos Ghosn was a powerful role model for rejecting the status quo and changing the perception of what is acceptable and what is not. Cross-functional teams also helped people realize the limitations of existing approaches. In the other two cases,

individuals were helped to reflect on how the usual ways of dealing with the situation would not be able to achieve higher aspirations. When successful change efforts are publicized, people feel encouraged to try newer approaches.

## **CONCLUDING OBSERVATIONS**

For a process to be repeatable, and successful, it cannot merely remain concerned with systems; it has to concentrate on people (Buckman 2003). We have to make sure that all fears are known, all ideas are heard, and a safe, non-disruptive plan is created. Once the hearts and minds of the people are transitioned, the systems obediently follow. Let us summarize the factors that can help us execute participative change effectively.

### **Clear Sense of Purpose**

People need worthwhile purposes to direct their energy. For this, goals must be clear, specific, and realistic. Specific goal-setting enables people to focus on the task rather than groping in the dark. When people are able to visualize the larger picture and yet at the same time be clear about their assigned tasks, they become hopeful, optimistic, and committed.

### **Deconstruction of Complex Change**

It is important to break the complex goals down into manageable sub-goals. Individuals tend to get paralyzed when the problem is too huge to tackle. To maintain our sense of competence, we must feel that our problems are controllable at our level. Deconstruction scales down the magnitude of the problem, and this has a positive effect on the quality of thought and action because the processes such as frustration, arousal, and helplessness are kept at bay. When people are able to identify a series of controllable opportunities of modest size that produce visible results, they feel stretched and challenged. This evokes emotions of moderate intensities where its contribution to performance of complex tasks is most beneficial.

### **Psychological Safety**

Complex change can create anxiety and stress. If employees do not experience psychological safety in such a scenario, they would become excessively preoccupied with maintaining their sense of competence. While the task at Nissan was large, employees felt empowered. They had the decision-making authority; they could question old habits and beliefs and even challenge powerful departments. They were now part of a group navigating an uncharted territory; they were not struggling alone. The leadership was very demanding, but highly committed

and supportive. Ideas were not imposed from the top. People felt themselves to be in control of their own and their organization's destiny. All these factors provided psychological safety and enhanced their levels of hope and optimism.

## Enhancing Preparedness

People's confidence in managing the unexpected increases the probability of successful change. Contingency planning, scenario analysis, and alternate courses of action all instill a sense of readiness for multiple possibilities. If people have visualized multiple alternatives for handling the challenges, they feel sure of their decisions and actions. On the other hand, if they consider their preparation as far from satisfactory, they suffer pangs of self-doubt. When there is hope and optimism, change challenges are perceived as opportunities for growth as opposed to worrisome hurdles. The subjective world of organizational members is what determines what they see and how they would think and act. It is too important to be left to chance.

## NOTE

1. For a good summary of the design considerations that OD practitioners employ for structuring participative processes to maximize learning, see French and Bell (1999).

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## Diagnosing organizational issues through training workshops

S. Ramnarayan and V. Nilakant

### INTRODUCTION: DIFFERENT APPROACHES TO TRAINING

Training has been used as a human resource intervention in organizations ever since Taylor (1947) experimented with “scientific management” toward the end of 19th century, and demonstrated the power of attending consciously and continuously to the upgradation of skills of employees. In Taylor’s framework, training is a management tool used to address deficiencies—in knowledge, skills, and attitudes of organizational members—which are dysfunctional for the effective performance of the organization (Taylor 1947). This framework is also referred to as “functionalist approach” or “structure-oriented approach.” In this approach, training is preceded by development of structures, jobs, methods, and processes by the higher management. Then employees’ capabilities are enhanced to fit the requirements of jobs or structures. The Taylor’s training tradition is still widely prevalent.

Some of the organizations have however transcended, over a period of time, from looking at learning and training in limited terms to viewing learning as an investment for overall organizational effectiveness. In a recent book titled “India Way,” the authors point out that a very large percentage of HR heads view learning as central to the organizational strategy (Cappelli et al. 2010). This shift has been marked by numerous attempts to raise and address issues relating to strengthening the impact of training on organization’s performance. The following questions give a flavor of the whole gamut of issues to be explored to enhance the effectiveness of training as an OD intervention.

- How can we improve the linkage of training to action taking for bringing about the right changes?
- Can assessment of training needs and training effectiveness, and attention to transfer of training improve its utility as an OD tool?

- How can training be geared to the developmental process of the organization as a whole?
- Can training support organizational innovation and organizational improvement?

By broadening the definition of the problem, the new training approaches have also expanded the range of solutions. Training is no longer a limited instrument to adapt employees' skills to job requirements, but an important tool for organization development.

Van der Krogt and Warmerdam (1997) advocate an approach that considers training as dynamic networks of interactions between different actors and interest groups within and around the organization. As per the interaction perspective, there are a variety of individuals and groups present in the organization, playing different roles, and having distinct opinions and ideas. In an organization that emphasizes communicative aspects of training, a large number of learning situations are provided. A learning climate in the networks of interaction can contribute tremendously to individual, team, and organizational capability. Clearly, this is a paradigm shift from "one best way" of thinking and organizing proposed by Taylor to a training approach that stresses the interplay between actors, that is, the adjustment of actors' actions in response to each other. In this approach, changes are not looked at in a static, mechanistic way, but are conceptualized as continuously evolving networks.

As Van der Krogt and Warmerdam point out, there have been numerous challenges for organizations posed by the dynamic environment. These include introductions of new technologies; emergence of new groups of clients, growing complexity of product, process, and information technology; expectations of higher quality from customers (Cappelli et al. 2010). These have resulted in tremendous pressures on organizations to meet these expectations; to be more flexible and create highly motivated and trained workforce; and to operate less with formal authority and direct control. To cope with such changes, progressive organizations are changing their approach to training in some fundamental ways to equip the organizational members to tackle these issues. Some of the practices adopted by the progressive organizations that resonate with the OD principles have been listed as follows:

- Top management gets more involved in organizing learning activities. The top managers are concerned with the task of defining a framework for company strategy (quality, cost awareness, client orientation, efficiency, etc.) that provides the context for training.
- Training focuses not merely on development of skills, but also on exploration of how there can be parallel development of roles, systems, procedures, and work methods. It facilitates interactions among relevant actors, collective reflection, and creates open learning situations within a broad structured context. Small groups get together to review work methods; study meetings take place on new subject areas, new products/services, new administrative procedures, etc.
- There is greater involvement and participation of people at operational levels in the development and implementation of training programs. There are more formal

consultations of organizational members to coordinate learning activities, and trainers work in close collaboration with plant and departmental managers.

- New forms and methods of training/learning are employed, such as project learning, simulations, team training, workshops focused on specific problem areas, “train the trainer” courses for supervisors and managers at the operational levels who would then assume partial responsibility for training the employees, and so on.

Thus, there is a clear movement from a static, one-sided, one-best-way perspective on training to a dynamic, multifaceted approach. In the multi-faceted model of training, different actors jointly choose to organize training to not only enhance their skill set but also to facilitate organizational change. It must, therefore, be realized that training workshops represent the initial steps in the organizational change process. Training raises the consciousness of participants and makes them aware of the gaps between current state and desired future state. It provides a common language to articulate shared problems and difficulties, generates ideas for change, and creates greater energy for change. It must be followed up with appropriate management actions and initiatives to bridge the gap between ideation and implementation. One of the key attributes of the training workshops is that it can act as a diagnostic tool without sacrificing the educational objectives of the programs.

## **DIAGNOSING ORGANIZATIONAL ISSUES**

Diagnosis involves defining the episode under study by picking up relevant “symptoms,” arranging them into a pattern, and distinguishing them from other patterns. In organizational diagnosis, it is impossible to integrate symptoms into a precise and definite syndromes based on explicit “cause and effect relationships.” Hence, several heuristic approaches inadvertently come into play while diagnosing the issues. It has been argued by OD practitioners that there is no such thing as absolute objectivity in diagnosis; diagnoses are not so much accurate as they are useful. It is profitable to view diagnosis as the process of recognizing patterns, thereby providing direction for the change efforts or triggering a process of self-directed search.

The value of training workshops for organizational diagnosis is highlighted when diagnosis is viewed as involving recognition of patterns. In such forums, several forces have the potential for creating the required synergy to identify patterns in organizational events—a group of organizational members with different perspectives, facilitators with process skills, educational environment which creates a psychologically safe atmosphere to experiment, and participative and innovative designs for explorations. It has been found that if the workshop provides the right conditions to bring into play the above factors, the recognition of patterns in organizational episodes happens rapidly. Another major advantage is that the involvement of organization members increases the probability of implementation of actions based on the diagnosis.

## **FRAMEWORK FOR DESIGNING TRAINING WORKSHOPS**

Training workshops can be used in several innovative ways to diagnose organizations. This chapter presents some of the methods we have used in our work with different organizations in India. The duration of our workshops has ranged from one day to two weeks. Some of these were management development programs, where organizational diagnoses were not the primary objective. Some workshops were specialized in nature, focusing and diagnosing some specific aspects of the functioning of the enterprise. Some others were short-duration workshops, involving the entire management group in data-gathering effort. Obviously, the diagnostic methods were different in different situations.

The diagnostic methods can be classified along two dimensions:

1. On the role of the facilitators and the participants in data collection, analysis, and interpretation.
2. On the nature of the methods.

### **I. The Role of the Facilitators and the Participants Can Be of Three Types**

1. Facilitators play the active, dominant role of conceptualization, data generation, analysis, interpretation, and convergence of ideas to delineate the problem. The participants' involvement is only to the extent of providing data and operating within the framework designed by the facilitator.
2. Both the facilitators and participants are involved in the diagnostic process in a mutually participative manner.
3. The participants play an active role, while the facilitator plays a supportive role; the facilitator broadly creates a situation where the participants conceptualize, generate data, analyze, and provide the interpretation.

### **II. The Nature of the Methods Can Be of Two Types**

1. Highly structured, instrumented with a fairly clear design framework.
2. Loosely structured, more open, and more organic.

The combination of these two factors provides six diagnostic methods which are presented in Table 17.1. These six designs, with organizational examples from our experiences, are discussed as follows.

**Table 17.1** Six Diagnostic Methods

<i>Focus</i>	<i>Highly structured methods</i>	<i>Loosely structured methods</i>
Trainer-centered	1. Identifying common themes in individual styles and orientations	4. Process observations of the group
Mutually participative	2. Discussion of critical incidents in the form of brief cases	5. Process analysis within the group
Participant-centered	3. Using specific concepts to diagnose organizational problems	6. Model building by participants

Source: Authors.

## 1. COMMON THEMES IN INDIVIDUAL STYLES AND ORIENTATIONS

Structured instruments or frameworks in the form of individually administered questionnaires may be used in training workshops to focus on specific aspects of the participants' interpersonal or managerial behavior. The use of instruments also encourages individuals to give and receive feedback at peer levels. Beyond these conventional uses, we have found that the common themes from such instruments provide important diagnostic insights into the organizational processes.

### Case Example A

In the IT firm X, we covered all the managers at the senior management level through a series of training workshops. In all the workshops, we administered the learning style inventory (LSI), which is a simple, self-description test based on experiential learning theory (Kolb 1976). The LSI is designed to measure an individual's strengths and weaknesses as a learner in the four stages of the learning process. Effective learners rely on the following four different learning modes:

1. **Concrete experience (CE):** They must be able to involve them selves fully, openly, and without bias in new experiences.
2. **Reflective observation (RO):** They must be able to reflect on and observe these experiences from many perspectives.
3. **Abstract conceptualization (AC):** They must be able to create concepts that integrate their observations into logically sound theories.
4. **Active experimentation (AE):** They must be able to use these theories to make decisions and solve problems.

We found that a majority of the participants in our workshop relied primarily on the dominant learning styles of AC and AE. There is research evidence to indicate that persons

with this style seem to do excel in situations where there is a single correct answer/solution to a question/problem. They organize knowledge in such a way that through deductive reasoning, they can apply their learning to resolve a specific problem. Individuals with this style of learning tend to be controlled in their expression of emotions and prefer dealing with concrete technical tasks and problems rather than with ambiguous social and interpersonal issues.

In organization X, the dominant learning orientation was reflected in the tendency of the managerial group to ignore the “process” aspects of the organizational functioning and to view human issues as “distracting” them from their primary task of dealing with technical problems. It was also observed that these managers seemed unable to function effectively in groups, particularly when they were involved in an unstructured problem-solving situation.

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### Case Example B

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In an organization Y involved in consumer electronics sector, training workshops were organized to clarify managerial roles. Rosemary Stewart’s theoretical framework (1982) was used to examine the demands, constraints, and choices of the technical managers at the middle level. Stewart states that managers make choices in terms of what is done (relative emphasis to technical aspects, supervision, innovation, boundary management, etc.) and how it is done (amount of fragmentation of day, formality or informality of contacts, time spent in meetings, traveling, etc.). According to Stewart, the managers may not even be conscious of the choices that they make. Without realizing, they might perform their roles in accordance with the values and norms of the organization, and the demands and constraints of the job.

When we examined the nature of roles in the organization Y using Stewart’s framework, we found several common themes which highlighted certain important issues prevalent in the organization. Some of these common themes were:

- The technical managers saw production of the targeted volume as their primary responsibility. The quantitative target in terms of production volume was clearly specified and closely monitored. Targets in others areas, such as quality or cost, were perceived as secondary responsibility.
- These managers experienced considerable personal pressure to meet production targets. Though they agreed that their subordinates were knowledgeable and motivated, there was hesitation to delegate coordination responsibilities to subordinates. The hesitation was an outgrowth of the assembly line technology and high cost of a potential failure.
- The individuals experienced a high degree of peer dependence, which was heightened further by perceived lack of support. For effective performance of one’s task, there was a need for influencing a number of people in other units. In this scenario, several

executives seemed to adopt a liaison role to manage the unit's boundaries with other subunits, and tended to ignore/delegate other tasks.

- Surprisingly, most technical managers did not place much emphasis on their “technical” role. For example, some participants indicated that even if there was a minor problem with a machine, the tendency was to try to get a maintenance engineer to look at the problem. There was hardly any attempt to develop technical capabilities within the operations department. Over a period of time, people were getting de-skilled in the technical area.
- Several managers considered it necessary to attend a number of meetings where, again, they played a liaison role or spent most of time networking with other key players in the organization.
- Finally, the managers paid very little attention to innovation and long-term issues. Even the activity profile of the senior technical managers indicated that their prime preoccupation was routine day-to-day issues.

As is evident from the case examples above, in this diagnostic method, the participants are involved only to the extent of filling the instruments or working on the structured framework. The OD practitioner can facilitate discussion in the group to identify some of the common themes which are readily apparent from the styles and orientations of individual managers. But the detailed analysis may not be done until the end of the workshops when all the required data have been gathered. It is the facilitators who finally complete the interpretation of the data after the workshop.

## **2. DISCUSSION OF CRITICAL INCIDENTS IN FORM OF CASES**

In this diagnostic method, the participants and the facilitators work together actively in the collection, analysis, and interpretation of data, thereby utilizing case discussions for organizational diagnosis. It has been our experience that often interesting brief cases can emerge from discussions in the preceding in-company workshops. Participants may have pointed out situations or described certain episodes within the classroom or outside. If the events appear typical or critical, the facilitators may pursue the subject, obtain necessary details, and write it up as a case. A certain amount of masking helps to ensure that the participants do not get into a discussion of their perceptions—of what “really” happened in the situation or what they consider to be the “actual” motivation of the concerned actors.

The case may be a brief description of the challenges faced in introduction of a new system, or a dilemma faced with respect to a customer, or a situation involving coordination among different verticals/horizontals in the organization. While the discussion of case is valuable in itself during the training program, it also acts as an instrument for unearthing the implicit norms and providing clues to the organizational problem.

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### Case Example C

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In a training workshop at a pharmaceutical company *Z*, we prepared a brief case based on an actual situation involving the interface between the process control department and the research department. The issue involved the research manager, the process control manager, the Marketing department, and the Regulatory Affairs department. As we discussed the case with all the departments, the participants and the facilitators developed a rich understanding of the implicit norms in the organization relating to the following issues:

- Patterns of communication and consultation among managers of the different functions
- Concept of accountability for matters in which several departments are involved
- Methods that the managers use for dealing with issues relating to new product development
- Role of the staff and the line functions

At the end of the discussion, the participants had diagnosed the key sources of conflict which were embedded in the implicit norms and the culture of departments. Thus, training workshop acted like an OD intervention by surfacing the issues plaguing the performance of the organization.

### 3. DIAGNOSTIC ASSIGNMENTS INVOLVING USE OF SPECIFIC CONCEPTS

After specific concepts are discussed in a training workshop setting, participants can be asked to work in sub-groups and utilize the conceptual framework for diagnosing the organizational issues. For example, Kotter's framework may be discussed in the group, and the participants may then be asked to examine how well the organization is establishing a sense of urgency, creating a driving coalition, developing a strategy and communicating it, generating short-term wins to create impetus for action, strengthen improvements, and so on (Kotter 1996). The employees can apply this model to determine if all the factors are in alignment with each other or not. Similarly, there are other models for examining subunits, single businesses, and multi-business organizations that can serve as frameworks for diagnostic assignments.

From both diagnostic and learning perspectives, we have found it advantageous to have a group of participants that is heterogeneous in terms of ranks/positions or functions. Our experiences have revealed that it is often beneficial to circulate the analyses of earlier groups of participants, so that subsequent groups can explore issues in greater depth.

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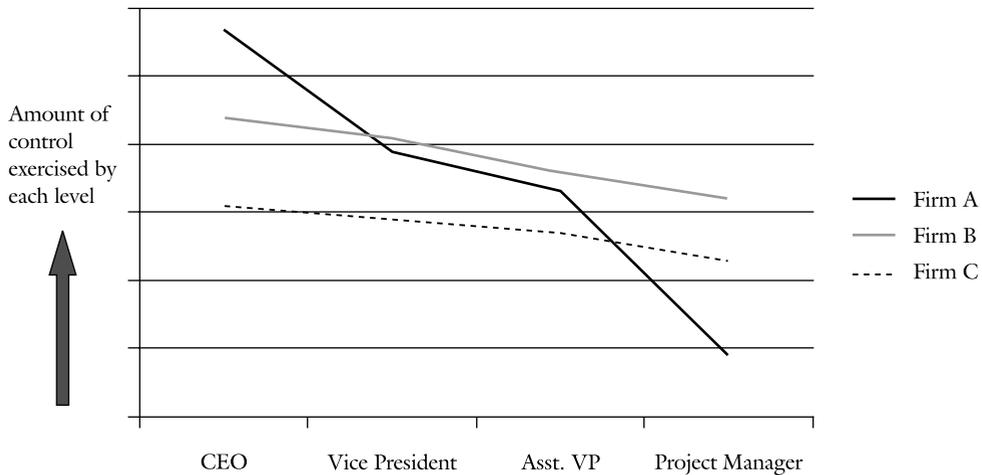
### Case Example D

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At a multi-divisional banking MNC, in training workshops we asked the sub-groups to plot organizational control graphs. The horizontal axis of the graph represents the hierarchical

levels of an organization from top to bottom, and the vertical axis represents the amount of control exercised by each level in the organization. Sample organizational graphs have been exhibited in Figure 17.1. Two aspects of organizational control can be described by a curve drawn on this graph:

**Figure 17.1** Control versus Hierarchy



Source: Authors.

1. The hierarchical distribution of control, represented by the shape or slope of the curve.
2. The total amount of control exercised by all levels in the organization, represented by the average height of the curve.

The graph represents the perceptions of the organization members regarding the amount of control exercised by various levels. From the analysis, the group was, first, able to obtain diagnostic insights into the similarities and dissimilarities across the divisions with respect to their actual and ideal patterns of control. Second, these graphs depicted the perceptions of employees in different ranks, thereby highlighting the differences in the views of members at different levels in the organization. Finally, the group was able to examine the linkage between the control structures and the divisional productivity, satisfaction, and growth.

#### 4. PROCESS OBSERVATION OF THE GROUP

The group of participants in the workshop represents a microcosm of the organization. The facilitators can deepen their understanding about the organization by observing the processes

and events within the group. For example, one can observe how the individuals deal with each other, how they manage differences, how much listening occurs, and how individuals communicate with each other. The workshops also provide opportunities to assess the level of curiosity that organizational members have toward learning new concepts, the amount of interest they have in improving organizational performance, their feelings of hope or cynicism, power or powerlessness. It can be used to identify the extent to which the organization is an appreciative system, recognizing the unique strengths of different members instead of being preoccupied with weaknesses. The following case example of this diagnostic method illustrates the central role that facilitators assume in data gathering, analysis, and interpretation during process observation of the group.

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### **Case Example E**

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In a public-sector transport organization *A*, the facilitators kept process notes of the group exercises and organizational simulations in various workshops held for general managers from different zones. It was found that in individual exercises, individuals tended to perform well on their own, but their performance deteriorated in group exercises. In a group situation, there was very little appreciation of each others' strengths. The overall group performance was either equivalent to or worse than the individual performances of group members. This drew attention to development of team work to utilize the collective potential of all the managers who were currently acting like individual contributors.

As part of the program design, the participants were also encouraged to diagnose some critical problems in sub-groups in the organization, and work out action plans on the basis of their diagnoses. It was found that the participants ran into difficulties when they attempted to evolve a diagnosis and an action plan without any process help from the facilitators. On the other hand, when the trainer provided clear guidelines for identification of problems, methods for diagnosis, and a broad structure for working out action plans, they functioned more effectively. These behavioral patterns in group exercises and action planning sessions were useful data in generating hypotheses and planning appropriate interventions.

## **5. PROCESS ANALYSIS WITHIN THE GROUP**

Process analysis is similar to process observations, except that process analysis is done within the group by the participants as well as the facilitators. In this method, the employees and facilitators work together to identify the problems related to the process aspect of the interaction/functioning. It is a mutually participative method where the organizational members develop sensitivity toward the process dimension and the practitioner facilitates process observation.

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## Case Example F

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As discussed in the case example A, the senior managers of IT firm X relied on the dominant learning styles of *AC* (*relate their observation to theories*) and *AE* (*apply the learnt theories to solve problems*). This implied that they performed well in situations with a fixed solution which was not the case in today's dynamic environment. It was decided in the group that the training workshop would focus on strengthening the *CE* (*experiment with new ideas*) and *RO* (*reflect on one's experiences*) skills of the participants so that they are equipped to handle ambiguity and new complex problems. This required development of appropriate values in the organization which give importance to the "process" dimension to encourage experimentation and innovation.

On the first day of the program, the facilitators suggested that an hour should be set aside at the end of each session to critique and make process observations. The group initially encountered attitudinal and conceptual difficulties in implementing this suggestion. The dominant *AE* norms of the participants made this proposal seem like a waste of time. But, gradually the participants learnt to observe the process and could come up with an insightful process analysis within the group by the third day of the program. The group was encouraged to continue the practice outside the training workshops in their work settings, for instance, when group meetings are held or important decisions are made. The participants decided that they would contribute to the development of a climate that allows for free and frank exploration of questions such as "what have we learnt from this activity" or "is the process conducive to achieving the desired results."

## 6. MODEL BUILDING BY PARTICIPANTS

Model building is characterized by active role-taking by the participants, but the approach is less structured. In this diagnostic method the facilitator takes a back-seat during the diagnosis of the organizational issues. For example, the participants may work with simple, open-ended frameworks such as SWOT for analysis of strengths, weaknesses, opportunities, and threats. Another commonly used framework is the force field analysis (Kotter 1996), which involves identifying the forces driving toward the desired condition and those restraining movement in that direction. Such frames of reference have considerable utility in group problem-solving sessions, and allow the participants substantial flexibility to take creative approaches to diagnosis. Sometimes, the group may be asked to explore certain important issues in an open, organic way. The following case example illustrates this approach.

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## Case Example G

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A BPO providing customer care services to the telecommunication giants had experienced phenomenal growth in revenue but at the expense of alarming employee turnover. We explored

issues relating to management of growth in four training workshops at the senior management level. In successive workshops, the analyses of the earlier groups were presented, so that the groups could build on the ideas formulated by the previous groups. After three such workshops, the following diagnoses emerged with respect to management of growth in that organization.

- The rapid growth of the organization had not been accompanied by appropriate changes in the management of human resources. The company had not taken care of employee engagement, succession planning, and career planning.
- In emergency situations, short-term, quick-fix solutions of the past have exacerbated into the bigger problems of standardization of services, consistency in policies, etc. This has led to widespread discontentment and confusion among employees.
- The managerial capabilities had not kept pace with the changing environment. Organizational members who were unable to meet the increasingly complex and changing demands of customers felt marginal in the new context, leading to an erosion of their managerial will.
- The managerial challenges were no longer solely technical in nature. The growth had resulted in unresolved political issues concerning allocation of organizational resources and influence, and cultural issues concerning organizational values and norms. Clear policies and procedures by the human resources department were required to manage the transition.

Each of the above diagnostic statements was accompanied by a list of specific issues to be addressed on the basis of the model developed by the participants.

## **CONCLUSION**

Training has been found to confer a multitude of benefits in the organizational setting. However, there are several reasons why it makes good sense to utilize training workshops as instruments for organizational diagnosis.

- Training workshops provide a medium of participation, which is a key aspect of diagnosis.
- Involvement of organizational members from different departments provides access to multiple perspectives on diagnosis.
- The methods used for training allow greater personal learning and insight into the organizational issues.
- They facilitate the process of “ownership” of the diagnosed problem and action based on the diagnosis by the organizational members.
- They promote an in-depth understanding and hence, acceptance of diagnosis since it emerges in a setting of common language and symbols.

- They foster trust and collaboration between the participants and the trainers, and among the participants. This has positive implications for implementation of the action and is one of the key ingredients of OD.

Training can play a significant role in the modern business era. The discussions in the training workshops can provide important diagnostic insights, and the above illustrations highlight a few ways to tap this rich resource. It can be concluded that training workshop is a simple and effective way of moving toward a solution to the organizational problems. They not only equip the employees with the required knowledge and skills, but can help the organization in fulfilling the ultimate goal of OD, that is, improving the performance of the organization.

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## What makes people perceive and own problems?

S. Ramnarayan

Capability building, the primary goal of OD requires thoughtful initiatives and deliberate actions. While problems or challenges may exist, appropriate actions would follow only if organizational members own those problems or challenges. For instance, when forces of liberalization were set in motion in India in early 1990s, the organizations faced challenges with regard to enhancing product quality, minimizing costs, and building customer orientation. But not all employees in the organizations viewed the challenges as “their problems.” In other words, the employees of these organizations *did not own* those problems. In such situations, there is no “contact” between the organizational actors and the opportunities underlying these problems. Consequently, learning and capability building suffers. Thus, for any successful change initiative, it is important to examine the following:

- Do the organizational members perceive the “problem” in a given situation?
- Are all the organizational members willing to assume ownership of the problem?

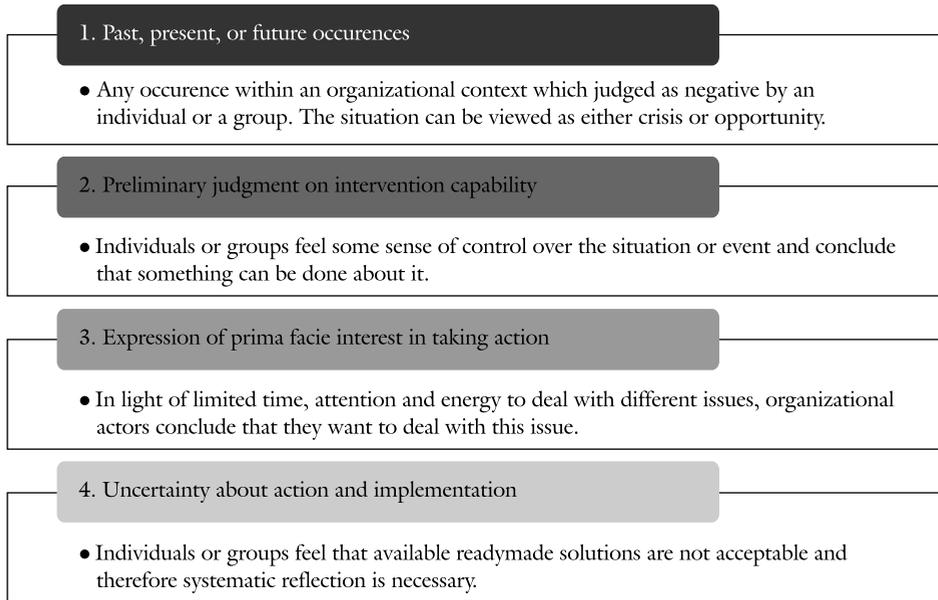
Depending upon the degrees of problem ownership, two levels of problem solving are as follows (Tucker, Edmondson, and Spear 2002):

1. **First-order problem solving:** Ownership is limited to overcoming immediate obstacles.
2. **Second-order problem solving:** Ownership is also assumed for the higher order problem of diagnosing and altering the underlying causes to prevent recurrence.

Depending on how the problem is perceived and responded to, capability building is enabled or prevented. When employees exhibit first-order problem solving, it effectively means that they have assumed ownership of only the lower order problem. In this case, they do not expend any more energy on a problem after obtaining the missing input needed to complete the task. They do not concern themselves with investigating and seeking to change the underlying causes. Studies have shown that as high as 90 to 95 percent of the responses to problems could be of the first-order problem solving kind (Tucker, Edmondson, and Spear 2002).

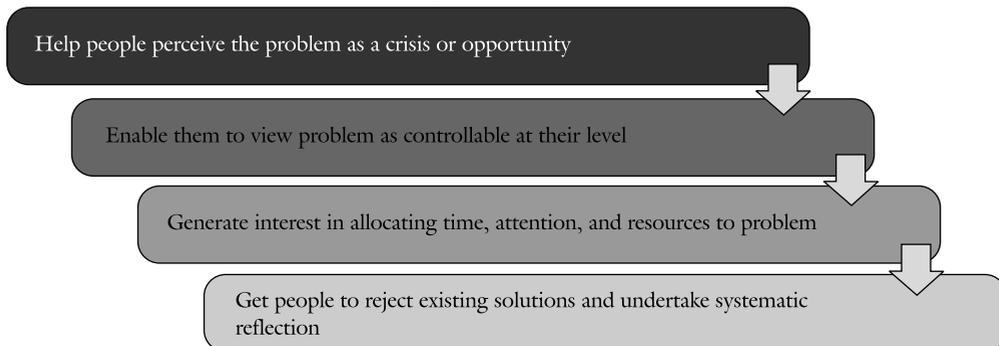
Facilitation of change mandates the change leaders to understand the processes underlying people’s recognition of problem and assumption of ownership. Figure 18.1 presents four interrelated conditions that signal the presence of a problem (Landry 1995). According to Landry, the judgments and choices that organizational members make on the four factors determine whether or not they see a problem and whether or not they feel that some action is necessary for adaptation. Figure 18.2 lists the four factors that can help create ownership of problem.

**Figure 18.1** Four Interrelated Conditions Signaling the Presence of a Problem



Source: Landry (1995).

**Figure 18.2** Four Factors that Lead to Ownership of Problem



Source: Landry (1995).

## **(1) HELP PEOPLE TO PERCEIVE A CRISIS OR OPPORTUNITY**

### **What Blocks Recognition or Ownership of Problem?**

- Lack of feedback from service users, superiors, and other stakeholders.
- Operation of department/group like a closed system which poses barriers to feedback.
- Resorting to first-order problem solving to fix the problem with superficial solutions without unearthing the underlying symptoms.

### **What Can Leaders Do?**

- Ensure that employees receive relevant and regular feedback from various stakeholders including customers and subordinates.
- Initiate regular benchmarking and peer comparison exercises.
- Inculcate a culture that motivates and encourages people to report problems or near-misses without being labeled as cynics or complainers.
- Utilize progress reviews and postmortems of change projects to identify, analyze, and discuss the root causes of the problems and their solutions.

## **(2) ENABLE PEOPLE TO VIEW ISSUES AS CONTROLLABLE AT THEIR LEVELS**

### **What Blocks Recognition or Ownership of Problem?**

- No/low access to necessary information to engage with the problem.
- Lack of assistance and cooperation from interdependent departments or leaders to resolve the problem.
- Absence of convenient communication channels to express one's views and ideas and enlist support of other organizational members.
- A sense of helplessness owing to the perception of low status/influence within the system for dealing with the issue. This is a particularly serious problem in large organizations.

### **What Can Leaders Do?**

- Break down the larger challenge into manageable components and assign clear responsibilities for different parts.
- Make organizational arrangements to facilitate communication and coordination. For example, instituting forums and methods for sharing information, views, and ideas and obtain assistance.

- Provide necessary resources, information, assistance, and support to organizational members to solve problems.
- Generate optimism and hope that improvements can result from the initiatives taken by the employees.

### **(3) GENERATE INTEREST IN ALLOCATING TIME, ATTENTION, AND RESOURCES**

#### **What Blocks Recognition or Ownership of Problem?**

- Lack of acceptance of risk inherent in problem solving makes organizational actors hesitant to commit resources.
- Narrowly defined role expectations lend a feeling that people would “cross wires” by initiating steps to diagnose the root causes.
- Preoccupation with routine urgencies may inhibit commitment to resources.
- According low priority to problem solving and making improvements because it requires expenditure of time, energy, and resources.

#### **What Can Leaders Do?**

- Communicate the importance of change agenda energetically and clearly.
- Engage in expectation setting to convey that employees would address the change issues.
- Link promotion, pay, and status to development of new ideas and skills.
- Make conscious efforts to shift the culture and norms toward greater risk taking and acceptance of genuine mistakes as a normal part of learning.
- Review work methods and assignments to enable employees entrusted with change initiative to devote their time and energy. For example, unnecessary work should be eliminated when new responsibilities are added.

### **(4) REJECTION OF CURRENT WAYS OF SOLVING THE PROBLEM**

#### **What Blocks Recognition or Ownership of Problem?**

- Absence of any direct external feedback that the solutions in vogue are unacceptable.
- Rigid boundaries across functions and hierarchical levels encourage people to stick to ready-made solutions.
- Any deviation from established routines may even be seen as invitation for trouble from other functions or from superiors.

## What Can Leaders Do?

- Become role models by challenging the status quo to change the perception of what is acceptable and what is not.
- Help people reflect on how the usual ways of dealing with the situation would not be able to achieve higher aspirations, and what the long-term consequences of the actions could be.
- Form cross-functional teams to help people broaden their outlook and realize the limitations of existing approaches.
- Reward and communicate successful change efforts to encourage people to try new approaches.

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## Enhancing capability for improving performance

S. Ramnarayan

Capability building is inextricably linked to learning capacity. Management theorists contend that learning capability is an amalgamation of individual and collective capacities to learn. Figure 19.1 lists Mathias and Brand's six dimensions of learning capacity.

Adler and his associates adopted a similar approach when they studied performance improvement in hospitals. They examined what elements constitute performance improvement capability (Adler et al. 2003). They identified five components of capability: *Skills, Systems, Structures, Strategies, and Culture* (refer to Figure 19. 2).

Adler et al. state that among the five components (skills, systems, structure, strategy, and culture), there is a hierarchical relation, as shown in Figure 19.3. The researchers found that though capability can be built by upgrading skills, advances tend to be modest without corresponding investments in systems. Changes in skills and systems would be limited unless organizational structures were also adapted. The "higher level" transformation in strategies and culture yielded far greater enhancement of capability. They also note that components of "higher level" components like strategy and culture typically took far longer than those at "lower levels" like skills and systems (Adler et al. 2003: 28).

The study (Adler et al. 2003) concludes that when the environments of organizations become complex and increasingly demanding, the organization's capability assumes critical importance in determining competitive standing and ability to consistently deliver excellent performance. Figure 19.4 presents a checklist for practitioners in deciding the areas of possible interventions with respect to five components of capability building.

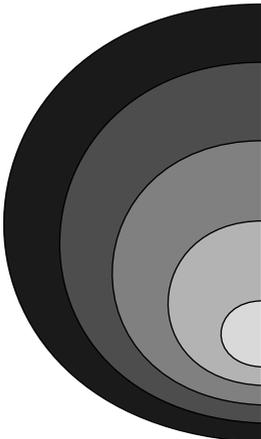
Learning and knowledge often tends to be associated with individuals. But as discussed, learning capacity is embedded in habits, structures, systems, processes, and culture. Change leaders in progressive organizations need to pay attention to all these aspects. They need to enhance aspirations of people, structure opportunities, create positive role models, design incentives, ensure support mechanisms, and engender feelings of hope and optimism. Most important, they need to help people perceive change as opportunity rather than as threat. People need to feel that they can venture into new areas successfully. Thus self-efficacy represents the foundation of capability building, and leaders must be able to function as efficacy builders.

**Figure 19.1** Six Dimensions of Learning Capacity

1	• Individual capacity to learn arising from factors like listening abilities and openness of mind.
2	• Collective capacity to learn resulting from group spirit, capacity to dialogue, and so on.
3	• Structural capacity to learn reflected in organizational characteristics such as decentralized structures and integration of line and staff functions.
4	• Cultural capacity to learn which refers to organizational norms and values.
5	• Capacity to learn resulting from the organization as work that favors individual and collective learning through project groups, and effective information systems.
6	• Capacity of the leadership to learn and promote learning by modeling right behaviors.

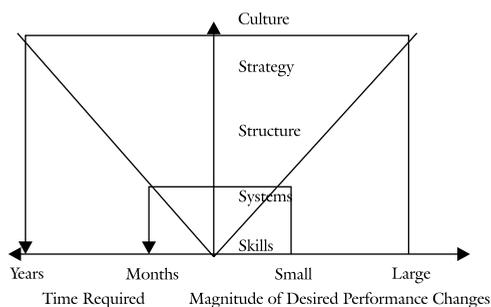
Source: Mathias and Brand (1999).

**Figure 19.2** Five Components of Capability Building and Their Expected Contributions

	Skills	<ul style="list-style-type: none"> <li>• Enable people to inquire into issues, disseminate learning and act effectively to make quick and effective improvements.</li> </ul>
	System	<ul style="list-style-type: none"> <li>• Provide mechanisms to exchange ideas and reach quick and effective decisions. They support and guide individual efforts to deploy skills effectively.</li> </ul>
	Structure	<ul style="list-style-type: none"> <li>• Clarify responsibilities and accountability mechanisms to channel attention to specific concerns and induce capacity for coordinated action.</li> </ul>
	Strategies	<ul style="list-style-type: none"> <li>• Reflect aspiration and goals. Help build will by clarifying the learning agenda, and provide the demand for generation of capability.</li> </ul>
	Culture	<ul style="list-style-type: none"> <li>• Bedrock for capability building efforts to survive and thrive. Ensures that the context is favorable for capacity building.</li> </ul>

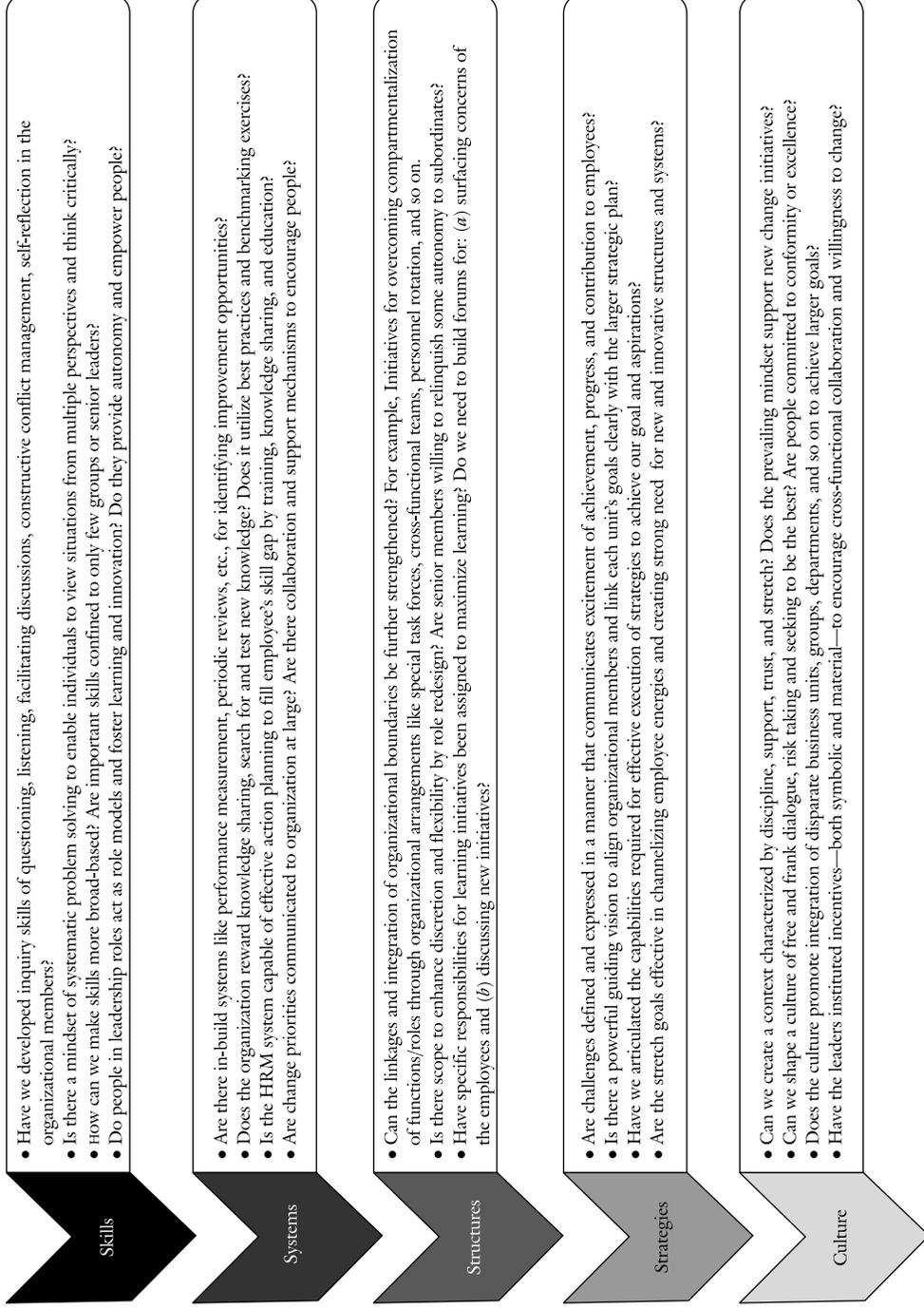
Source: Adler et al. (2003).

**Figure 19.3** Components of Capability Building: A Hierarchical Model



Source: Adler et al. (2003).

**Figure 19.4** Checklist for OD Practitioners vis-à-vis Components of Capability Building



**Source:** Neha Gupta prepared this checklist on the basis of Adler et al. (2003).

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## The five execution necessities

William C. Byham

Over the past few decades the valuation of organizations has evolved, with intangible assets including human capital, constituting a significant share. Many organizations have attained tremendous prominence, influence, and valuation without having to rely on major tangible assets to create value; think Microsoft, Google, eBay, or Infosys. With this change has also come the accepted wisdom that an organization's talent is not only an important differentiator, but also a tremendous competitive advantage, and, arguably, the only sustainable competitive advantage an organization today can hope to have.

Yet, on the whole, organizations have amassed a lackluster track record for implementation success and have failed to see the desired results, which often include measurable business impact. Consider the following:

- Estimates of success rates for organizations when implementing strategic plans range from just 10 percent to 30 percent.
- According to a report by Price Waterhouse Coopers, about 75 percent of organizational change programs fail as employees feel left out of the process and end up lacking the motivation, skills, and knowledge needed to adopt new systems and procedures.
- Similarly, in an article published in the *Harvard Business Review* Michael Beer and Nitin Nohria concluded that “about 70 percent of all change initiatives fail.”
- Our research at DDI on HR practices indicates enormous room for improvement in the application of hiring, leadership development, and succession management initiatives. For example, in one study, more than 50 percent of survey respondents rated their organization's succession management system 5 or lower on a 10-point effectiveness scale (10 = highly effective). And in another study, just 23 percent of respondents were satisfied with their company's leadership development efforts.

What’s behind this tendency toward failure in the adoption and use of people systems? I would contend that it’s not a lack of good intentions or even a lack of effort. Instead, it’s failing to follow through focusing on “installation” as opposed to full-scale execution of the solution or initiative. This amounts to quitting before reaching the finish line.

## THE FIVE EXECUTION NECESSITIES

In our work with thousands of clients around the world during our nearly 40-year history, we at DDI have identified five “execution necessities” that need to be included in any people system solution. These five, include: Communication, Accountability, Skills, Alignment, and Measurement. All five are equally important; leave out any piece of the puzzle, and the intended results will not come to pass.

### Five Execution Necessities for Ensuring Success of People System Initiatives—DDI (Development Dimensions International) Model

#### 1. Communication

<i>What it means?</i>	<i>How it will be done?</i>
<ul style="list-style-type: none"> <li>■ Defining and making the business case for the solution</li> <li>■ Crystal-clear case for why the organization should commit to the investment</li> </ul>	<ul style="list-style-type: none"> <li>■ Tying the business case to the organization’s business drivers. Examples:               <ul style="list-style-type: none"> <li>○ Increased market share</li> <li>○ Reduction of key talent turnover</li> <li>○ Improved leadership capability</li> </ul> </li> <li>■ Clearly defined solution, investment requirements, and expected outcomes</li> <li>■ Consistently advocate, cajole, recognize, reward, and encourage all key employees</li> <li>■ Senior executives acting as champions or “articulate advocates”</li> </ul>

#### 2. Accountability

<i>What it means?</i>	<i>How it will be done?</i>
<ul style="list-style-type: none"> <li>■ Clearly spell out accountabilities for the ultimate success</li> <li>■ Assign to the right people</li> </ul>	<ul style="list-style-type: none"> <li>■ Defining accountabilities</li> <li>■ Clear, top-down accountability plan</li> <li>■ Establishing measures of success</li> <li>■ Cascading accountabilities—both for leaders and those involved in implementation</li> <li>■ Hardwiring regular reviews of performance</li> </ul>

### 3. Skills

<i>What it means?</i>	<i>How it will be done?</i>
<ul style="list-style-type: none"> <li>■ Building implementation skills of those accountable for execution</li> </ul>	<ul style="list-style-type: none"> <li>■ Train not just in necessary concepts and skills, but also coach in their application</li> </ul>

### 4. Alignment

<i>What it means?</i>	<i>How it will be done?</i>
<ul style="list-style-type: none"> <li>■ Relevant processes and systems to be diagnosed for barriers that could impede or prevent expected outcomes</li> </ul>	<p>Aligning systems and processes such as:</p> <ul style="list-style-type: none"> <li>■ <b>Selection and promotion</b>—Do the hiring and promotion systems help select people who can help achieve the desired outcomes?</li> <li>■ <b>Compensation</b>—Is the pay system reinforcing the right or wrong employee behaviors?</li> <li>■ <b>Recognition</b>—Do the recognition efforts target specific behaviors that support the success of the initiative?</li> <li>■ <b>Information Technology</b>—Do we have the right IT systems in place to provide and share the information needed to support a new people systems process?</li> </ul>

### 5. Measurement

<i>What it means?</i>	<i>How it will be done?</i>
<ul style="list-style-type: none"> <li>■ Establishing measures to gauge the success</li> </ul>	<ul style="list-style-type: none"> <li>■ Not limiting the measurement to indicators of installation success such as learners trained or level of user satisfaction.</li> <li>■ Identifying and establishing measures that consider both lead<sup>1</sup> indicators and lag indicators.<sup>2</sup></li> </ul>

## NOTES

1. Lead indicators are prospective in nature and indicate the performance of the key work processes, culture, and behavior, or the working of protective barriers between hazards and harms, that are believed to control unwanted outcomes. They help in taking preemptive actions. For example, “Satisfied/Motivated Employees” is a (well-proven) Leading Indicator of “Customer Satisfaction.”
2. Lag indicators are retrospective measures based on incidents that are determined as unwanted outcomes. Generally, the lag indicators representing harm to people or assets are the ultimate evaluation of proactive monitoring. For example, “Complaints Received” or “Customer Satisfaction” can be described as Lagging Indicators of performance.

## Future search: Collaborating for change

Marvin Weisbord<sup>1</sup>

### INTRODUCTION

We use “Future Search” to describe three realities:

1. A planning conference that aims to help large diverse groups discover values, purposes, and projects they hold in common;
2. A theory and philosophy of facilitating summed up as doing less so that participants will do more;
3. A strategy for changing the world, one meeting at a time, making it possible for anyone to participate anywhere in world.

The Future Search *meeting* is designed according to principles that enable people to work together without having to defend or sell a particular agenda, thus opening the door to creativity and new opportunities. It usually involves 60 to 70 people—enough to generate multiple perspectives while engaging everyone in dialog at every step. The optimal length of the conference is about two days spread over three to make a notable shift in mutual trust and confidence in capability. The task is always labeled as “*The future of \_\_\_\_\_ X \_\_\_\_\_*” where *X* could be an organization, team, community, NGO, etc.

A Future Search conference may enable:

- A common understanding of features of history, organization, group, etc., to identify common grounds
- A shared vision and practical action plans among diverse parties
- A map of world trends affecting the whole group
- Joint assessment by stakeholders of their strengths and areas of improvement
- A commitment to implement a vision or strategy that already exists
- Rapid action on complex issues where no coordinating structure or shared vision exists

Future Search is especially helpful in uncertain, fast-changing situations. It provides a process whereby people can bridge gaps in power, status, culture, class, gender, ethnicity, and hierarchy as they work as peers on tasks of mutual concern. Thus, it facilitates collaboration among people despite differences of culture, class, gender, age, race, ethnicity, language, and education.

The focus can be on a wide range of purposes (for example, economic, technological, and social) and participants require no prior training or expertise. The method has been employed in communities, schools, hospitals, churches, government agencies, foundations, and NGOs. It has been used to help: organize the demobilization of child soldiers in Southern Sudan, develop an integrated economic development plan in Northern Ireland, work with a Hawaiian community to reconnect with traditional values, and determine the future of urban mobility in Salt Lake City, Utah, among many other examples. Through the Future Search process, many communities and organizations discovered capabilities they did not know they had and took actions they thought were impossible.

## **FUTURE SEARCH MEETING DESIGN**

The four key principles underlying the design of a successful Future Search meeting are:

- Getting the “whole system” in the room.
- Exploring the same global context (“whole elephant”) as a backdrop for local action.
- Focusing on the future and common ground rather than conflicts and problems.
- Self-management and personal responsibility for action during and after the conference.

People follow a generic agenda, regardless of topic. It consists of four or five half-day sessions on the *Past*, the *Present*, the *Future*, *Common Ground*, and *Action Planning*. The techniques used—time lines, a mind map, creative future scenarios, common ground dialogue—are all managed to support the guiding principles. People need no special training, orientation, vocabulary, or background to participate in the conference. They work in small groups, make reports to the whole, and join in whole group dialogues on what they are learning.

Future Search managers practice a “hands-off” approach to facilitation, encouraging people to share information and draw their own conclusions. They are rarely involved except to help people clarify goals or to handle situations that might result in conflict or flight from the task.

The most common causes of failure are:

- Unclear goal.
- Non-interdependent groups (people who do not need each other).
- Issues on which most participants do not wish to act.
- Key actors missing.

- Allowing too little time for the size of the task.
- Overactive/controlling facilitation.

## COULD THIS NEW PARADIGM BE AN OLD ONE?

Future Search follows the way human beings for generations have come to decisions. Tribal leaders in Uganda today still get all the stakeholders sitting in one place, talking it over, understanding each other. Such a process has been used for ages by societies that haven't had more formal mechanisms. That's what Future Search does. It brings simplicity to the process of deciding and acting.

—Sharad Sapra, UNICEF Representative, Uganda

Eric Trist, my friend and guide for many years, observed decades ago that workplace innovations had lives of their own. They rarely spread within the organizations that pioneered them. As word got around, though, the underlying ideas became public, and many distant workplaces benefited. There is a term for this phenomenon—"morphic resonance"—that, despite my distaste for jargon, I like very much. It was coined by Rupert Sheldrake, the molecular biologist and maverick scientist, in 1988 to describe how (perhaps) things change in nature without anyone's deliberately changing them.

Take flying. From the beginning of recorded history, people aspired to soar like birds. Nobody could do it until two bicycle mechanic brothers named Wright built and flew a workable flying machine. After that, anyone could become an eagle in 10 hours. (In 1953, I actually did.) Until Roger Bannister ran an under-four-minute mile in 1954, that feat was thought beyond human limits. Now thousands have done it. In 2009 a bear in New York State's Adirondack Mountains taught itself to open campers' complex "bear proof" food storage containers. Soon many other bears, formerly stymied, were cracking the safe and helping themselves to peanut butter and jelly.

So it is with large groups doing strategic planning. Before "chaos theory" became management lingo (Wheatley 2006), most people were understandably skeptical of crowds of strangers interacting, sharing information, planning, and committing to action—all without being exhorted by zealots or preempted by experts. As more people learn to do something, however, it becomes easier for others even without prior exposure. The capability travels through space and time by processes not well understood, though you can observe the effects. When we say that a trend is "in the air," we are talking about morphic resonance.

By the end of the 20th century, Sandra Janoff, I, and many colleagues came to understand the transformative power of "the whole system in the room." We recognized that a simple act—inviting the right people to an interactive meeting, something the average person could do without years of training—opened the door to constructive, time-efficient actions that no one could plan, program, or specify as "deliverables." The more we did it the easier it got for others. As a result, tens of thousands of people who once had the word "meeting" equate with "frustration" had attended highly productive forums.

## WHY FUTURE SEARCH “WORKS” (MAYBE)

It is important also to note two phenomena related to the rapid spread of Future Search. First was the discovery that so many people, regardless of education, age, ethnicity, or status, could join in Future Searches without needing new skills. You don't have to be a systems thinker or an expert in anything but your own experience. Second, Future Search spontaneously bridged cultural boundaries none of us had set out to cross. In the 1970s, I had learned how problematic it was to adapt business-based methods to colleges, universities, and medical schools, not to mention cultures not my own. Yet, Future Search Network members—applying the same principles everywhere—had helped participants from an encyclopedic list of the world's cultures take charge of their futures.

We had stumbled on a meeting methodology that people were using to validate their own traditions. Unity Church clergy, for example, adapted Future Search to congregational renewal, saying that the underlying principles embodied the core tenets of their faith. Many Episcopal and Methodist clergy came to the same conclusion. The Jewish Reconstructionist Federation undertook a Future Search, saying it represented “Reconstructionism in action.” A director of the US Army leadership center incorporated Future Search into officer training because the balance between structure and open-ended possibility seemed peculiarly suited to military officers.

In Hawaii the planning committee for Ko'olau Loa, a community on the North Shore of Oahu, concluded that Future Search enabled a return to traditional Hawaiian values of the oneness of mind, body, and spirit. Quoting the elders, Sandra wrote:

Future Search is a way to reconnect with the experience we had when we lived together in small communities and needed each other to survive, to practice our rituals, to celebrate, to grieve, and to grow our children. When we lived in contact with the seasons and the earth, we were interdependent. No one had to define it, teach it, or preach it. (Janoff 2003)

In Singapore, participants of Chinese descent said that they experienced in Future Search a recreation of traditional community values of mutual support and cooperation. In India and South Africa, people cited the experience of community that reminded them of deeply felt cultural traditions.

There were other clues that something out of the ordinary was happening. We were surprised at how many groups adopted their “mind maps” of trends affecting them as totems of a sort, putting them in reports, on the internet, and on the wall back at the office. We were equally surprised that the time lines had universal appeal, and that dramatizing ideal futures gained wide acceptance, even in business firms. We often were astonished to see staid executives laugh, dance, and play act, displaying a talent for serious fun nobody knew they had. Here was a bank president in shoulder pads and football helmet leading the charge toward a brighter future. There was the information technology VP on simulated television attributing her company's success to becoming a close knit community 10 years earlier. It was as if participants used Future Search to evoke ancient archetypes that had great meaning right now.

## **WHY WAS THIS HAPPENING?**

We were tapping into something lodged deep in the human psyche. I am confident this could not happen if people first had to acquire skills and attitudes they did not already have. Far from adding new pressures into the field—theories, concepts, and strategies to be mastered, conflicts to be managed, and problems to be solved—we were stripping away group dynamics technology a layer at a time. In Kurt Lewin's terms we had reduced the restraining forces enough so that the skills, experiences, and motivation people already had would sweep them toward the futures they really wanted. We had got people doing real-time action research on themselves. We were actualizing Lewin's values while letting go concepts and techniques that had served us well for two decades and needed updating in a world of full-time change.

I would like to think that this marked the beginning of the end of increasingly complex strategic management programs. By 2010 I became more certain than ever that complex situations call for simple ways to help people cooperate. I know that many of us by the turn of the century believed that in the drive toward faster, shorter, cheaper, we had greatly increased the pressure on ourselves for fancier techniques to keep up. We also were building up unconscious restraints in ourselves and others. What we labeled "resistance to change" could be renamed a healthy reaction of organisms pushed beyond their design limits. We didn't need better tools for handling resistance. There was a part of us yearning to transcend the tyranny of technology, the pressure for growth and achievement, and the relentless compression of time. Future Search offered one forum for accepting ourselves and working with each other as is.

## **MYTH, ARCHETYPES, AND THE COLLECTIVE UNCONSCIOUS**

Future Search to be so widely embraced must be serving universal needs. That realization pointed me toward its mythic aspects. Looked at one way, Future Search was just another planning meeting. From another angle, it could be seen as a secular rite of passage, enabling people to make a perilous journey from one place to another, to do things this week that were unthinkable a week earlier. Its rituals were the time lines, mind maps, "prouds and sorries," and "common ground wall." Its myths were fanciful stories dressed up as "preferred future scenarios."

For people from homogeneous cultures, the secular myths and rituals evoked familiar cultural processes that celebrated community milestones. In cross-cultural Future Searches, the processes provided a neutral bridge that diverse people could walk to find each other. Because the rituals belonged to no one culture, they could be owned by all. It was as if people used the Future Search to recreate their own cultural contexts, projecting onto an empty screen labeled "past, present, and future" what they valued most. Far from being a "new paradigm," perhaps we had inadvertently tapped into our common heritage on earth, dating to when every tribe lived by myth, ritual, and the changing seasons.

## REDEFINING FUTURE SEARCH

Then, in 1995 I attended a seminar on “Redefining Health,” a program of TAI-SOPHIA in Columbia, MD (formerly The Traditional Acupuncture Institute). I was startled to discover parallels between Future Search and the ancient Taoist philosophy underlying Chinese medicine. In this metaphorical system there are five seasons, each matching an element in nature—fall = metal; winter = water; spring = wood; summer = fire; late summer = earth. We were asked to apply this system to situations in our lives. Each season has a condition associated with “effective actions for life.”

The seasons/elements were laid out in a circle on a large chart in the middle of the room, rather like a hop-scotch area chalked on the sidewalk. Volunteers selected an issue in their lives. Starting in “Fall,” they moved around the seasons, pausing at each point to speak from that perspective—honoring all concerned in FALL, inquiry and unknowing in WINTER, a clear vision in SPRING, partnership in SUMMER, and, in LATE SUMMER, mutual agreement about what to do. (Acupuncturists who practice this way intend that people experience the five conditions during treatment. To be whole and energized is to know all five states.)

Watching the first volunteer walk the seasons, describing his relationship with a daughter, I felt a tingle of excitement. His personal journey exactly paralleled the five phases of Future Search! We start by honoring the past experiences of every person in the room. We make a mind map of global trends as the basis for further inquiry into the complexity of our world. We move to common ground and dramatic visions of a future people are willing to work for. Finally, we seek voluntary partnerships, agreement, and action commitments. This cycle of experience, I realized, had been known for thousands of years. Over a few decades we had replicated it experimentally with no awareness of other origins, perhaps in the collective unconscious (refer to Table 21.1).

**Table 21.1** Different Systems, Congruent Goals

<i>Ancient wisdom</i>	<i>Future search</i>
<u>Season—Ongoing Conditions</u>	<u>Phase—Purpose</u>
FALL—Honoring all; insight into who each person is in this situation.	PAST—Validating every person’s experience; creating a shared context.
WINTER—Knowledge; willingness to be in inquiry/unknowing.	PRESENT—Exploring the unknown; mutual inquiry and discovery.
SPRING—Seeing your vision with clarity and intent.	FUTURE—Living our dreams; internalizing what we really want.
SUMMER—Opening the heart to create partnership.	COMMON GROUND—Confirming shared aspirations and values.
LATE SUMMER—Mutual agreement about what would be of service.	ACTION—Cooperating on next steps toward a future serving all.

I cannot prove that Future Search comes from an archetypal place. However, I have little doubt researchers will follow up my hypothesis. Someday we may see formal evidence that Future Search and similar methods succeeded not because they changed the paradigm so much

as they helped people refocus on what had always been fundamental to our species—dignity, meaning, community, and productive work. In a tidal wave of change, most of it self-made and much of it self-defeating, many people were eager by the dawn of the 21st century to recover those parts of our shared experience that made working together one of life’s joys.

## NOTE

1. This text originally appeared in two published works noted at the end (Weisbord 2004; Weisbord and Janoff 2010) and has been used with permission.

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## Reflections on whole system change

Santhosh Babu

This chapter is about my experiences with organization transformation process with emphasis on Whole System Change. What is meant by whole system change? It is a process that engages people from all aspects of a system—organization or community to enable emergence of what is most important, individually and collectively and increase the likelihood for achieving it by growing people’s capacity to care for themselves, others, and the whole system. The definition implies that the intervention:

- Touches all aspects of a system
- Focuses on emergence of what is most important individually and collectively
- Emphasizes developing people’s capacity to care for oneself, others, and whole system

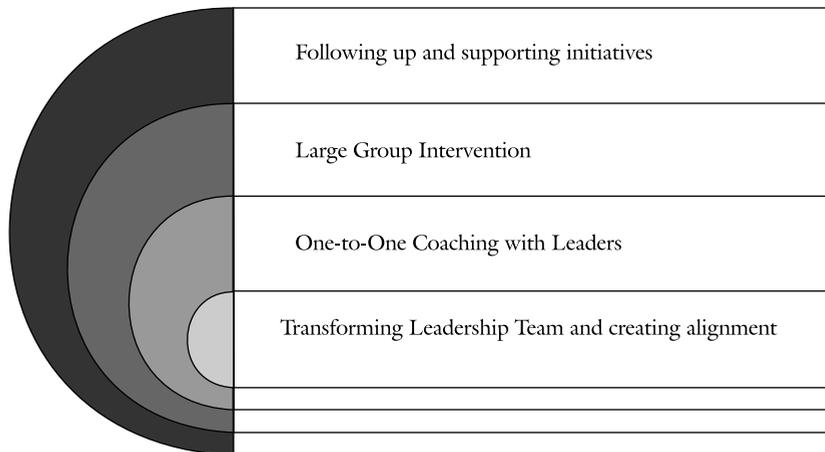
The elements of Whole System Change process as outlined in Figure 22.1 are:

1. Transforming Leadership team and creating alignment
2. One-to-one Coaching with Leaders
3. Large Group Intervention
4. Following up and supporting initiatives

### LEADERSHIP INTERVENTION

Leadership in this context is the ability to create a new possibility that would not have happened as a natural extension of the past. Remember, Edison did not create the electric lamp by improving the candle, he created a new possibility. *The Leadership approach is based on the premise that future is not a logical extension of the past.*

**Figure 22.1** Elements of Whole System Change Process



Source: Internal resources of OD Alternatives.

## Do We Need a Leadership Intervention?

Unless the leadership team is committed and willing to drive a transformation initiative, creating and sustaining change becomes difficult. Thus, transformation initiative begins with the Leadership Team.

## Our Approach to Leadership Intervention

Once we engage with the client, we start our deep structure interviews with key stakeholders and members from all parts of the organization. This process helps us tap people’s aspirations, concerns, thought process, and beliefs about the current situation. Then, we move to our next phase which is a three day intense workshop with the leadership team. The workshop focuses on achieving the following objectives:

- Identifying the core strengths, the positive DNA or the life giving force of the organization
- Creating a powerful “Positive Future”
- Creating First steps to move toward the Aspiration

We believe that the leaders need to walk the talk and manifest a powerful future into the present and act “as if” the change has occurred. During the course of session, the leaders also gain insight that this is not just an organization transformation journey but also their leadership and personal transformation journey. The journey is similar to how Joseph Campbell describes the journey of “the Hero Myth.”

Campbell said that the story always began with an Everyman just living his humdrum life. Suddenly and unexpectedly, either by chance or by choice, he is either pulled out of his ordinary life or chooses to leave his ordinary life to launch into a great adventure, whose ending he cannot know at the beginning. The adventure, according to Campbell, then goes through several specified stages.

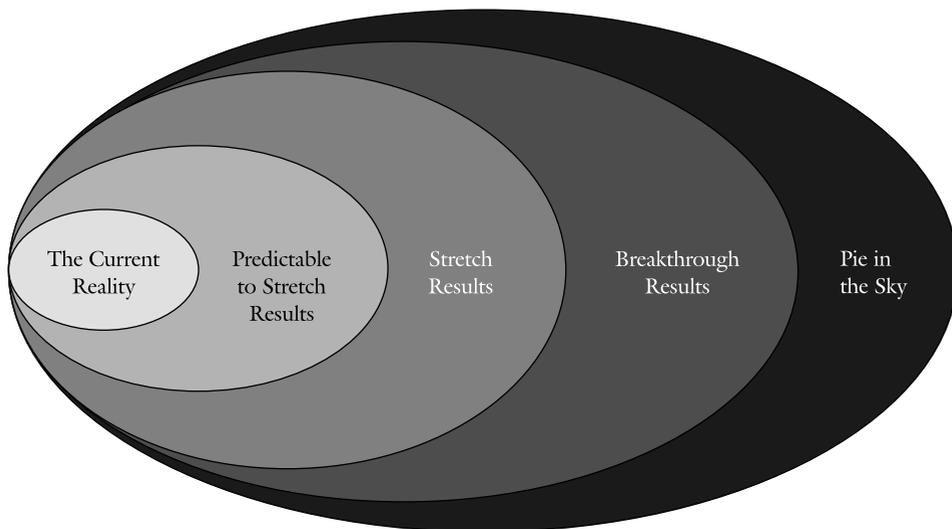
Striving for his goal, the hero is challenged to his limit, reaching a peak culminating experience, that Campbell calls a “supreme ordeal.” The result is that the hero “gains his reward” and is forever changed by the experience, and the transformation is complete. We relate this to our breakthrough model of leadership where a leader might not know the challenges he needs to face to reach his goals.

It is important to mention here that the leadership offsite focuses on the following points:

- Leadership is about making a difference versus merely being successful.
- Leadership arises in taking a stand that a difference can be made, not studying characteristics and traits.
- Leadership is about creating what never existed before, versus managing what already exists.
- All you have as a leader is “who you are being” in any given moment.

We also look at what would be a breakthrough for the organization and for individual leaders. A breakthrough is something that you will not get as a natural extension of the past

**Figure 22.2** What is a Breakthrough Result



**Source:** Internal resources of OD Alternatives.

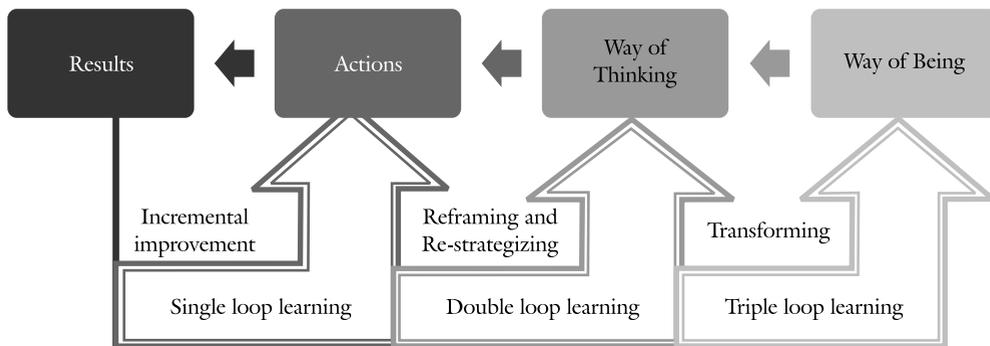
or by merely stretching yourself. Therefore there is a current reality, a stretch possibility and a breakthrough. Beyond breakthrough, there could be something that we call a pie in the sky, that is, impossibility. Organization Transformation requires complete commitment, and ownership at the leadership level.

## COACHING

In the context of Whole System Transformation, our coaching focuses on triple loop learning among the leaders rather than merely trying to create behavioral changes.

Let me explain three types of learning (Figure 22.3).

**Figure 22.3** Three Types of Learning



**Source:** The concept is based on the works of Gregory Bateson, and is extended by Chris Argyris, Donald A. Schon, and Peter Senge.

### Single-loop Learning (Incremental Learning)

Single-loop learning refers to learning new skills and capabilities through incremental improvement, doing something better without examining, or challenging underlying beliefs and assumptions.

### Double-loop Learning (Reframing)

Double-loop learning occurs by fundamentally reshaping the underlying patterns of our thinking and behavior. As a result we are capable of doing different things. This goes beyond single-loop or incremental learning.

## Triple-loop Learning (Transformational Learning)

Triple-loop learning involves transforming who we are by creating a shift in our context or point of view about ourselves. It involves *learning how to learn* by reflecting on how we learn in the first place. This is about learning how our “being” influences our beliefs and thus our actions.

## WHAT IS LARGE GROUP INTERVENTION? WHAT ARE ITS KEY CHARACTERISTICS?

Marvin Weisbord and Sandra Jannoff exposed me to Large Group Interventions. The origins of Large Group Intervention (LGI) can be traced back to 1960 when the British government had merged Armstrong–Siddeley, a piston engine company, with Bristol Aero Engines, a pioneer of jet engines, to create Bristol Siddeley. The new company was competing with Rolls-Royce to be market leader in jets. Bristol Siddeley’s problem was the lack of common plans and strategies and they wanted to create unified strategy, mission, leadership, and values. Eric Trist and Fred Emery were brought in as consultants. Based on their work with Wilfred Bion, they developed the first Search Conference as a way of “unlocking the internal forces of the group.” The group spent 5½ days together, involved 11 stakeholders and the event became known as the Barford Conference, and inspired the development of Future Search.

The term LGI covers a wide range of methods, from the very structured (Future Search, Conference Model, Search Conference) to those that are almost open (Open Space) and everything in between (such as Real Time Strategic Change, World Café, Participative Design). All the Large Group Intervention Methodologies believe in the System Thinking principles.

- An organization is a complex puzzle.
- No single person or group understands the entire puzzle but everyone holds a piece of the puzzle that is important to the overall picture.
- When viewed collectively, the pieces provide a more holistic understanding of the system and its potential for change.
- To understand the entire puzzle, all piece holders (larger groups) must meet and work together.
- If everyone is working on the system together to implement the change, it will happen more quickly and effectively.

My training as an ecologist helped me to look at organizations as complex living systems and I knew that unless I got the whole system in one room, organization transformation would be difficult.

While there are many methodologies under the umbrella of LGI, the commonality is that they are essentially collaborative inquiries into what is important in the organization life cycle. All LGI methodologies advocate inclusiveness and widespread participation in the change process. These methodologies have been used in areas like organization development, organization redesign, restructuring, strategic planning, visioning, values and principles clarification, process improvement, customer/supplier relations, mergers and acquisitions, and leadership development.

These approaches have several defining characteristics. They are best used when:

- Time is of the essence
- The issue is complex
- The purpose of the intervention is clear
- There is committed and involved leadership
- Benefits can be reaped from stakeholder involvement and ownership
- A design team that is representative of the whole is engaged to develop the content and process pieces of the intervention as well as its follow-up, support, and communications plan

Although large group methods possess a common set of fundamental beliefs and values, they vary in terms of structure, facilitator's role, purpose of session, optimal number of participants, length of intervention, number of sessions, etc.

## **WHY DO WE USE AN LGI FORMAT?**

Traditional, top-down change models have two major drawbacks: They create resistance, and they require a great deal of time to implement. LGIs avoid these two pitfalls. Unlike the traditional approaches, LGIs engage the whole system at a single point in time. Because they are based on collaboration, shared information, and system integration, LGI models encourage the simultaneous participation of many individuals across the organization, and thus help to reduce resistance, inspire motivation, and build strategy ownership across the entire system. The most important aspect of LGIs is that, diverse stakeholders coming together create whole system change faster.

## **Easy to Explore the Complexity and Totality**

Organizations and communities are complex living systems where every component of the system is inter-linked and connected. By bringing all parts into one room, we explore the complexity of the system. This also helps each part of the system to understand and empathize with another part. Whole systems perspective involves understanding how all factors

(people, processes, sub-systems, and technology) within the system relate to each other and to the whole.

## **Preparation for the LGI**

A small group of four to five people gets formed in the leadership workshop and they are involved in the design of the event. This is done as a two and half day event where we begin at noon on the first day and end at noon on the third day. Most of the leaders want to have control of what is happening and control of the outcome and hence it becomes imperative that we orient them and explain the principles of the LGI, especially concepts like:

- Truth is subjective. Even if my “truth” differs from your “truth,” it does not mean that one of us is lying. We can learn from each other’s vision and perspective through dialogue. Differences can be enriching and enlightening.
- Learning from each other, developing a common knowledge system is fruitful in itself and has an energizing effect.
- Facilitator’s role is to manage the space and time and there is minimal intervention thus maximizing participation and self management.

Below are some of the cases where we have used this model of leadership intervention and LGI to create organizational change and transformation.

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### **Case 1: Airtel Maharashtra and Goa Circle 2004**

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Christopher Tobit was appointed as the COO of Maharashtra and Goa circle of Airtel in 2004 and Airtel was the third-largest operator in terms of revenue at that time. A strong believer of OD and people empowerment, Christopher started a Whole system Transformation initiative that touched every employee of that circle. We started with the leadership offsite followed by a one and half days offsite involving different hierarchy and functions. We did a total of eight workshops to cover the entire organization.

Christopher was present in all the workshops and demonstrated how committed he was to create a new possibility. In one year Airtel moved up and became the number 2 operator in the region.

According to Christopher who is now the CEO of the Airtel joint venture in Bangladesh:

The biggest challenge to achieve revenue market leadership in M&G, was getting the organization to believe in its individual and collective ability to do so. The team lacked self belief and was finding it difficult to face the enormity of the challenge. In the first year we focused on network and distribution, and on people and strategy. Processes were re-written and re-engineered.

In terms of revenue market share we started recording big gains towards the end of Year 1, as we expanded the network and the sales team developed confidence after early successes. New town launches were templated and we became execution machinery. Every success brought new levels of confidence.

My biggest learning is that any team of average members can produce extraordinary results. What is required is leadership, vision, strategy, execution ability and most importantly—self belief.

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## Case 2: Airtel NESA

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Airtel NESA (North East States and Assam), in spite of being the youngest circle has evolved as one of the best performing circle with strong market leadership. NESA's biggest challenge was talent availability.

During the course of leadership intervention which was planned as a two and half day offsite in Kaziranga, in 2009, the leaders committed to a new possibility that was more than what they had just agreed in their Annual Operating Plan. Here we created a distinction between aspiration and goal and the aspirations of all the Executive Committee (EC) members were more than the goal that they had agreed for that year. The workshop was only for the EC members.

After the offsite, the 14-member team went through one-to-one coaching over the phone for the next 3 months. The coaching sessions helped them to tap their potential, increase awareness and create focus.

This was followed by 2 large group events each having around 80 people. The participants were all from mixed hierarchy and function. Each table had eight people and we tried to make each table a microcosm of the whole system. The focus was to find out what is most important individually and collectively and how we develop capabilities to improve and nurture the system.

Typically our LGI starts after the lunch on the first day. The first half day was spent doing three things:

1. Sharing the concepts and assumptions like
  - i. What we focus tends to get expanded, so it is important to know where to focus.
  - ii. Without listening to each part, we cannot understand the system fully.
  - iii. Listening to each other and co-creating is the task here.
2. Exploring the strength of the individuals and the system, what aspects give life and what is the core positivity. This is done with minimal interference from facilitator creating principles of self management in small groups.
3. Synthesizing key themes emerged and presenting to the larger group and agreeing on a collective understanding on the key strengths and potential.

The next day we talked about the breakthrough leadership concepts focusing on the importance of having a vision that is not an extension of the past, the ability to enroll others to this vision and walking the talk and role modeling.

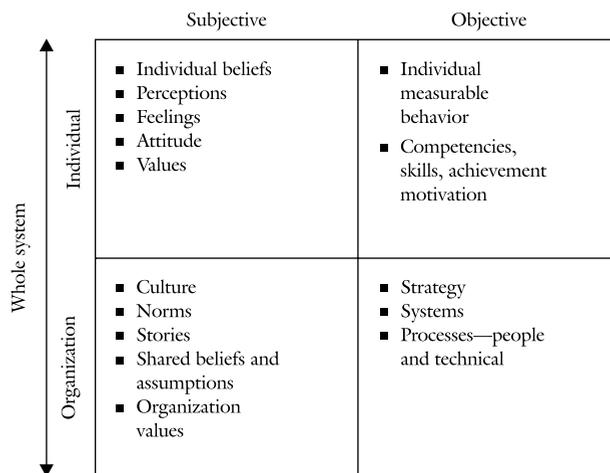
After this concept sharing session, participants got into mixed groups and explored what would be a power dream, vision for Airtel NESAs. This dreaming was done for the next five years. Once we had a five year dream, we asked participants what they need to be doing this year to reach their dream. Most of the time participants express their dreams in the form of skits, poems, posters etc. and this helps to tap their creative wisdom.

After the one year goal, we divided participants in their respective functions to create aspirations for their specific functions and initiatives that could lead them to the aspirations.

By the evening each function presented their aspirations and initiatives they would be undertaking to reach their breakthrough aspiration.

On the third day, we started with sharing the integral model of an organization and discussed the subjective and objective changes (outlined in Figure 22.4) that we need to create in the subjective and objective parts of the organization at an individual and system level. The session ended at lunch time with some of the functional leaders and participants making declarations about what possibility they would create at Airtel NESAs.

**Figure 22.4** Subjective and Objective Changes in the Whole System



Source: Adapted from Wilber (1996).

Looking back Airtel NESAs has created some major breakthroughs in the last two years.

1. Highest incremental RMS
2. One of the highest Customer SAT Scores
3. Best in class employee SAT score

4. Only Circle to deliver revenue and profitability beyond Annual Operating Plan
5. Consecutive 2 years of CSR champion award

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### **Case 3: Nilambur Panchayat in Kerala**

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Even though dowry is illegal by law, it is an integral part of the religious and cultural customs in Nilambur Panchayat in Kerala. Dowry plays havoc with the economy of these households and families often need to sell their houses to give dowry. There are around, 15 dowry marriages conducted in a week in small income families. The minimum dowry tends to be around ₹1 Lakh and 20 sovereigns of gold which is equivalent to ₹3 lakh. The families raise this money by mortgaging their houses in the banks or going to private money lenders. At an average rate of 15 marriages in a week, ₹45 lakh is the debt amount overflowing in the society. In a year it adds up to a whopping ₹24 crores.

This is the story of a single Village panchayat. Mr Arcadian Shoukath, the Panchayat president narrated this story to me. He is also a progressive leader and a filmmaker. We first met the leaders in the Panchayat and explained our methodology and approach. After working with key leaders in November 2008, we did an LGI in January 2009. The gathering had all the diverse stakeholders of an ideal community. This was done over two and half days and the group had students, teachers, senior citizens, housewives, full-time members of political parties, and religious leaders. On top of a small hillock, under a temporarily built shack, one hundred people spent two and half days telling stories, sharing dreams and planning the future of the Panchayat. We used Appreciative Inquiry as a tool here.

The tool, appreciative inquiry turns the problem-solving approach on its head. It focuses on a community's achievements rather than its problems, and seeks to go beyond participation to foster inspiration at the grassroots level. Appreciative inquiry is a strategy for purposeful change that identifies the best of "what is" to pursue dreams and possibilities of "what could be." It is a cooperative search for the strengths; passions and life-giving forces that are found within every system—those factors that hold the potential for inspired, positive change.

So through the stages of Discover, Dream, Design, and Deliver, the microcosm of this Panchayat plunged into this ambitious goal of making it a dowry-free place. Today they have a Web site <http://www.dowryfreemarriage.com>. The dowry marriages have decreased dramatically.

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### **Case 4: Bausch and Lomb**

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The members of the Bausch & Lomb senior Leadership team went through a leadership intervention as a kick off for their transformation process. Participants decided to create a new possibility that was not merely an extension of the past and beyond what they had planned in their Annual Operating Plan. The leadership team also decided to involve the whole system in the annual planning meeting and hold the meeting as a LGI.

The entire sales organization and other key stakeholders, around 120 people gathered in Goa in early 2010 to involve everyone in the annual goal setting process. The group explored what gave life and energy to the system and the peak experiences that they had in the past within the system. They created a powerful dream for the organization and to achieve their dream, that they were willing to stretch and go beyond what was expected as an annual target for the year 2010. Instead of a top-down target setting process, the leaders were able to involve the whole system intelligence and ownership in the target setting process.

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## **Case 5: Kokola Copper Mines**

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Post the acquisition of Kokola Copper Mines in Zambia, by Vedanta, the organization in the last few years experienced multiple changes in the ownership pattern along with the associated cultural attributes. The organization truly has had a long transformation journey. During the transition process, post acquisition, there were issues around people resistance to change largely due to lack of professional practices, ownership, commitment, and suspicion. There were internal politics at play and the transformation journey was taking more time than expected. The new management wanted to pursue four key initiatives:

- Improve output
- Reduce costs
- Step up operation
- Pursue future growth.

Keeping in view the need to change, align, and grow, *People Transformation* was one of the major issues to be addressed in the transformation journey.

The leadership team created a powerful and a compelling future that they wanted to share with the entire organization. Large group interventions designed for 200 people included the operators and workers who never in their lives had sat around a table and discussed the future of the organization. These interventions helped each participant to quickly understand the whole picture, appreciate each other, and create compelling and meaningful goals. CP Baid says, “I have found the leadership and large group interventions directly linked to Business and highly effective in aligning everyone to a ‘Business Goal’. They really added value in creating escape velocity among employees for the change in Zambia.”

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## Is your organization ready for change?

S. Ramnarayan

When organizational change strategies are aimed at the creation of capacity to respond flexibly to external changes through the improvement of management techniques, the practice of organizational change is known as Organization Development (OD). OD seeks to help organizations in adapting to change using behavioral science skills and techniques. Organizational change can be categorized broadly into *organizational improvement* and *organizational adaptation*.

- *Organizational improvement*, that is, change oriented to optimizing the potential of an organization in a relatively stable or friendly environment.
- *Organizational adaptation* which is aimed at re-orienting and realigning an organization to a turbulent, changing, or often hostile environment.

The distinction between the two is that the former involves performing existing operations effectively and efficiently while latter may involve performance of radically new activities. Environmental shifts are often discontinuous and intractable in nature. Hence, organizations are confronted with the perennial dilemma of whether to allocate resources for organizational improvement or for organizational adaptation. The dilemma is exacerbated by the prohibitive costs associated with change.

In order to engage in organizational improvement, capacities and abilities have to be strengthened through different kinds of interventions. The programs and policies have to be initiated for performance improvement; and the organization may have to restructure itself to optimize performance. Organizational adaptation involves building capacities and abilities in strategic thinking and planning, teamwork, flexible deployment of resources including personnel, and the restructuring of the organization. In short, organizational improvement seeks to maximize the current profitability or turnover in a given environment whereas organizational adaptation seeks to realign the organization with a changed environment.

## ASSESSING ORGANIZATION'S READINESS FOR CHANGE AND POTENTIAL FOR LEARNING

There are multiple instruments like organizational health survey, customer satisfaction ratings, employee opinion poll to diagnose the state of the organization. Box 23.1 presents a questionnaire to assess an organization's readiness for change and facilitation of learning. It lists out six key dimensions which are useful in finding out the strengths and areas of improvement for the organization. The participants are asked to evaluate the organization on these dimensions where they have to rate every statement as either an area of "concern" or "moderate strength" or "strength" for the organization.

**Box 23.1** Instrument to Assess Organization's Readiness and Ability to Cope with Change

<i>Dimensions</i>	<i>Concern</i>	<i>Moderate strength</i>	<i>Strength</i>
<b>1. Commitment to plans, priorities, programs, and purposes</b>			
Senior executives commit themselves to a set of well-defined goals for the unit.			
Long-term plans of the unit are very clear.			
Dialogue and discussion are used extensively to develop understanding of new plans and priorities of the unit.			
People are clear about the priorities of the total organization.			
Participative forums are available for people to introduce new ideas.			
In planning activities, detailed contingency plans are made.			
In changing well-established practices, a conscious effort is made to retain the plus points of the practice being changed.			
<b>2. Attention to innovations/changes</b>			
The senior executives back up the innovative ideas with visible support and energetic action.			
The senior executives have a clear sense of yardsticks for evaluating new ideas.			
Most of our managers manage their routine day-to-day work so that they have time for innovations/changes.			
People are encouraged to experiment with new methods/approaches.			
Original thinking is valued.			
Management acts quickly on innovative ideas.			

(Box 23.1 continued)

(Box 23.1 continued)

<i>Dimensions</i>	<i>Concern</i>	<i>Moderate strength</i>	<i>Strength</i>
Innovations by employees are always welcome and rewarded.			
Management frequently convenes meetings to discuss ongoing or proposed experiments, innovations, and changes.			
Periodic meetings chaired by senior executives are held to review significant changes so as to take prompt remedial action.			
In implementing changes/innovations, special care is taken to involve people with needed expertise and skills.			
Special effort is made, through frequent reviews, to stabilize and institutionalize changes and innovations.			
Those entrusted with implementation are encouraged to brainstorm on alternative ways of implementing these changes and innovations.			
Periodic meetings are held to review and support progress on innovations.			
<b>3. <i>Attention to lateral integration</i></b>			
There is collaboration between different departments/functions.			
Functional heads in different departments or sections do not consider their own functional areas as the only important ones.			
Energy is not frittered away on running down others' ideas and defending the boundaries of one's function or department.			
Other groups and executives are not blamed when a group fails to complete its work effectively.			
Colleagues here communicate well with one another and frequently share useful information.			
People here prefer to talk directly to sort out matters, rather than send unnecessary memos and circulars.			
Emphasis is not on individualism here, but on teamwork.			
Time is not wasted on unnecessary procedures or unproductive meetings.			
<b>4. <i>Attention to vertical integration</i></b>			
There are not many organizational constraints and so one feels empowered about initiating change.			
The unit does not suffer from the problem of "too many generals and too few soldiers."			

(Box 23.1 continued)

(Box 23.1 continued)

<i>Dimensions</i>	<i>Concern</i>	<i>Moderate strength</i>	<i>Strength</i>
The senior executives try hard to pick up critical concerns of the junior personnel at the operating levels.			
New ideas are evaluated against clear policies and priorities.			
Management scans the internal climate and feels the problems and concerns of employees at lower levels.			
Executives and staff have a great deal of trust in the senior management of the organization.			
People here feel free to speak up and there is a sense of trust.			
The senior executives genuinely believe that they can learn from their colleagues and subordinates.			
We get feedback from people at operating levels on their issues/concerns.			
The senior executives make conscious attempts to sense key problems/ideas of the employees at lower levels.			
The executives recognize importance of obtaining ideas and inputs from operating personnel at junior levels.			
The operating personnel are aware of and appreciate the important systems and processes.			
There is no unreasonable delay in responding to problems at operating levels.			
<b>5. <i>Environmental scanning, networking, and learning from others</i></b>			
Most technological trends are quickly picked up and the important information reaches the concerned personnel.			
We are constantly scanning developments in the outside world for information and opportunities.			
A conscious effort is made at benchmarking, at identifying best practices for induction into the unit with suitable modifications.			
Executives at all levels are strongly encouraged to interact with internal and external customers to seek feedback and suggestions.			
Executives visit progressive organizations to learn about their technological practices and pick up the best practices.			
<b>6. <i>Building capabilities of individuals and groups</i></b>			
Merit and good performance is recognized here.			

(Box 23.1 continued)

(Box 23.1 continued)

<i>Dimensions</i>	<i>Concern</i>	<i>Moderate strength</i>	<i>Strength</i>
Employee development receives a high priority in the unit.			
Regular attempts are made in the unit to develop awareness of organization-wide issues and priorities among executives of different departments and functions.			
Knowledgeable people from outside are invited to share their ideas with our personnel.			
Individuals and groups are encouraged to differ with the prevailing view and generate new alternatives.			
People are exposed to new developments in industry/economy through seminars, talks, and discussions.			
Periodic meetings are held to review and share organizational successes and failures, and learn from them.			
The unit is able to attract, retain, and motivate its professional staff.			
There are enough opportunities for professional growth.			

Source: Author.

The instrument can be used to examine the nature of organizational processes associated with effective organizational improvement or organizational adaptation. The results obtained from the instrument are helpful in recognizing the strengths of the organization which can be further harnessed to bring about desirable change. In addition, it sensitizes the change leaders about the areas of concern which can emerge as impediments to innovation and change.

## ROADBLOCKS TO ORGANIZATIONAL LEARNING

Organizations tend to pay adequate attention to generation of new ideas for change, but ignore the dimension of organizational processes which facilitate or inhibit the flow of these insights. The ideas have to spread to other parts of the organization where they can be interpreted, acted upon effectively, and get integrated in the organizational practice. The roadblocks to learning and challenges for OD practitioners have been summarized in Table 23.1.

Ideas and innovations can reach the implementation stage and ultimately benefit the organization only if they are allowed to be generated in a congenial organizational climate. Organizational members need to experience psychological safety and motivation to explore the ideas, evaluate them with an open mind, and modify or improve them. If the ideas and innovations reach appropriate decision-makers and are acted upon in a timely and organized fashion, it projects that the organization values this learning and improvement process.

**Table 23.1** Roadblocks to Organizational Learning and Challenges for OD Practitioners

<i>Roadblocks</i>	<i>Challenges</i>
Functional myopia, leading to unwillingness and/or inability to see beyond individual functional concerns.	Resolving the paradox of “dull unit with bright members” by building common platforms for organizational members to integrate their subunit/functional concerns and address key organizational problems.
Culture characterized by command and control orientation.	Moving beyond “hands” to tap “heads” and “hearts” of organizational members at middle and junior levels.
Preoccupation with day-to-day routines even at senior levels.	Making investments to build latent or invisible assets for the organization which provide a solid capability base for the firm to handle current and future concerns.
Excessive bureaucratization/red tape.	Deliberate and temporary relaxation of formal rules and structures where necessary to foster experimentation and innovative thinking.
Preoccupation with internal issues; insufficient external orientation.	Apprehending the revolutions in outside world; ensure flow of environmental information to appropriate levels for action taking.
Organizational members do not experience any real need for change.	Generating triggers for reorientation and learning, and channelizing attention to innovations.

**Source:** Author.

To facilitate the flow of insights, ideas, and learning from the individual to the system, processes like communication, decision-making, leadership, conflict management, orientation of organizational members, and allocation of managerial attention become important. Organizational processes have to be managed effectively to foster improvement and adaptation in the organization.

## **KINDLING LEARNING PROCESSES: CHALLENGE FOR OD PRACTITIONER**

There are broadly three types of processes that need strengthening in organizations to equip them for the formidable challenge of managing change. These processes have been presented in Box 23.2.

**Box 23.2** Processes to be Strengthened in Organizations: Agenda for OD Practitioners

1. Processes that create a *shared sense of purpose* by creating a well-articulated change agenda that is also *owned* at junior and middle levels.
2. Processes that generate a supportive environment for changing by overcoming the tendencies toward excessive *compartmentalization, centralization, and bureaucratization*.
3. Processes that develop *external and change orientation*, influence people’s perceptions of the situation, elevate aspirations and expectations, and actualize potential by motivating people.

**Source:** Author.

## **Processes that Create a Shared Sense of Purpose by Creating a Well-articulated Change Agenda that Is Also Owned at Junior and Middle Levels**

Managers are required to do the difficult balancing act of carrying on their daily operations and functions, while at the same time planning and building for the future. Investment in future requires conscious attention to the development of latent or invisible assets (Itam 1987; Lado and Wilson 1994). When senior managers allocate time, attention, and energy to build technical and managerial skills of the employees; develop R&D or market know-how; generate values of quality and teamwork; or create sound relationships with customers, dealers, suppliers, and other units, they contribute to the latent assets of the organization. Managers who ignore the task of building latent assets spend most of their time and attention on day-to-day activities, and thereby neglect the crucial task of facilitating organizational learning. Organizations with a thin base of latent assets do not have the inner strength to cope with the pressures of a rapidly changing environment.

It is therefore important for managers to support and expand the core skills essential for long-term competitive advantage of the organization. Periodic reviews of the improvement and adaptation processes in the organization are essential. Through its commitment to well-defined organizational priorities, management creates a learning agenda for individuals and subunits within the organization. Envisioning process requires thinking in systemic terms. Just like an architect conceptualizes a design, say for a building, by keeping in mind the overall context (physical or natural environment, values and needs of the people, social and economic considerations, etc.), the manager defines the overarching goals for organizational change and learning. To clarify purposes, managers are required to pay attention to what is going on around the organization and focus on the big picture. They need a helicopter mentality which can quickly gain an overview of issues such as what makes the system tick, what are the strategic levers of change, and how a change may be sustained.

Organizations have a tendency to continue a course of action beyond its productive limits. This reflects a dominant human tendency to persevere with a given approach and hope things would somehow work out favorably. So, design choices which explicitly work against the search for security and certainty through excessive reliance on centralization, specialization, formalization, and compartmentalization become important.

## **Processes that Generate a Supportive Environment for Changing by Overcoming the Tendencies Toward Excessive Compartmentalization, Centralization, and Bureaucratization**

### ***Decompartmentalization***

In most organizations, members consider their function as the only important one in the organization. This notion manifests itself in the attitude of functional specialists to view and evaluate any organizational issue from their perspective alone, and in isolation from the key

inter-linkages which may exist with other units and functions in the organization or environment (Dearborn and Simon 1958). When myopic groups come together for resolving organizational issues, they merely tend to restrain each other, leading to what may be called “mutual checkmating.” This prevents the emergence of constructive alternatives. When there is functional myopia, organizational members may even withhold relevant information from other units in the organization. Even if there are bright and competent members, they tend to cancel each other out in units suffering from functional myopia. To overcome this paradox of “dull units with bright members,” managers need to consistently raise awareness of organization-wide concerns and the need for individual units to address these issues collectively (Senge 1990). A learning culture requires open communication, free exchange of ideas, a spirit of collaboration among specialists and line managers, and mutual trust among disparate units. A shared set of values and a common vocabulary need to be evolved so that different units and functions begin to address the most pressing issues and problems in common terms.

### ***Decentralization***

Many organizations fail to sustain the enthusiasm and eagerness of junior and middle level employees to contribute effectively. This happens because the employees feel that the organization is interested only in their “hands” and not in their “heads” or “hearts.” In other words, organization may have few mechanisms or processes in place to tap their ideas or insights and channelize their innovative spirit. If the organization does not show sufficient sensitivity to people’s potential and needs, members may feel peripheral, disillusioned, and alienated.

Experience shows that when employees with specialized knowledge and diverse experience acquired over a period of time have missions and values thrust on them, they are unable to influence key decisions in the organization. Their responsibility remains restricted to implementation as per directives and any expression of dissent is treated as obstructionism.

Enabling the flow of individual insights and ideas to appropriate decision-makers is a big managerial challenge. This requires a flexible mode of management that is open to new ideas. There should not only be participation, but also shared priorities and values among members to make participation and involvement meaningful. It is important for the organization to encourage and reward innovative ideas. Managers should make conscious efforts to sense operational realities, internal climate of the organization, and dissatisfaction among members so that they can take suitable measures to set things right. Members at all levels should have the opportunity to participate in periodic SWOT reviews of the organization.

### ***Debureaucratization***

Emphasis on strict adherence to rules and regulations robs the innovative spirit of members since every idea or proposal is put through the “red tape” and subjected to the scrutiny of all and sundry along the reporting line. Many of them may not even be serious and interested enough to pursue the ideas to their fruitful completion. Over a period of time this leads to a state of apathy and indifference among members leading to loss of motivation to propose new approaches.

To overcome this problem, managers need to motivate members to come up with new ideas and facilitate experimentation by loosening up the system. Support for experimentation and creativity requires deliberate and temporary relaxation of rules (March 1971), elimination of “red tapism” which strangles innovative spirit and initiative of organizational members, and acceptance of mistakes committed in the process of experimentation as genuine business risk.

### **Processes that Develop External and Change Orientation, Influence People’s Perceptions of the Situation, Elevate Aspirations and Expectations, and Actualize Potential by Motivating People**

It hardly needs to be emphasized that leadership and managerial actions are ultimately, the ones that inject life into structure and processes, and make improvement and adaptation possible.

#### ***External orientation***

The drastic changes in environment make it inevitable that many external factors which hitherto have been irrelevant or insignificant for the organization suddenly become very critical, even threatening the organization’s very survival. For example, many organizations in developing countries which enjoyed monopoly markets and government protection did not bother about customer satisfaction, competitive forces, and newer developments in technology and management practices. Suddenly they find their national economies opening up, trade barriers being pulled down, and seemingly unimportant items in their old agenda ringing death bell over their heads. This situation has arisen because of their insufficient external orientation. Even successful companies which become complacent or overconfident may fail to detect or act on significant developments in the environment.

The organization should closely monitor happenings in the outside world and be aware of the latest developments in the field achieved by similar organizations. Global trends should be picked up and information passed on to the concerned departments quickly. It becomes necessary to develop “absorptive capacity” (Cohen and Levinthal 1990) which refers to the ability of an organization to recognize the value of new, external information, and to assimilate and apply it.

For effective environmental scanning, managers have to devise formal mechanisms which ensure frequent incorporation of local and global perspectives into their planning process. There must be periodic review of key subject areas. At a personal level, managers have to widen their perspectives and enlarge their information base by resorting to diverse sources of information, formal and informal, which can enable strategic thinking (Mintzberg 1994).

#### ***Change and development orientation***

When organizational members are socialized from an early age to conform to authority and follow directives, and when there is low mobility of members across units and functions,

members get entrenched in certain viewpoints and perspectives. Members, therefore, perceive change and learning as threats to their peaceful existence.

To trigger change, managers have to either deliberately create events or capitalize on crucial and opportune happenings in the organization or environment to raise valid questions about the tacit mental models of organizational members. Inquiry into the collective mental models of members about the organization and its future can facilitate meaningful self-analysis leading to organizational learning and even suitable response generation when faced with new situations (de Geus 1988).

The organization may develop a change orientation in a variety of ways: members are equipped to shoulder the challenge of organizational change through effective training; specialists are exposed to organization-wide issues regularly; constructive dissent is encouraged; interaction with experts from outside the organization is facilitated, and there are regular reviews of progress on innovative ideas.

Certain managers see themselves essentially as change agents. They spend considerable amount of their attention, time, and energy on initiating and implementing change and innovations in their organizations. Through their deep involvement and commitment, they bring in an intensity of purpose to their actions. These managers with a clearly focused change agenda empower their subordinates to overcome resource barriers to change, by mobilizing their energies and aligning them with their vision.

In today's environment where changes are rapid, learning is no longer a mere desirable luxury, but a fervent necessity. The challenge for OD practitioners is to ensure that the learning processes described in the paper are kindled, and are consciously and carefully nurtured in organizations.

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## Leadership style inventory

S. Ramnarayan and Neha Gupta

Daniel Goleman (2000) identified six leadership styles, namely, *Commanding*, *Visionary*, *Affiliative*, *Democratic*, *Pace-setting*, and *Coaching* which are associated with the various elements of emotional intelligence in different combinations. Emotional intelligence refers to the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions in ourselves and in our relationships.

The art of leadership requires understanding of all the styles along with the ability to use the style most suitable in the given circumstance or situation. Given the dynamic nature of change and the context in which organizations operate, a leader has to be adept at switching from one style to another or using a combination of styles to achieve the desired results. The following section presents a “Leadership Style Inventory,” “Scoring Key” to assess the leadership style as per Goleman’s classification. The characteristics of each of the leadership styles are summarized at the end to enable a greater understanding about these styles (see Figure 24.1).

### LEADERSHIP STYLE INVENTORY

The leadership style inventory has been based on Daniel Goleman’s work on six leadership styles (Goleman 2000; Goleman, Boyatzis, and McKee 2002). It helps in assessing the behavior by analyzing the different dimensions of work done by leaders.

**Directions:** For each section, distribute a total of 10 points among the sentences which you think most accurately describe your behavior. In allocating points, it is important that you focus on your present behavior rather than your intention. These points may be distributed among two to four sentences that best reflect your behavior. If a sentence describes your behavior better, give more points to it. In extreme cases, all 10 points may be allocated to one statement, or the points might be spread among all the 6 statements. Enter the points in the third column of the following table.

SECTION 1	I BELIEVE I CAN ACHIEVE RESULTS BY FOCUSING ON THE FOLLOWING LEADERSHIP TASK:	POINTS
1.1	Setting very high standards of performance for myself and the team	
1.2	Inspiring others to visualize a common goal/purpose	
1.3	Nurturing personal relationships, friendly interactions, and harmony	
1.4	Facilitating participatory processes to draw on people's ideas and commitments	
1.5	Attending to development efforts and helping people build capability	
1.6	Giving clear and explicit directives about the assigned work/duties	
SECTION 2	I ENCOURAGE MY SUBORDINATES TO:	POINTS
2.1	Be open with their emotions and be sensitive to others' feelings	
2.2	Take part in defining the goals for our unit	
2.3	Understand their role and tasks clearly and follow guidelines	
2.4	Set challenging goals and perform the task well to achieve the set target	
2.5	Take calculated risks without any fear of failure to achieve larger goals	
2.6	Experiment with new methods and find their own solutions to work-related problems	
SECTION 3	I DISPLAY THE FOLLOWING SPECIAL COMPETENCIES TO ACHIEVE EFFECTIVENESS:	POINTS
3.1	I build on and utilize the diversity present in the team	
3.2	I spot development potential in the subordinates and tend to it	
3.3	I spot poor performance and taking quick remedial action	
3.4	I infuse feeling of pride and hope for future through a shared sense of purpose	
3.5	I control emotions when difficult decisions need to be executed	
3.6	I sense the feelings, needs, and perspectives of others	
SECTION 4	I BELIEVE THAT ORGANIZATIONAL EFFECTIVENESS IS ENHANCED BY:	POINTS
4.1	Compliance to clear demands, roles, tasks, and actions	
4.2	Empathy and open sharing of emotions by all the group members	
4.3	Collaboration and congruence of views among group members	
4.4	Attention to capability building and learning mechanisms for people	
4.5	Leaders expecting excellence in performance and acting as role models	
4.6	Clear articulation of team goals and passion to achieve them	
SECTION 5	AS A LEADER, I EXHIBIT THE FOLLOWING BEHAVIOR:	POINTS
5.1	I develop people even if there are competing short-term/immediate work pressures	
5.2	I like to achieve quality of results even if it involves compromising somewhat on employee satisfaction	

*(Table continued)*

(Table continued)

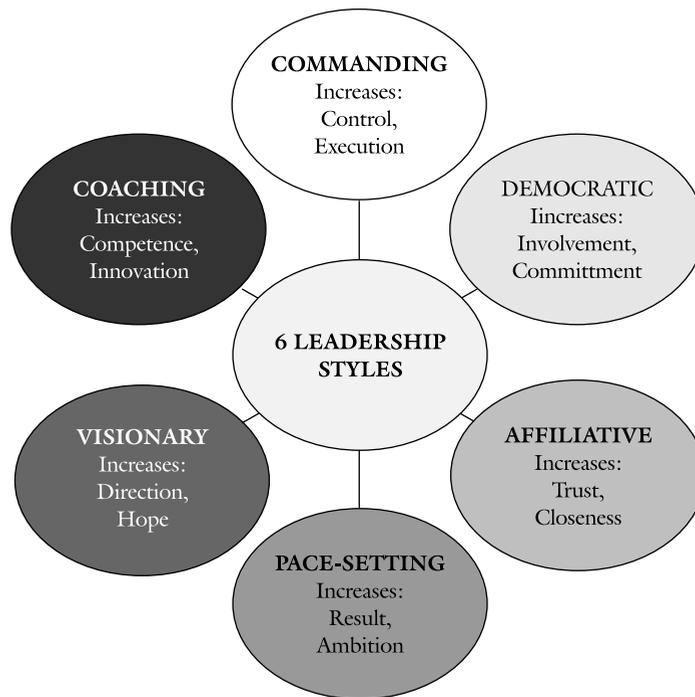
5.3	I share with my people their roles in the growth of the organization even if it sounds abstract/utopian to some people	
5.4	I am strong and forceful in taking initiatives to generate impact even if few individuals feel constrained in exercising influence	
5.5	I value people and their feelings even if it means less emphasis on accomplishing tasks	
5.6	I listen to everybody's views and strive to achieve team consensus even if it appears to place process above the results	
SECTION 6	I ENSURE THAT I CONSCIOUSLY ALLOCATE TIME TO:	POINTS
6.1	Remind people about the larger purpose of our work	
6.2	Align people's actions and initiatives for effective task execution	
6.3	Intimately know each employees' strengths, weaknesses, aspirations, and goals	
6.4	Sense people's emotional needs and provide support where necessary	
6.5	Involve people to share their inputs and ideas to develop new approaches	
6.6	Continuously raise standards of my own and my team's performance	
SECTION 7	A POSSIBLE LIMITATION OF MY LEADERSHIP STYLE IS THAT OCCASIONALLY:	POINTS
7.1	I may compromise on task completion/quality to ensure employee satisfaction	
7.2	I may micromanage people at work if they do not meet the expected standards	
7.3	I may utilize many meetings to get inputs from people leading to delay in decisions	
7.4	I may compromise on today's results to achieve the shared vision tomorrow	
7.5	I may compromise on bottom-line results so that capability building does not suffer	
7.6	I may use my role/position to obtain compliance and to reach decisions	
SECTION 8	MY WORKGROUP MEMBERS WILL DESCRIBE ME IN THE FOLLOWING WAY:	POINTS
8.1	I act more like a counselor or a coach to my team than a boss	
8.2	I share my decision-making power with the team to promote ownership of decisions	
8.3	I am very ambitious and goal oriented, not afraid to be critical of poor work by others	
8.4	Once things are decided, I take control and succeed in executing those decisions	
8.5	I set people free to innovate, experiment, and take calculated risk to achieve shared goals	
8.6	I forge strong emotional bonds with my people and strive to keep them happy	

## Leadership Style Inventory Scoring Grid

**Directions:** Transfer the allocated points from the questionnaire to the boxes in the following table, below every statement number, that is, S. No. 1.1, 1.2, etc. Assign a "0" (zero) to the statements you did not allocate any point in the questionnaire. After transferring points for all the eight sections, sum up the points horizontally to decipher the score of each leadership style. The scores of all the leadership styles should add up to 80 (8 sections × 10 points).

Leadership style		Section								Total points
		1	2	3	4	5	6	7	8	
COMMANDING	S. No.	1.6	2.3	3.5	4.1	5.4	6.2	7.6	8.4	
	POINTS									
DEMOCRATIC	S. No.	1.4	2.2	3.1	4.3	5.6	6.5	7.3	8.2	
	POINTS									
AFFILIATIVE	S. No.	1.3	2.1	3.6	4.2	5.5	6.4	7.1	8.6	
	POINTS									
PACE-SETTING	S. No.	1.1	2.4	3.3	4.5	5.2	6.6	7.2	8.3	
	POINTS									
VISIONARY	S. No.	1.2	2.5	3.4	4.6	5.3	6.1	7.4	8.5	
	POINTS									
COACHING	S. No.	1.5	2.6	3.2	4.4	5.1	6.3	7.5	8.1	
	POINTS									
										80

**Figure 24.1** Key Attributes of the Six Leadership Styles



Source: Goleman (2000).

**Table 24.1** Commanding Style

<i>Style signature</i>	<i>“Do as I say”</i>
Characteristic behaviors	Gives clear directives. Forceful and strong in taking initiatives and generating impact. Clearly specifies expectations and areas of responsibility. Expects guidelines to be followed exactly, top–down decision-making. Loyal to superior’s decisions and expects compliance from subordinates. Good at controlling emotions when difficult decisions need to be executed.
Areas of emphasis	Immediate tasks, chain of command, obedience, execution, and problem solving
Effective in situations	In a crisis, to kick-start a turnaround, or with problem employees
Potential risks	Does not listen to feelings of employees. Focuses on short-term goals. The leader can appear to be coercive
Caution	Can create psychological distance from the leader. Might not utilize employees’ full potential and commitment.
Key Competencies	Performance orientation, self-control, initiative, domain understanding, effective control

**Sources:** Goleman (2000); Goleman, Boyatzis, and McKee (2002).

**Table 24.2** Democratic Style

<i>Style signature</i>	<i>“What do you think?”</i>
Characteristic behaviors	Facilitates participatory decision-making. Encourages subordinates to take part in defining goals. Strives to build consensus. Fosters team spirit and feelings of trust and respect. Puts communication and collaboration ahead of results. Delegates responsibility; asks and listens to employees. Prefers rewarding the team rather than recognizing individual contributors
Areas of emphasis	Group processes, participation, involvement, dialog, meetings, psychological ownership of task
Effective in situations	To get valuable inputs from employees, to build consensus, and commitment to decisions
Potential risks	Leader can appear too hesitant and not action-oriented. Building consensus/organizing several meetings can be time consuming. Rewarding teams instead of individuals might discourage a few high performers from putting in their best efforts.
Caution	Can promote bureaucratic culture of slowness and lack of action. May result in quality deterioration by choosing the middle path acceptable to all.
Key Competencies	Cultural understanding, communication, team building, cooperation, being a facilitator through “process” skills.

**Sources:** Goleman (2000); Goleman, Boyatzis, and McKee (2002).

**Table 24.3** Affiliative Style

<i>Style signature</i>	<i>“People first”</i>
Characteristic behaviors	Creates harmony in team and forges strong emotional bonds. Nurtures personal relationship and builds personal trust. Shares her/his emotions openly and encourages the same. Senses the feelings, needs, and perspectives of others. Skilled at resolving conflicts between people. Strives to keep people happy.
Areas of emphasis	Well-being of people, relationships, openness, team spirit, and harmony.
Effective in situations	To promote team bonding, to motivate during stressful times, to heal rifts in a team.

(Table 24.3 continued)

(Table 24.3 continued)

<i>Style signature</i>	<i>“People first”</i>
Potential risks	Leader can appear to be too soft. Can breed inefficiencies due to greater focus on feelings. Tends to give primacy to people satisfaction even if it means putting less emphasis on accomplishing tasks/goals.
Caution	Can compromise results to achieve employee satisfaction. Approach can be viewed as unwanted closeness by few employees.
Key Competencies	Empathy, building relationship, cultural understanding, communication, analysis of stakeholders.

**Sources:** Goleman (2000); Goleman, Boyatzis, and McKee (2002).

## Pace-setting Style

**Table 24.4** Pace-setting Style

<i>Style signature</i>	<i>“Do as I say ... Now!”</i>
Characteristic behaviors	Sets high standards of performance for both herself/himself and team. Very ambitious and goal-oriented. Displays and expects excellence in performance, and puts quality of results ahead of employee satisfaction. Often possesses maximum professional/functional knowledge about the tasks. Does not tolerate poor work. Leads the way in handling new tasks.
Areas of emphasis	The goal, high work pace, efficiency and quality, best professional solution.
Effective in situations	To get high quality results from a motivated and competent team.
Potential risks	Leader can be perceived as impatient and not recognizing importance of people. Can discourage employees if they view goals as unrealistic. Micromanagement of people if goals are not met or intolerance to poor work can discourage employees/breed fear.
Caution	Can engender a stressful culture. Can create a divide among employees—losers and winners. Can impede employees’ growth and development.
Key Competencies	Task expertise, quality consciousness, performance orientation, initiative, conscientiousness.

**Sources:** Goleman (2000); Goleman, Boyatzis, and McKee (2002).

## Visionary Style

**Table 24.5** Visionary Style

<i>Style signature</i>	<i>“Come with me”</i>
Characteristic behaviors	Articulates where we are going as a team. In the process, inspires others to visualize a common goal and reminds people about the larger purpose of work. Encourages people to take calculated risks to achieve larger goals without any fear of failure. Shares with people their roles in the growth of the organization. Initiates changes and drives new campaigns when necessary to achieve impact.
Areas of emphasis	The future, inspiration, common imaging of a shared vision, larger picture, dedication, passion to achieve the shared objective.

(Table 24.5 continued)

(Table 24.5 continued)

<i>Style signature</i>	<i>“Come with me”</i>
Effective in situations	When a new vision is needed, or when clear direction is required to guide the employees.
Potential risks	Leader may sound utopian/abstract to some people while sharing their roles in the organization’s growth. May compromise on today’s results to achieve the shared goals/ vision tomorrow.
Caution	The leader may speak about larger goals but the employees may need concrete/specific steps to achieve them. Might ignore the need for example-setting behavior and competency development.
Key Competencies	Holistic view, self-confidence, change facilitator, skilled storyteller, empathy.

**Sources:** Goleman (2000); Goleman, Boyatzis, and McKee (2002).

## Coaching Style

**Table 24.6** Coaching Style

<i>Style signature</i>	<i>“Let’s try this”</i>
Characteristic behaviors	Develops people and acts as a coach/counselor rather than a boss. Helps employees in building and achieving long-term development plan. Intimately understands each employee’s strengths and areas of improvement through discussion. Provides adequate feedback and instructions throughout the year to help them achieve their goals. Good at spotting development potential in the subordinates.
Areas of emphasis	Building of competencies, creativity, independence and flexibility, future challenges.
Effective in situations	To help an employee improve performance by building long-term capabilities.
Potential risks	Leader can appear unclear and inactive, asks more questions than give answers, and thereby, appearing to be uncertain about the solutions. This can also breed frustration. Might ignore short-term goals/competing work pressures to ensure people’s development.
Caution	Can create a culture marked with strong individualism that lacks common direction. May compromise on short-term results so that capability building does not suffer.
Key Competencies	Understanding of potential, development of others, emotional awareness, dialogue technique, empathy.

**Sources:** Goleman (2000); Goleman, Boyatzis, and McKee (2002).

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## Transformation of Mawana Sugars: Power of appreciation and involvement

Anil Sachdev

Mawana Sugars is a company which was at one time part of the well-known DCM group. After the restructuring of this conglomerate, this organization, along with Usha International and an engineering and chemical business were taken over by Mr Siddhartha Shriram.

Due to a variety of reasons, Mawana Sugar's business started declining. By 2002–03, it had become a “sick” company and came under the “BIFR” (Board of Industrial Financing & Reconstruction) regulation with every move being scrutinized by the Government authorities.

I got a call from Mr Shriram sometime in late 2002. He said he needed to see me on a matter of great importance. I had known him for sometime as we had both been active members of the Executive Council in the Confederation of Indian Industry and had interacted on several occasions.

When I met him, here is the gist of what he said, “We in management neglected the business and took our ‘eyes off’ from the operations of the firm. I personally have made many mistakes and have allowed the situation to drift. We have lost many of our talented people and the morale of our people is low. We have lost our credibility both within and outside the company. We need the help of a competent consulting group that can help us to transform ourselves and bring back the pride and confidence in our people.”

I and my colleagues listened to him carefully and discussed amongst ourselves if we should take up this assignment. We were not sure if we had the competence to facilitate this turnaround. We were also not sure if the top management of the company led by Mr Siddharth Shriram had the commitment to bring about personal changes in the way they behaved and led the company. In our view, this was critical if the organization had to change.

We told Mr Shriram that we would meet a cross section of his employees to understand the “as is” situation and then tell him honestly if we felt “equipped” to work on this assignment.

This led us to a series of meetings at the plants at Mawana and Titawi and the head office at Delhi.

Employees poured their hearts out and shared their anguish and sense of despair. At the same time, they fondly remembered the “good old days” when their company was regarded as one of the best managed companies in India that had attracted top talent. In the end, we came away with a feeling that if the top management demonstrated its will to take on the challenge and got back to “doing the basics right,” the employees cared enough about the company to give their best.

It all came down to a final meeting with Mr Siddharth Shriram in which we put before him the simple fact “the company transformation was at its heart your transformation. Are you willing to go through the pain and are you genuinely interested in changing your ways?”

We could see his authenticity and openness to change even though none of us had clarity at that stage on whether our assignment would succeed.

As both of us trusted each other, we agreed to begin a partnership that turned out to be a fascinating exercise in organizational transformation.

## **PREPARING THE SOIL**

In all the entities that I have had the good fortune to create (Eicher Consultancy Services—ECS, Grow Talent Company Limited and its new division, School of Inspired Leadership—SOIL), we have believed in the power of positive psychology. At the core of this thinking has been the realization that if you know why people and organizations do their best work, it helps you to know their “gifts.” If we can enable people to leverage their gifts toward their vision and purpose they create the highest common good for the stakeholders who matter to them.

- The situation in Mawana was so full of the “deficit conversation” that we had to think of an approach that was truly innovative to prepare the Soil for positive psychology to take roots. Here is what we did: A series of dialogues with a large cross section of employees at all locations to explain the model of organizational transformation that we were recommending. In this, grass root level shop floor operators and “trade union leaders” were especially invited and encouraged to participate. They had a lot of questions about the approach and even the credentials of the consulting team. Once they knew that they could trust us (some “leaders” did a due diligence about our work with other organizations), they became supporters of the process.
- A number of “study mission teams” were formed. Each was a “microcosm” of Mawana Sugars and was cross functional, cross hierarchical, and “cross attitudinal!” Blue collared workers, supervisors, and managers were teamed together in one team for the first time. A number of outstanding companies were chosen to visit and study. These ranged from Infosys in Bangalore to Honda in NCR (National Capital Region, including the townships of Noida, Faridabad, Ghaziabad, and Gurgaon). Teams were trained on the power of study missions. They were encouraged to break silos and really become “one team” in their hearts. They traveled by train together, shared home cooked meals and

hotel rooms, and worked late nights preparing for the journeys and collating insights. Before they set off on their trips, their families accompanied the teams to local places of worship like the temple, mosque, gurudwara, or church and prayed for the success of their endeavors.

One of the consultants of our consulting business, Grow Talent, accompanied them on the visits. This person's role was to facilitate the entire process of learning. Each team member was given a role and an area of observation and study. Example: What are the artifacts/symbols/rituals of the organizations? What stories do they share? What is unique about this organization? What was the trigger point for their transformation? What was the change process? What hurdles did they face? What enabled success? What lessons did they learn?

At the end of each day, team members would sit and share their insights and capture the essence of their learning and prepare power point presentations and organize their photos and videos.

Each team was told that they would follow “1:3 Principle of Knowledge dissemination,” that is, if they had spent one day in learning, they would return and spend three days in sharing the learning with others. They were therefore not just enthusiastic in “absorbing” all new learning but also simultaneously thinking about the best ways to share this learning with others.

The companies were chosen with care. Each had a unique story of “vision led creation and/or transformation to share.”

The membership of these teams was chosen carefully. Each person was identified as a potential change agent. This means the person had credibility, whether he/she was a blue collared worker or a senior manager.

When these teams returned, they were “buzzing” with excitement. People could see that they had gone through a life changing experience. It was wonderful to see not just their “new knowledge” but the way in which they had evolved as teams.

## **THE POWER OF APPRECIATIVE INQUIRY**

While these teams (12 of them with about 100 members) were sent to different parts of the country on study missions, we began to work on another initiative simultaneously.

We had requested Mr Shriram to form a “Leadership Team” and “Design Team” for the entire transformation exercise. The purpose of the leadership team was to define boundary conditions, allocate resources, provide recognition, and remove obstacles. The design team was a genuine microcosm of the organization that masterminded the entire change process along with us.

We worked with these teams to launch the “Appreciative Inquiry” process. In this, we trained employees to interview each other using a generative process of dialogue in which they would ask questions such as:

When were you at your best (in the last few years) and your team was at its best and the two were aligned in a piece of work that you did? What happened? Who all were involved? What was special about the experience? What does this teach you about your “own gifts” and those of the organization?

People were trained to listen with “the ears of the child” and value everything that was shared as “mining for the gold.”

As people began to talk to each other, they trained to write each others’ stories in creative ways. These stories were displayed on “notice boards” and shared amongst all.

This focus on the “positive” dimensions of a company which was in deep trouble slowly began to change the “mood” of the workforce.

There was a “glimmer” of hope and so the masses now looked forward to hearing from the study mission teams. This process also ensured that everyone felt that they were being included in the “transformation exercise.”

## **THE FIRST LSIP TO SHARE THE INSIGHTS OF STUDY MISSIONS**

In the year 1994, when I was serving as the Founder and CEO of Eicher Consultancy Services Ltd. (ECS), I was asked by K. Venkataraman (President and Member of the Board—Larsen & Toubro) to create a process for them for simultaneously engaging thousands of employees in creating a common vision and transformation plan for their Engineering business. The search for the new process took us to Dr Kathie Dannemiller who along with her colleague, Dr Ron Lipitt at the University of Michigan, Ann Arbor, USA had invented the Real Time Strategic Change or Large Scale Interactive Process (LSIP) based on the science of “whole systems thinking.” She and her colleagues worked with us for several months to transfer this expertise to us. (We did the first LSIP event for Eicher Motors Limited which had a very positive impact on their business.) She also helped us to train over 300 academics, consultants, and practitioners on the power of this new process. Over the years we have used this technology to benefit a very large number of organizations in different sectors.

This was the methodology that we used to create “one heart, one mind and one soul” in Mawana.

The first set of three LSIP was held at the plants at Mawana and Titawi and the Head office at Delhi. The entire design was detailed out by a “design team” consisting of all people from all departments and levels and representing both kinds of energy: optimism and cynicism. The “Leadership team” vetted each design as it served as the Steering Group for the change process.

On the day of the event, we had hundreds of employees sitting in teams of 10 each at round tables, each one representing a microcosm. For the first time, just like the “Study Mission Teams” senior leaders shared their space with people at the grassroots level.

There were “Shamiana Pandals” set up as convention centers for these events and employees and their families (living in the factory “colonies”) had decorated the spaces with great enthusiasm.

As we reached these places, we were struck to see the smiling faces and positive energy.

The events began with a team of employee offering prayers of all major religions.

Each study mission team shared their stories about their learning journeys with the help of power points, pictures, photographs, and videos.

Employees also shared select stories from the Appreciative Inquiry Process. At the end of the day long process, we in the consulting team from Grow Talent Company Limited asked everyone the following questions:

“If companies like Infosys and Honda could set new benchmark of performance and excellence why can’t they do the same?”

Employee after employee got up to speak in these events which covered thousands of people. They poured their hearts out and felt that given what they had done in the past, there was no reason why they could not turn around the company.

At the end of the day as the sun began to set, every employee got up and lit a candle and joined a chorus on singing the legendary song in hindi “Jyot se jyot jalate chalo, prem ki ganga bahate chalo” (let one flame light another and let us light up the world with the river of new awareness and love). The entire event was managed by a very enthusiastic logistics team who did a great job of making all arrangements.

As people stepped out of the convention space with lit candles in their hands, they walked to a giant size logo of the company that had been placed in the lawns and placed their candles all around the logo. It was a magical end to a great day that had truly prepared the “SOIL” for the journey ahead.

## ENVISIONING AND PLANNING THE CHANGE

We now began to work with the design team to prepare for the “Visioning Exercise.”

Kathie’s work on whole systems change has a very elegant equation as the basis for the transformation exercise.

If  $D \times V \times F > R$ , Transformation is certain.

In this  $D$  stands for shared “Dissatisfaction” or “positive restlessness” that creates the energy for change. If most of the people share the feeling that the organization needs to change and are moved to do something to make this happen, the process of creating a shared vision ( $V$  stands for Vision) is enabled.

If people are encouraged to ask: What are the gifts that we have “discovered” in ourselves and how can we leverage these to create a powerful “dream” that creates value for all stakeholders, they come out with wonderful expressions of all that they are yearning for. When they take responsibility to decide on action plans to design a future based on this dram, they take “F”—the “First steps” to deliver on the promise.

In order to create positive dissatisfaction, we use a process called “Listening to the voices of the stakeholders.” For Mawana Sugars, this meant listening to farmers and the local community living near Mawana and Titawi, suppliers and business partners, distributors and stockists of sugar, shareholders, and employees and their families. We chose a representative of each stakeholder to come and share straight from the heart “How have I been experiencing Mawana Sugars? What aspects make me feel joyful and optimistic? What causes me anxiety and concern?” We requested each person to be authentic and not use formal ways such as power point presentations.

Once again, three LSIP events were organized at the three locations. This time, the duration was two days each.

The logistics teams and all employees had learnt much from the first round of LSIPs and had done an amazing job of setting up the spaces: flowers, colorful shamiana tents, background music, etc., with very little expenditure and a lot of creativity, employees of Mawana had done a stupendous job!

The sessions at Mawana and Titawi involved several thousand people. Many farmers and local citizens of these towns were invited.

Once again, people sat in “max-mix” groups on round tables, each being a genuine microcosm. Once again the process began with teams of employees reciting prayers from all major religions.

Mr Siddharth Shriram then welcomed all and defined the context and the purpose of the exercise. He set the right tone by “admitting” the mistakes made by him and spoke straight from the heart about how he was ready to make amends.

This was followed by the session on “Listening to the stakeholders.”

Each person spoke for 15 minutes and after listening to two of these “voices,” people sitting on the tables were asked to discuss “What did they learn and what questions of clarifications were they being moved to ask?” Seven to eight tables were given an opportunity to ask questions. This was repeated after the other stakeholders spoke and shared their feelings.

After this process was over, we asked each small group to discuss “Now that we have heard the voices of the stakeholders, what is it about our way of working that is making us ‘glad’, what is making us ‘sad’ and what is making us ‘mad?’”

Each table shortlisted two “glads,” one “sad,” and one “mad” and submitted this on four ivory cards. The consultants’ team along with the logistics team did an affinity of all the cards while there was a tea break for all.

When the participants returned, they were asked to do a multi voting exercise to choose the most important “glads,” “sads,” and “mads.” By the end of this session, we had created one common database on the then existing situation. People had now created in their hearts a strong “D” or shared dissatisfaction on the reasons for Mawana to change.

This was followed by a very powerful exercise on creating shared vision.

We asked each person to “imagine the situation five years later when Mawana was fully leveraging all the positives that they had discovered in the Appreciative Inquiry” phase and the “glads” that had emerged in the morning session; when the power of strengths had helped them to overcome all the “sads” and “mads” and Mawana was to become an organization of their dreams. We asked them to draw pictures using Crayons, paints, etc. We also asked to write key words/verse/poetry to describe their dreams.

We were working with a team of cameramen whose help was taken to zoom on the “Art work.” At random 25–30 people were identified and asked to share their pictures with the entire community. The enthusiasm of people knew no “bounds”; their creativity was amazing. We also discovered many “shayars” and “poets”!

The entire proceeding of the conference was conducted in English and “Hindustani (a combination of Hindi and Urdu).”

After this sharing, each table was asked to choose one powerful theme for their vision of Mawana. They were written on “Ivory cards” and then an affinity process was done to reduce the number of themes. We then did a multi voting process to choose the most important themes. Tables were then asked to draft a vision statement based on these themes. The design team then looked at the vision statements and synthesized them into a few alternatives that appeared the most appealing.

At the end of day one of each of the events, the entire mood of the gathering of 1,400 people in Mawana, 1,100 in Titawi and 400 in Delhi was transformed!

We did a multi voting process to shortlist what each gathering at each location recommended.

On the next day we facilitated an exercise on “Preferred Futuring.”

Each person was asked to brainstorm on “If the vision was to be successfully implemented in all parts of the company, what specific ideas need to be implemented?” They wrote hundreds of ideas on “Post it Notes.” Each table had a flipchart stand with plenty of flipcharts. They stuck these notes on these charts and each table identified “themes” for FIRST STEPS for implementation. These were then organized into the top themes for execution after a multi voting process.

When we refer back to Kathie Dannemiller’s equation for transformation, If Product of “shared Dissatisfaction(D)” and the “shared Vision(V)” and the “First steps(F)” for implementation is greater than resistance to change (R), sustainable change becomes a reality.

By the second day lunch time, we had created the foundation for the entire equation  $D \times V \times F$ .

The power of the process was palpable and visible in the faces of the gathering.

In the last session, we had an exercise in “Natural work groups” in which teams identified what they would do to ensure that the vision was implemented in their areas and the assistance they needed from other teams. One spokesperson from each team articulated this to the entire community.

The session ended with each person writing a letter of Personal Commitment addressed to himself/herself on the theme “What I am moved to do to take personal responsibility for this vision? What would I like to stop doing or do less? What would I start doing or do more of?”

We asked them to seal these letters and we arranged to post it to their homes several weeks later.

Before people parted, we joined hands in one large circle and sang the National Anthem and once again lit candles to the background of inspirational music and placed the candles on the company logo.

After completing the three events in Mawana, Titawi, and Delhi, we called for a final “confluence” event in which representatives of all the three events were brought together. This grand finale was held at Mawana.

In this event, we again followed the LSIP methodology.

We finalized the vision and values statements and also defined priorities for action and the finally approved action plan.

As a grand finale, the vision was written on large boards and all people dipped their hands in different colors and put prints of their hands on these boards signed their names on the Vision, depicting their Commitment.

Within a few months, the mood of the company was transformed. They had “discovered” their positives; “Dreamt” a powerful vision, and “Designed” a credible plan to transform the company. They were the ready to “Deliver” the plan.

## **Pilot Projects**

A number of projects were identified to execute the vision. Some of them were:

1. Improving yields and productivity in both the plants.
2. Creating a business plan for producing alcohol and generation of power.
3. Focused leadership development covering over a 100 people at all levels (most were members of the change agent teams chosen earlier), including shop floor workers.

Each team had a “sponsor” in the leadership team and a team leader and facilitator. Members were chosen from all departments concerned with this area and teams were provided training and coaching help.

All employees were also encouraged to work on initiatives to implement “kaizen” and improve housekeeping. A lot of efforts were made to share and promote the good work and to provide recognition and to celebrate small successes.

I personally facilitated an intense “Personal Transformation” workshop that involved all members of the leadership team.

The Progress of the entire initiative was reviewed at regular intervals and corrective action was taken.

In this entire effort, mention must be made of the tremendous work done by Krishna Shriram, son of Mr Siddharth Shriram.

He is a man of strong values and has a lot of courage to walk on the path less traveled. He was the only one who could give brutally honest feedback to all including his father.

He genuinely cared for people and always inspired all to think of societal good.

He became a part of both the consulting team and the client team and everyone listened to him and found his insights invaluable.

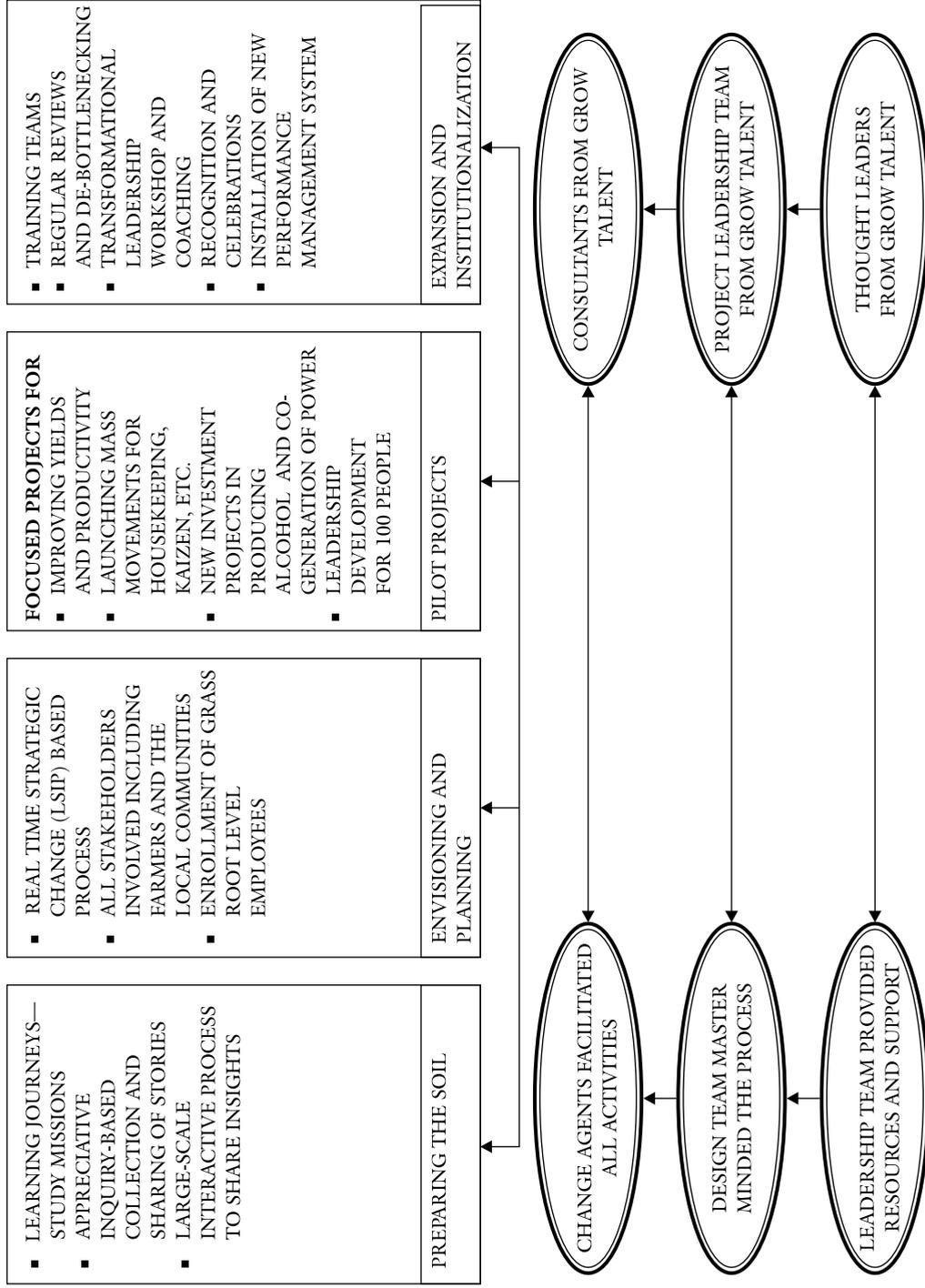
As the action plans were implemented, a number of breakthrough results occurred. For example, the plants achieved their best ever productivity levels and set new records for output and yields. The mood shifted dramatically and soon even the cynics got converted and began to take active interest in the transformation exercise.

Within 24 months of starting the exercise, Mawana had achieved a remarkable turnaround and came out of the clutches of BIFR and began an expansion and major new investment plan!

The transformation effort was expanded rapidly and then institutionalized. The transformation story is presented as a flow diagram in Figure 25.1 (see p. 346). This pictorial summary summarizes the key ideas.

With our permission, Mawana hired our senior consultant and leader Dr Priya Somaiya who joined them as a senior leader and continued to provide expertise to make the change sustainable. She has since then created a boutique consulting team within Mawana that is now helping other companies with their transformation!!

**Figure 25.1** Mawana Transformation Story: Flow Diagram



Source: Author.

## Articulating a new vision for SBI

Rajesh Chakrabarti

In its bicentennial year in 2006, the State Bank of India (SBI), India's oldest and largest bank was not exactly in an enviable situation. The liberalization of the Indian economy that had started a decade and a half earlier had spawned a few major private rivals—nimble, technologically advanced, free of the many government constraints in operations and with a young urban image—that were threatening its position as the country's largest bank. If the current trends continued it would lose its largest Indian bank status in six short years.

There were many areas that needed change at SBI. But perhaps the most fundamental was the area of customer service, where it lagged—in reality but overwhelmingly more so in reputation—the newer private rivals. As retail banking emerged and relational changes transformed corporate banking, SBI was rapidly losing ground to the newcomers particularly among the young affluent urban customers. Also orienting its 200,000 plus workforce toward the objectives of the bank, rather than their own narrow, sub-organizational goals, were proving to be a problem. Employee morale was down. Once an iconic organization to work for, it hardly inspired pride amongst its employees.

In 2006, SBI got a new Chairman. The 55-year-old Om Prakash Bhatt, a lifetime SBI-insider, started his five-year stint at the top with a clear agenda of transformation. He made it his mission to regain the old glory that SBI enjoyed and to stem the rot in the bank's market share. The transformation he ushered in was sweeping in its scope. Redefining the vision statement of the bank, to bring it in line with the contemporary reality, was a critical element. Both the nature and the process of the change of SBI's vision statement make for an interesting case in organization development.

In 2006, SBI's vision statement read like this:

- i) (To be the) premier Indian financial services group with global perspective, world class standards of efficiency and professionalism and core institutional values.
- ii) (To) retain its position in the country as a pioneer in Development Banking.

- iii) (To) maximize shareholder value through high-sustained earnings per share.
- iv) (To be) an institution with a culture of mutual care and commitment, a satisfying and exciting work environment and continuous learning opportunities.

While comprehensive, it was clunky and uninspiring and missed out completely on the most important stakeholder—the customer. Bhatt started work on changing it within months of taking over. SBI appointed a communication firm—Prachar Communications—to help in the efforts.

The process of changing the statement was uniquely participative. Often an organization's vision statement is framed by its top management. Frequently the average employee does not know of it, and even when he does, it is something that he has no choice but to agree with. It is never what *his* vision of the business would be, he has never really spent time thinking about it, and he does not have ownership of the statement. His role is one of *conforming* to a given vision, not contributing to it. This difference goes a long way in preventing people from readily accepting and internalizing the vision and effectively working toward achieving it.

Bhatt wanted to use the opportunity of redefining SBI's vision to get the entire SBI staff to think about the bank a little bit. Not about the challenges in their specific duties, but about the larger organization itself. He also wanted the vision statement to emerge from the entire bank staff.

This was a daunting task of communication for a bank of SBI's size and spread. First the employees had to start thinking about the organization. The campaign started off with a series of five "triggering posters." Each poster asked a simple question about the bank, like "Today we are India's largest bank. How do we stay India's best?" At the bottom of the poster was the slogan: "Let your opinion shape SBI's destiny."

The posters were prominently displayed at all branches and administrative offices of SBI throughout the country. There were instructions to display it at places where employees usually frequent, but which would normally be out of reach for outsiders. The other questions were: "How does a two hundred years old bank become a two hundred years young bank?"; "Other banks have five star branches. How can we offer seven star services?" and "How do we make 10 crore customers feel like they are the only one?" The fifth week brought an invitation instead of a question: "Together let's reinvent SBI. Let's make our future better than our history."

After each poster had been displayed for a week, in the sixth week, every SBI employee received a letter from the Chairman with a questionnaire. The questionnaire had 10 multiple-choice questions, each with three choices to select from. The staff got 10 days to fill that questionnaire and send it back. The questions asked were as listed in Table 26.1.

Nothing like this had ever happened at the bank before. The posters had generated an enormous amount of curiosity among the staff. The element of mystery caught the attention of the staff and a speculative buzz had started across branches and offices all across the country. In the process and, sometimes even unconsciously, the staff had started thinking about

**Table 26.1** List of Questions for SBI Employees

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1. What is SBI's biggest challenge?	6. How can we be in touch with customer needs?
2. What can give SBI the winning edge?	7. How do we increase the pride we feel in SBI?
3. What should our primary strategy be?	8. How should SBI play a larger role in the community?
4. What should we do to attract young India?	9. What should we do to make our banks more customer friendly?
5. What should SBI be famous for?	10. What should be the vision statement of SBI?

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**Source:** SBI internal documents, 2007–08.

the bank. They were pushed outside the narrow walls of their specific assignments and were being bonded together by a common thought and a shared pursuit.

The campaign had a massive participation rate with over 141,000 responses coming in.

The consultants tabulated the responses by age and rank of the employees. Close to two-thirds of the respondents thought that “other aggressive banks” were SBI’s greatest challenge. For most of the other queries, greater customer orientation and better customer service seemed to be the popular choices. As for the vision statement, three choices had been offered: “My SBI. Improving life for all”; “My SBI. The bank of first choice”; and a third choice that focused more narrowly on the customers. This last option won decisively with over 54 percent of the votes. It had maximum support among the blue collar staff, with uniform support across age groups.

But the exercise was not over yet. Since this was a response received from a structured questionnaire—the only way to get opinions of the entire staff in a meaningful manner—it was important to see how well it connected with independent and unstructured thinking across the bank—a final reality check of sorts—to see if this was indeed the thinking of the staff and not responses to cues from above. So the survey results were thrown back at a stratified random sample of 200 staff members and their reaction obtained in unstructured personal interviews. Once again, customer satisfaction emerged as a key objective. It was only after this that the winning option was adopted as SBI’s new vision statement.

The timely completion of the entire vision-mission-values statement development exercise needed continuous communication among the top management and coordination across circles. In a traditionally bureaucratic public sector giant like SBI, this could be a major challenge. Innovation in communication played an important role here. Much of the communication happened outside the formal communication channels. Files and notings were kept to a minimum. Planning and discussions happened over video conferences. The questionnaire itself came as what is known as “demi-official” letter in SBI parlance.

The new vision statement—the pithy, “*My SBI. My Customer first. First in Customer Satisfaction*” was unveiled on the “bank day,” July 1, 2008. Here was a statement that stressed ownership and put the customer at its center. It was also a statement that had been created collectively by SBI employees across rank and file, not thrust upon them by top management.

Along with the vision statement came a slightly longer mission statement and value statement also crafted from the questionnaire survey and the interviews. They read as follows:

*Mission Statement:*

1. We will be prompt, polite, and proactive with our customers.
2. We will go beyond the call of duty to make our customers feel valued.
3. We will create products and services that help our customers achieve their life goals.
4. We will always attempt to be of service even in the most remote corners of our country.
5. We will serve people who live abroad as thoroughly as we serve those at home.
6. We will speak the language of young India.
7. We will use technology to drive excellence.
8. We will work together as a team to strengthen our position as the leader.

*Values statement:*

1. We will always be honest, transparent, and ethical.
2. We will respect our customers and fellow associates.
3. We will be knowledge driven.
4. We will learn and we will share our learning.
5. We will never take the easy way out.
6. We will do everything we can to fulfill our corporate social responsibilities.
7. We will nurture pride in *SBI* and India.

The new vision-mission-values statement complemented all the other change initiatives—people-changes, technology-changes, process-changes, business mix changes, and organizational changes that together constituted the transformation at SBI—to completely re-energize and transform the bank in a little over three years that followed. SBI halted its fall in market share, effectively challenged its aggressive private rivals in the area of retail banking as well as in other areas, built up the largest home loan and car loan portfolios among other things and brought back its corporate banking to sound footing. Firmly ensconced as India's flagship bank for the predictable future, SBI now aspires to be one of the world's leading banks. Rekindling of employee pride in the organization, underscoring employee ownership of the organization, and focusing the collective energy of the SBI staff on customer service were crucial ingredients of this success. The new content of SBI's vision statement as well as the innovative method of its creation played an undeniably large role in the overall transformation.

## Changing mindsets: Indian Railways' experience

V. Nilakant and S. Ramnarayan

The liberalization of Indian economy in 1991 threatened the sustainability of Indian Railways (IR). With the other means of transportation growing at a healthy rate, the market share of Railways declined significantly. Interestingly, the market share of IR hovered around 89 percent in 1951 in land-based transportation. But by 2004, it had reduced to 40 percent robbing Railways of its long-held monopoly. At the same time, the government reduced its financial contribution and it appeared that the organization was hurtling toward fatal bankruptcy. Clearly, mindset changes were required to revive this iconic organization.

Prior to 2005, freight traffic and passenger fares were based on the “affordability” principle. In congruence with Railways’ commitment to the common man, freight charges for essential goods like salt and parcel charges for fruits, namely, bananas, oranges, and mangoes were kept low. The tariff schedule for freight in Railways ran over 500 pages, listing 4,000 categories and subcategories of products. Freight rates were specified for different categories of the same product type. The complexity and detail in the rate schedule not only created coding and classification problems for the staff but also provided ample opportunities for the frontline staff to collude with the customers. Commodities were deliberately coded under the wrong category to take advantage of lower rates and promote the customer’s interests at the expense of the organization.

Excessive preoccupation with tariff procedures and inadequate interactions with customers made the organization insular. As a result, the Indian Railways attributed the falling market share to the high freight rates. It was felt that high freight rates were necessary to be able to subsidize passenger fares. It was widely argued that since it had become uneconomical to keep passenger fares low, the freight rates had to be increased. The political pressures to maintain low passenger fares notwithstanding the dwindling traffic added to the woes of the organization. Though high freight rates were perceived to drive customers away, leaders felt helpless to take any corrective action. Within the existing mindset, IR was destined to keep freight rates at noncompetitive levels and yield market share to competition.

The key change leaders embarked on the journey of change with a systematic diagnosis of the problem. When the change analysts collected and analyzed the data on freight traffic,

they found curious contradictions. Market share of some commodities had reduced while for others, it had stayed the same. In fact, some customers not only stayed with Indian Railways, but they also sought greater capacities. This was the case for certain products like iron-ore, coal, and minerals. What was the cause of their loyalty? The analysts discovered that for these products, the competitiveness of railways was unquestioned as IR provided unbeatable door-to-door service for them, by picking up the materials at the mine and delivering them at the steel plant or power plant. No one else could match the service quality particularly when the distance was greater than 750 km. The market share had only declined for products like cement and steel where IR provided “station-to-station” service.

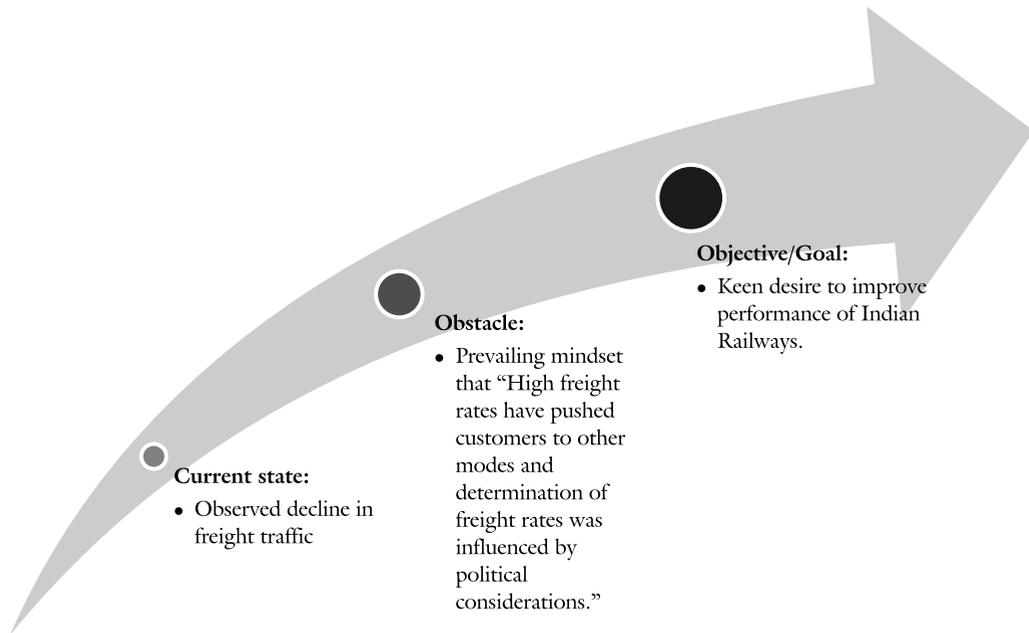
For these products, the customers moved the materials by road transport to a railway station, loaded the wagons to be transported to another station, and then after unloading moved the products to the final destination by road. The data analysis and interpretation established that “high freight rates” were not the sole factor responsible for the flight of the customers. There were a host of other factors that determined the customers’ choice. These included: the nature of service (door-to-door or station-to-station); role of Railways in the supply chain (central or peripheral), etc. The uniform tariff based on affordability principle was also indifferent to the timing (peak/lean season, etc.) and direction of freight traffic (whether wagons were returning empty after unloading). In simple terms, Railways lacked an understanding of its own competitive strength in various market segments.

The change analysts were quick to realize after data analysis that all the while, the organization and various committees had been externalizing the obstacle whereas “thinking process which existed within the system” was the real impediment. They correctly identified the “prevailing mindset” as the biggest roadblock on the way to achieving the goal of “improving organization’s performance.” Figure 27.1 is a pictorial depiction of the obstacle, that is, “mindset” that subverts one’s goals.

The commitment of the change analysts emboldened with systematic problem diagnosis and hard data led to a new insight that “altering mindset” could do wonders to the performance of the railways. The keen desire to increase the revenue from freight traffic creates a sense of urgency for changing the old mindset. The key members of the organization worked relentlessly to engender a new mindset that “factors of seasonality, direction of flow and market/demand dynamics determine the growth/decline of freight traffic.” Similarly, mindsets had to be changed in this public institution with regard to market/commercial understanding, developing inter-functional collaboration, utilizing information for making informed choice, and so on. Table 27.1 presents a few key “prevailing mindsets” and “altered mindsets” which pushed the railway’s revenues upward. A similar approach which consisted of data analysis and identification of prevailing mindset was applied to change other mindsets listed in the Table 27.1.

The organizational members had harbored the old mindset based on their past experiences. They were well entrenched in their actions and beliefs. The change analysts presented their findings to the decision-makers in the organization to enlist their support. These revelations fostered a new mindset that correctly identified factors such as competitive position, market trends, and seasonality as determinants of freight rates. Since there were concerns about the

**Figure 27.1** “Outdated Mindset”—The Obstacle on the Path of Achieving Goals



**Source:** Neha Gupta prepared this figure on the basis of Nilakant and Ramnarayan (2009).

**Table 27.1** The Prevailing and New Mindsets at Indian Railways

<i>Prevailing mindset</i>	<i>New mindset</i>
High freight rates have led to the flight of freight customers to road transport.	Revenue losses occur when freight rates/terms do not reflect sharp understanding of the competitive strength of Indian Railways in different market segments, factors of seasonality, direction of flow, and market/demand dynamics. It is, therefore, important to develop understanding of the market.
Political interference leads to investment in financially unviable projects.	Right investments neither get made nor do those investments yield results in the absence of business savvy and poor collaboration among different functions.
The focus of thinking at senior and top levels should be on technical and operational aspects.	The formulation of policies and strategies at senior levels should be driven not only by technical and operational aspects, but also by commercial and institution building considerations.
Higher passenger fares mean higher earnings.	Rather than focus on passenger fares, decision-makers should concentrate on yield per train, and profitability of different market segments.
Increasing the prevailing rated load of a wagon would jeopardize safety.	The prevailing standards need to be re-evaluated in light of changed conditions.

**Source:** Nilakant and Ramnarayan (2009).

implication of changes on common man, the decision was debated and discussed extensively. Eventually, it was decided that on an experimental basis, few tariff changes will be made. With those changes yielding the expected results, IR moved from bureaucratic tariff fixing to market-driven tariff schedule. It led to the emergence of a new mindset that *revenue losses occur when freight rates do not reflect sharp understanding of railways' competitive strength along with factors of seasonality, market forces and so on*. Armed with the altered mindset, the change leaders displayed greater market sensitivity by adopting a differential and dynamic freight tariff. Thus, altering the mindset resulted in differential tariff which in turn led to manifold growth in revenue.

The change analysts achieved mindset change by virtue of persistence, constant communication and involvement of decision-makers. In an organization riddled with bureaucracy, the change initiative mandated unwavering persistence in getting approvals and pushing the change forward. Communication by the change analysts and key actors in the organization helped in assuaging the fears of the employees. The ownership of change was fostered by entrusting the key people in the organization with greater say and influence in work planning and execution. The data-based intervention coupled with accurate organizational diagnosis facilitated the cognitive restructuring of the organizational members and improvement in organization's performance.

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## Leadership development at Wipro

Mrityunjay Kumar Srivastava

In the context of rapidly changing economies, cultures, and ecology, leadership development has become an urgent and important priority. Effective leadership can confer incredible competitive and organizational advantages, as it proactively addresses the challenges pertaining to strategic direction and enhancing value to the customer while it guides the organization in a highly competitive and dynamic environment.

Thus developing leaders is no more a choice but a critical necessity for the organizations. The question arises: How do we groom and develop global leaders?

### **AN OVERVIEW OF WIPRO**

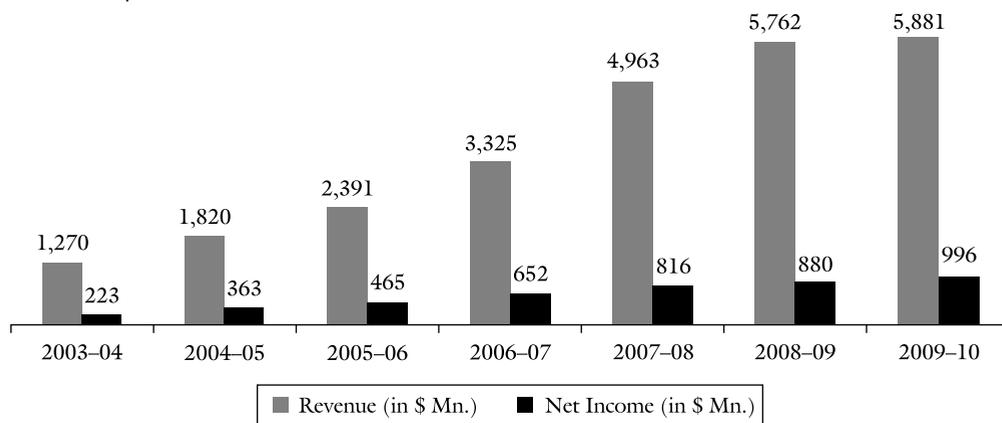
Wipro formerly known as Western India Vegetable Products began its journey in the year 1946. After years of consolidation in agriculture-based cooking oil production, Wipro tried to fill the vacuum created by the exit of Information Technology (IT) majors like IBM in the late 1970s. It began to manufacture mini-computers, followed with the attempts to make its own software. With increased intensity of activity in this sector, demand for software professionals overseas started to increase in 1990s. Wipro gradually reconfigured its software product business to meet requirements of the global services market in Information Technology. The economic liberalization unleashed the entrepreneurial energies, and since then Wipro has grown from strength to strength. At present, Wipro's business includes IT Products and Services, Consumer & Institutional Products, Infrastructure & Ecological Engineering, and Wipro GE Healthcare which is a JV with General Electric.

### **Wipro—Financial Snapshot: 2010**

- IT Services contribute 75 percent of Revenue and 92 percent of PBIT—Revenue growth of 6 percent and PBIT growth of 18 percent

- IT Products account for 14 percent of Revenue and 3 percent of PBIT—Revenue growth of 11 percent and PBIT growth of 29 percent
- Non IT business contributes 11 percent of Revenue and 5 percent of PBIT
- Wipro's IT Services Business has grown at a CAGR of 28 percent in the last 6 years

**Figure 28.1** Wipro—Financial Performance



Source: Wipro internal documents, 2009–10.

**Table 28.1** Wipro—Segment Overview

Segment-wise overview of year ended March 31, 2010 (\$ in millions)

Segments	Revenue	Percentage of total	YoY percentage	PBIT	Percentage of total	YoY percentage
IT Services	4,390	75	6	1,028	92	18
IT Products	828	14	11	38	3	29
Consumer Care & Lighting	490	8	17	67	6	19
Others	173	3		-16	-1	
Total	5,881	100	6	1,117	100	19

Source: Wipro internal documents, 2009–10.

Note: All figures are in USD.

### **Wipro's global footprint**

- 858 active global clients as of June 30, 2010
- 150+ Fortune 500 customers
- Listed on NYSE in October 2000
- Present in 54 countries
- 19,000+ employees onsite across geographies
- 112,925+ employees
- Nearly 50 percent of overseas employees are local nationals

- 69 nationalities represented in workforce
- One of the most preferred employers for top class talent (Survey by Hewitt Associates, Fortune Magazine, and The RBL Group, 2007)

The success story of Wipro has been phenomenal so far. Girish Paranjpe, one of the erstwhile Jt. CEOs was once asked in an interview “What according to you are the factors which helped Wipro in its meteoric rise?” He responded, “I think the two characteristics define Wipro’s growth: the foresight or the business sense to spot an opportunity and more than spotting an opportunity, the ability to adapt to the environment and still be successful.” Similarly, when Suresh Vaswani, the other erstwhile Jt. CEO was asked, “What factors have helped in shaping the new face of Wipro?” he said, “Wipro has always had great people. So, I would say the talented people of Wipro, the solid leadership of Wipro, the ability to think globally and think with a mission have helped us reach where we have reached today.”

It is evident Wipro’s employees belong to a multinational and multicultural background and reside in various parts of the world. To maintain the momentum of momentous business growth and taking the business to the next level is going to be solely dependent on the leaders of the Wipro. According to Mr Azim Premji, Chairman of Wipro Ltd:

Leadership at Wipro means the ability to win the hearts and minds of all our stakeholders whether internal or external. It means leading others with humility and yet having big dreams. It means the self confidence to accept that you are wrong and resilience to fight back. Leaders also need to challenge themselves and their team members to surpass the best. The leaders need to manage the change with sensitivity and confidence. They need to display sensitivity towards building an organization where people dare to dream big and yet find their own path of reaching their goals. Leaders need to manage many elements that seem like contradictions—for instance being able to think strategically and yet being able to operationally execute the plans by empowering people whether they are in their teams or those who they need to influence.

One of the important strategic challenges organizations face in developing leaders is to have the right people, at the right level and at the right time. To overcome this issue quickly organization can recruit leaders from external environment. This would be a solution, though unavoidable many times. Does this also send out a message that someone externally is doing a better job of training and developing leaders than the internal organizational mechanisms?

Does nominating people for leadership development programs outside help develop leader? The issue here is “do we spend enough time to get into in-depth needs analyses?” “Do we send right and motivated people for the suitable program?” “Do we check whether content of the program matches with the needs of the executives being sent?” Or we want to tick mark the annual objective of sending a particular number of people for some leadership development activities.

For leadership development to actually succeed, we need to have multipronged approaches with measurable parameters indicating both personal and organizational effectiveness. For leadership development to actually succeed, organization should have an OD process, where at the end of the intervention, there are measurable parameters indicating success.

## WIPRO'S RESPONSE TO LEADERSHIP DEVELOPMENT

The importance that Wipro assigns to leadership development goes back to many decades. Even in its early days, when it was a relatively unknown company, Wipro focused on nurturing and developing talent and the credit for that goes to the top leadership of Wipro. The different approaches followed by Wipro to develop leaders are discussed below.

### 1. Identifying Leaders

Long-serving Wiproites narrate that Mr Premji would meet all the middle management level executives who joined Wipro till early 1990s. He not only met them but also interviewed them thoroughly. Even though Wipro was a small entity in early 1980s, Mr Premji would attract people from different Indian Institutes of Management and best of the Indian companies. As a matter of fact, many members of the top management team today are from among individuals who joined from the campuses and other organizations those days.

“I still remember my interview,” reminisces Suresh Senapaty, currently Executive Director, one of the Board members and Chief Financial Officer of the company, who joined Wipro in 1980:

Mr. Premji spent half a day with me. He was definitely a man of details. He wanted to know everything about me and at the same time was testing my knowledge, people management skills, strategic thinking, value system and the like. At the end of it, I was exhausted by the process but enriched by the sheer intensity and impressed by his sincerity of purpose. The most lasting impression I got was that of a man genuinely interested in me. I guess that is what swung favorably for me.

Right from the beginning Wipro has been very careful in recruiting people and the tradition continues till date. It is extremely careful when it comes to recruiting right talent whether from the campuses or laterally. At least three to five rounds of interviews are common. J. Shankar, formerly Corporate Treasurer, Wipro Ltd, who joined the company in 1985 remembers:

In 1985, after I qualified as Chartered Accountant, I had two contrasting experiences in seeking job. My first interview with A F Ferguson, the Bombay Chartered Accountants firm, lasted for five minutes and I got the job. I was happy and had decided to join them but then my mentor suggested that I talk to Wipro, which he recommended as the best place for chartered accountants to begin their career. And, my experience with Wipro was a contrast. My interview with the Corporate Accountants and Audit Head lasted for two and a half hours. This was preceded by 30-minute review of a case study that I was required to analyze. Following a short break, I had my final interview with Premji, which lasted 45 minutes. At the end of which I got the job. In fact, Wipro invested a lot in the selection process. About a week later, the chartered accountant under whom I did my practical training called me asking if I was joining secret service. Actually,

he had been contacted by a person from Wipro for reference check, which had lasted for about half an hour and got from him everything he knew about me during our three year association. Wipro evaluated candidates from every angle. They did not have a standard need, but were looking for good all-round candidates.

Hence, the focus on leadership identification and development has been the key for the Wipro's success. Today, campus recruits are made to go through a rigorous induction program followed by both technical and behavioral training programs appropriate to their levels. The same is the case with laterals. Wipro strongly believes that even a fertile soil needs right seeds. "There are no short cuts. For companies to have sustainable success they need to rely on their people and they need to be nurtured," says Pratik Kumar, Executive Vice President—Human Resources.

## 2. Defining Wipro Leaders' Qualities

The meaning of leadership varies from person to person. There is a strong temptation to attribute all possible good qualities one can think of to leaders. Sometimes, these include "opposites" in qualities. Like a strong aggressive leader who eats and sleeps thinking about competitive advantage but at the same time is an extremely collaborative market player! At Wipro, it was decided to minimize the differences in understanding of the term leadership and be specific. Based on research, discussions with consultants, academics, and the past experiences "Wipro Leaders' Qualities" (WLQs) were first articulated in 1993. Each of the WLQs was visibly made operational in terms of measureable behavioral indicators. Every year a 360 degree appraisal (by supervisor/s, peers, reportees) is conducted to measure leaders around the WLQs. This obviously indicates that at Wipro, Leadership Development is a priority. To keep the WLQs contemporary and easily understood by the people across the organization, from time to time WLQs are relooked and redefined. Hence, in early 2010 Wipro redefined WLQs (Previously, it had done this exercise in 2006). At present, a set of six WLQs occupy center stage pruned from the previous set of nine. They are:

1. **Strategic leadership:** Understanding of the business environment. Shaping the business direction and also articulating it strongly to inspire belief in others.
2. **Achievement orientation:** Be determined to achieve results. Challenging yourself and team members by creating a positive environment.
3. **Customer centricity:** Customer at the center of the vision. Customer's expectation is a moving target. Understand customer priorities and deliver value.
4. **Collaborative working:** Encouraging harmony and synergy for getting multiplier effect from team.

5. **Talent building:** Encourage talent development, Coach others for better performance, Promote diversity.
6. **Spirit of Wipro:** Intensity to Win; Acting with Sensitivity; and Unyielding Integrity.

The above mentioned six WLQs are the backbone of the leadership development activities in the organization. Not only are the behaviors of leaders measured against these WLQs but the entire leadership programs are designed keeping in mind these qualities.

### 3. Behavioral Measures

All the senior managers and above are measured against the six WLQs in a very structured way. Every year, approximately 12,000 managers globally are given feedback by their supervisor/s, colleagues, and reportees on the defined behavioral indicators identified by the organization as key qualities for a leader covering each of the six WLQs. Once the report is generated, there is a discussion between the manager and supervisor. The nature of discussion is constructive and developmental with clear focus on improvement areas.

Apart from the discussion leaders have with their supervisors, they are also encouraged to attend a workshop to understand the WLQs better. This workshop is known as “Winds of Change.” This facilitative leadership development workshop covers the following:

1. A step-by-step process of interpreting the WLQ report (quantitative data and qualitative feedback from peers, reportees, and supervisors)
2. Integrating self-development plans with relevant change management inputs
3. A meaningful visit into leadership lifeline to develop leadership identity script
4. Making a realistic Leadership Development plan consistent with development goals

Leaders are also coached and guided by internal coaches of the organization. The performance and improvements based on the WLQ are also discussed by the senior management team of Wipro annually as a tool for succession planning at different levels and the process is called “Talent Review and Planning.” Says Pratik while outlining advantages of the process followed at Wipro:

Interestingly, this complete process helps us in assessing our leadership bench as well as assessing key organizational capabilities. We do a lot of analysis with the data we receive from different sources. Also, when we realize that Wipro as an organization, scores low in terms of certain behavior, we pass on the assessment to the Leadership Development Team to focus on it and intervene in strengthening it.

In terms of career development, there is a clear linkage with opportunities for progression and growth for those in the talent pool. Employees from the talent pool are entrusted with bigger roles and critical assignments. The company is also willing to demonstrate its trust in the ability of these people by giving them key roles.

## 4. Leadership Composition for a Global Organization

With the presence of Wipro in diverse geographies, it has become very important to manage cross-cultural and multinational workforces. Leaders who have the advantage of meeting up with client from as close a quarter as is possible, are best suited for local management. To ensure such an impact, Wipro has infused its top management with leaders from host nations itself. This has been the case with the largest of geographies like USA, Japan, and Europe. These leaders are naturally capable in their own nations, and are quick in understanding the business of customers. Of the people based overseas about 40 percent are locals. Locals are not restricted to being foot soldiers. They occupy a whole range of positions—top management, senior management, middle management, and customer engagement managers.

## 5. Developing Leadership Talent from Within

The process adopted for Leadership Development follows a lifecycle transition pattern. To develop leaders, Wipro trains its employees on a regular basis. There are five programs that focus on sharpening leadership skills and perspective of individual leaders at different levels and stages of their career. They are designed keeping in mind the WLQs mentioned earlier.

1. **Entry Level Program (ELP):** This is the first program a fresh recruit goes through. The program helps the newcomer into becoming a good management employee, like how to become an effective team member, how to participate in meetings, communicating thoughts and feelings to others. Country-specific cross-cultural training and the opportunities to work in different nations has made the workforce adaptable and resilient.
2. **New Leaders' Program (NLP):** This is designed for the first-time manager. Many people continue to be more comfortable managing technology rather than people. This program helps an individual to sharpen skills in Leadership and Personal Effectiveness. It focuses on how to understand self, build teams, collaborate, communicate, manage conflict, lead according to situations, and coach others. This is 6-day long program segregated into 3 tiers over a period of 9–10 months. In the NLP, leaders are particularly trained on aspects of managing teams.
3. **Wipro Leaders' Program (WLP):** Wipro Leaders' Program is a flagship program for Manager of Managers. It was started in 1988 and was initially known as "Wipro Managers' Program." The objective of WLP is to "Help build future leaders who can address the challenges of future and take Wipro to new heights." It is a corporation-wide program and designed based on WLQ. At the WLP, leaders are sensitized on the various aspects of Corporation, Teaming, Collaboration, Diversity Principle, and also

get an opportunity to mingle with leaders from all parts of the world. The nominations are strictly by invitation. This is a six-day long residential program blended with both in-house and outbound learning activities. Faculty for this program is both internal and external. The internal faculty consists of top management team of Wipro which includes Mr Premji, the CEO, and others. Initially there used to be only one or two programs in a year for the whole corporation but of late 4–5 programs are conducted every year. The 50th WLP was conducted in December 2009. So far 3,000 plus managers have participated in this program.

4. **Business Leaders' Program (BLP):** This five-day long residential program is for General Managers and General Managers-in-waiting who need to look at business strategy as a whole and understand bottom line implications. It covers relevant elements of strategy, finance, and environmental scanning. The BLP focuses on business simulation game with a strong international flavor which is run over two and half days. This program again is invitation based for carefully chosen executives and faculty for the program is chosen from among the top management team from Wipro and outside. Like WLP, the top management team includes Mr Premji, one of the Jt. CEOs, CFO for Wipro Ltd., and others. This program is conducted only two or three times in a year. Commenced in 2001, so far 1,100 plus executives have been covered in this program.
5. **Strategic Leaders' Program (SLP):** This is the apex program targeted at top management team. It helps them to design and develop strategies in a global environment. From the inception the SLP has been addressed by global thought leaders. Luminaries from Wharton, London Business School, and the like are invited to share topical perspectives on leading large corporations.

Participating effectively in each of these programs is necessary to progress in one's leadership career. K.R. Lakshminarayana, Chief Strategy Officer of the company who attended WLP in 1998 and who now is a regular member of faculty for the leadership programs said:

WLP made a big difference to my growth as a leader. It taught me what to expect when one transitions to the role of leading a team of managers from a delivery perspective. I learnt the softer aspects of managing peers and leading teams. Equally importantly it helped build perspectives which are so important for a leader.

## 6. Advanced Leadership Experiential Learning

In 2005 Wipro joined a consortium-based program popularly known as Global Learning Alliance (GLA) with Learning and Development wings of large global organizations, namely, Schneider, L'Oreal, Nissan, and Alcan. Each organization sponsors approximately six senior leaders (at the level of Vice-Presidents in Wipro) from within its multiple lines of business

to represent learning and development challenges on a common forum. The program which runs into two modules is facilitated by eminent faculty from institutions like the London Business School, and legends like Professor Ikujiro Nonaka. The two modules are held at different points in the year in two different countries—one in rapidly developing country and the second one in a developed nation. The model on which it is based embraces globalization in terms of cross-industry learning on “Strategic Business Challenges” and socialization to create a supportive climate for leadership skills development across business models and organizational change contexts. Over the last five years, the program has been running very successfully. “For me the really exciting thing was that I could sit down and exchange views with the participants from different nationalities, not as clients but as friends, and soak up all the cultural nuances,” says Sangita Singh, senior VP, EAS, Wipro Technologies, a participant in the first GLA program in 2005–06. What started as an experiment for Wipro has turned into a huge success internally. So positive has been the response from the senior executives that it has created a huge demand for more such initiatives.

The company has responded by putting together another such program hosted by Professor Henry Mintzberg, an internationally renowned author and expert in business management. This program is known as Advanced Leadership Program and it has three modules spread over three continents. The first module is held in McGill University in Montreal, the second in IIM Bangalore, and the third in Lancaster University Management School, Lake District England.

At national level, Wipro helped create another consortium-based program. Seven blue chip Indian companies such as Aditya Birla Group, HDFC Bank, Colgate-Palmolive, Dr Reddy’s, Mahindra and Mahindra, Genpact, and Wipro Ltd are partners in that group. Each of these companies sends about 6–8 of their chosen General Managers or equivalent for the program. Again this program runs into two modules and is conducted by the partner companies at their premises.

The above-mentioned programs expose the business leaders to real issues faced by other global and national companies. They also understand how to resolve these challenges. Apart from the rich experiences that these initiatives bring to Wipro executives, these programs are relatively extremely cost effective compared to similar programs conducted by leading management institutes overseas. But, it is the intangible benefits of the programs that really benefits Wipro.

### ***Coaching for leadership***

Wipro strongly believes that leaders must be good coaches as well. Hence, it puts lots of emphasis on coaching the leaders. More than 3,500 executives at mid and senior levels have been part of a daylong intensive coaching workshop for leaders. The program focuses on:

- Coaching conversations on a day-to-day basis
- Formal coaching sessions with their staff members

- Coaching conversations which focus on required behavior change and not just task
- Learn new behaviors and how to change old ones

## CHALLENGES IN LEADERSHIP DEVELOPMENT

Leadership development at Wipro today is acknowledged across boundaries and that brings some of the unprecedented challenges going forward such as:

- Sustaining the momentum;
- Scaling up the leadership work to next level to meet the requirements of the Net Gen;
- The speed of change; and
- Managing multicultural workforce.

Implications for leadership in Wipro's current environment include:

1. The rate at which business opportunities present themselves across diverse business sectors in multiple geographies, it is very important to have a nurturing climate in which a younger workforce rises to challenges of leadership quickly. The younger generations in most parts of the world stand on newer educational paradigms and the possibilities that can be accessed faster than what was once imagined. A major challenge for leadership development in a relatively young workforce is going to be able to balance the needs of novelty with a sense of responsibility for the future.
2. It is clear that the millennial generation has different expectations of work and career. Businesses will need to think carefully about how they engage with employees of different generations.
3. Sufficient learning is required to embrace the diversity of cultures, business sector models in different markets and geographies. The dominant thinking around institution building has largely originated in India. Accommodating newer thoughts from foreign cultures and workforce within its mainstream culture is an act of leadership that needs closer attention.
4. Teams have lesser time to discover their purpose, and follow through in performing service operations. While teaming is common, leaders will grapple with rapid and complex information flows that will affect short-term and mid-term business outlooks arising out of the complex team problems at managerial and strategic levels. This dimension is amplified when teams work across virtual spaces from different continents.
5. Business Growth can often hide many a weaknesses in organizational routine. A focused and repeated emphasis on creating a winning culture could potentially instill a sense of

infallibility. Leaders who are insensitive to such possibilities may project a false sense of confidence. A significant challenge for the leadership at Wipro then will be to effectively manage the scale and speed of business growth with a sense of realism and requisite humility.

6. As service providers in IT, the variety of market sectors served is generally a source of prospective revenue. However, this potential can be realized only when leaders come to terms with the business model dynamism in client domains. Leadership response to changes in clients' business models is going to be the key to future enablement of business.

## Unified seeds

G. Rajkumar

“Please come, Mr. Suresh will meet you now,” the Secretary to MD escorted Raviraj, the Management Consultant and executive coach. It was a scheduled meeting organized by the Head—HR of Unified Seeds Ltd (USL), one of the group companies of Unified Global.

Suresh and Raviraj exchanged pleasantries and settled in for a conversation as the coffee also arrived. “I am sure our HR Head, Vanitha, has given you a picture of what is happening in our organization. Intervention with external facilitator is her idea and that is why I am meeting you,” Suresh started getting into the discussion and added, “I will be keen to understand how you can help us.”

Raviraj nodded: “I will be happy to do whatever I can. First, I wish to confirm my understanding of the issue.” He shared with Suresh what he had understood from the HR Head.

“I understand that there is a lack of collaboration among the senior team members. There is a general feeling that they don’t trust each other. As I understand, it is now a growing concern in the organization as the lack of collaboration at the top is cascading down the hierarchy,” said Raviraj. Suresh responded:

That’s right. You have understood it correctly. I will only add that the team members are highly capable in their own respective areas. In fact, I have no problems of working with them. But I want them to demonstrate better collaboration and good leadership. You must also remember that some of them have been with the company for a long time while a few of them have joined recently. (See Annexure 29.1 for the organization chart)

As Raviraj jotted down his notes, Suresh continued:

You are the expert, and so we’ll leave you to design the intervention. I understand that you wanted to start with a two day workshop. I will leave you with complete freedom. You can discuss with our HR anything that you need from us. Depending upon how the senior team receives it, I am keen to have the middle level managers also take part in a similar workshop.

Raviraj shook hands with Suresh and left the room.

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On his way out of the office, Raviraj had a short meeting with Vanitha, Head—HR. He briefed her about his conversation with Suresh.

Vanitha said, “I am glad that you have directly heard it from him. As a person, Suresh is a very nice gentleman and always open to suggestions. His leadership is the only problem.” “What about his leadership?” Raviraj asked. Vanitha shared:

As I said, he is a thorough gentleman. Sometimes he is perceived to be too soft and too tolerant. Some members of his senior leadership team get away because he does not take any tough measures. For example, one of the leaders Sukhwinder, sacked three of his field people without discussing with anyone. When another Business Head, Shanmugam raised this issue in our last meeting, Sukhwinder almost told him to mind his business. Suresh was pretty much there chairing the meeting. I tried to counsel Sukhwinder privately later. I told him that people management practices should be uniform across USL. I don’t think he understood what I was trying to tell him. He feels that he should be able to manage his people and no one should interfere. In fact, he asked me why others are bothered when his own boss, Suresh was not worried.

“Did you discuss this issue with Suresh?” Raviraj asked. Vanitha. She replied:

Yes, I did. He agreed with me and later had a session with Sukhwinder also. But by then, the damage has been done. Some of the senior team members tend to think that Suresh is soft towards Sukhwinder because they both worked in the same company before joining USL. But only I know that they didn’t know each other before joining USL. But I can’t change the perception of others.

“Is Sukhwinder the only problem?” questioned Raviraj. Vanitha noted:

Not really, I have problems with some of the seniors. My finance colleague Balakrishna was at the receiving end of ugly insinuations from one of the business heads. Somehow, we don’t seem to be respecting each other’s roles. Business heads drive things as they please. They don’t want anyone to know or be involved in what they do. Each one of them tries to keep Suresh informed and carry out their work.

Raviraj said, “So, you feel Suresh’s leadership is causing the problem!”

“I won’t say that it is the only problem. But I just wanted to share my perspective. You can assess on your own. I won’t be surprised if they finally say that HR didn’t do its job during the merger a few years back,” Vanitha reamarked.

Prime Seeds Pvt Ltd, a small regional player for many years, was taken over by USL and merged four years earlier. It was the least painful merger from human resources dimension since most of the employees were retained. The bigger challenge has been to introduce processes of a global conglomerate like Unified Global in a smaller company like Prime Seeds Pvt Ltd. Some of the senior employees of Prime Seeds resisted following the systems and processes laid down by the Unified Global. The residual feelings arising from the unresolved problems kept cropping up even four years after the merger.

“Let me not color your views too much. You are the expert. I look forward to your suggestions,” Vanitha told Raviraj.

Raviraj left Vanitha’s office after confirming a set of dates for the workshop.

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The proposed workshop was about three weeks away and Raviraj’s mind was fully occupied with a series of questions.

- What is the central problem at USL?
- Do they all acknowledge that they have a problem?
- Who should provide the solution to the entire team?
- What should be achieved at the end of the two-day workshop?
- Should Suresh be a part of the workshop? How will his presence influence the deliberations?

He scribbled on his note pad what he thought should be achieved by the end of the workshop. He coined a title for the intervention—**MANTHAN** (Churn)! (see Annexure 29.2).

There was a call from Vanitha regarding announcement of the workshop and sending invitations to all. Raviraj wanted the pre-communication to the workshop to be carefully worded and therefore sent across a one-page note by the end of the day which was used without any edits by Vanitha for internal communication (see Annexure 29.3).

Suresh, all his direct reports (other than his secretary) and managers at the next level were invited for the workshop. There were a total of 16 participants. The workshop was planned at a posh resort with an overnight stay. A curtain raiser session of about two hours was planned on the first day evening followed by team dinner. Workshop continued for the next day. As the facilitator, Raviraj didn’t publish the session-wise schedule; instead, he told the team to participate in the journey to carry out the Manthan! The gist of the Manthan workshop is presented in Table 29.1.

Raviraj involved Suresh in the lighter energizers and kept him as an observer during other exercises. During the individual assessments, his profile was also taken up for discussion. The team was encouraged to share and understand each other’s personal profiles. Clustered seating, team working, and rotation of members among various teams during the day were done in a planned manner so as to bring different team members in contact.

The high point of the workshop was the team assessment. When Raviraj flashed the results on the five dimensions, it was something that the team did not expect. Without pointing a finger at anyone, the scores seemed to reflect what team members felt about themselves. Suresh too was one of the respondents and was curious to witness how the team reacted. He, in fact, encouraged the team in a positive way by stating that the first step of improvement is acknowledgment that we are not at our best. He went on to add that the senior team was well positioned for self-reflection and mid-course correction.

**Table 29.1** Gist of Manthan Workshop (Senior Team)

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<b>Day 0 (7 p.m. to 9 p.m.)</b>	<ul style="list-style-type: none"><li>✓ Vanitha welcomed all the participants and shared with them the logistical arrangements to make them comfortable.</li><li>✓ Suresh set the context broadly; he was a little cautious in his words; he said that Manthan is not because we are not doing well; in fact, as a business last year, we did very well. Manthan is to explore what else can be done to make USL even better. He asked everyone to participate enthusiastically and be open and receptive to any feedback.</li><li>✓ An ice-breaking game was facilitated by Raviraj which created great deal of participation and laughter among team members. He then got a questionnaire filled by the participants and collected it back for overnight analysis. He distributed a couple of articles on the theme of “Team at the Top” along with a case study.</li></ul>
<b>Day 1 (9.30 a.m. to 6 p.m.)</b>	<ul style="list-style-type: none"><li>✓ The senior team analyzed the case study very well. It was about an organization where the leadership team mishandles some events that lead to misunderstanding and loss of some good people; the case discussion elevated the awareness about the impact of senior team on the organization.</li><li>✓ Facilitator then presented the survey results based on the questionnaire that they had all filled in the previous evening (see Annexure 29.4). There was a heavy silence for a while followed by an almost consensus agreement with the scores.</li><li>✓ The entire team then geared up to find remedies to correct the situation.</li><li>✓ A series of structured exercises by the facilitator resulted in idea generation for a 3–5 year vision; cultural dimensions required to execute the vision; and how leadership would help build such a culture; facilitator encouraged all the ideas and did not force concreteness of actions.</li><li>✓ An interpersonal profiling tool was used to help each leader see his/her orientation and how this would facilitate or hinder the action plans. A collective team profile was also mapped by the facilitator for their reflection.</li></ul>
<b>Day 2</b>	<ul style="list-style-type: none"><li>✓ Each participant spent about 20–30 minutes with Raviraj. During the one-on-one session, Raviraj played the coach role helping participants understand the impact of their leadership behavior on the overall leadership team and on their team members.</li><li>✓ He also helped each participant understand the interpersonal profile and helped in identifying the action areas.</li><li>✓ The primary objective of the coaching sessions was to help inculcate sensitivity toward the peers and team members.</li></ul>

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**Source:** Based on the consultant’s notes and internal documents of the organization.

At the end of the workshop, the participants thanked the facilitator, and Raviraj reminded the group about the one-to-one sessions the following Monday.

After completing the one-to-one session with the rest of the participants, Raviraj scheduled a coaching session with Suresh over lunch. Suresh expressed satisfaction about the way the senior team opened up and he felt confident of positive change. Raviraj shared some specific observations and feedback with Suresh on his style, interpersonal profile, and how others perceive him. He also used his understanding of each of the team members during his coaching session with Suresh. Suresh was highly receptive to the feedback and agreed to initiate personal action to be more assertive, and to work through the team rather than one-to-one style of working. He also agreed to create more forums for the employees of USL to come together more informally.

At the end of the session with Suresh, two specific actions were identified:

1. To go ahead with another Manthan workshop for the middle level managers.
2. To involve senior team members in carrying forward the ideas generated during the Manthan workshops and not to leave it to the HR department.

## **MANTHAN FOR THE MIDDLE LEVEL TEAM**

The same structure was followed for another set of 22 middle level managers. As some of the middle level managers had low proficiency levels in English the case study was replaced with a competitive game for ease of comprehension for the team. The team assessment was also carried out and the results were fairly close to that of the senior team (see Annexure 29.5). Action ideas were generated toward the vision, team culture, and leadership behavior.

## **FOLLOW UP TO MANTHAN**

After about two weeks, a half-day follow up session was organized by Vanitha. She invited all the senior team members (3 of the 16 could not participate since they had to be away on business travel) and a few representatives from the middle level team.

The main objective of the follow-up session was to relook at all the ideas generated during the Manthan workshops, prioritize them, and organize action teams to take things forward. It was Raviraj's suggestion to create as many forums for the teams to come together. It was also his idea to engage them in some of the organization building agenda so as to expand their leadership thinking beyond their own business operations. It was also envisaged that it would be a good visible example of leadership team working together for the rest of the organization.

During the half-day session, Raviraj facilitated team discussion to prioritize the action items. The team came up with seven themes (see Annexure 29.6) which they thought will be critical for future business success as well as for creating a healthy work culture. Raviraj also encouraged the team members to volunteer to be the action team leaders. Two leaders were identified for each theme. It was also agreed that the team leaders would invite anyone else in the organization, and co-opt more members for the action theme.

Suresh was present during the entire session, but did not steer the discussion in any direction. He offered his suggestions on the pairing of action team leaders so as to ensure as wide a mix as possible.

Suresh was more than happy to empower the action teams and agreed to play the reviewer role with Vanitha becoming the convener. The follow-up session was concluded with an immediate action plan to work out a detailed proposal on the action theme. The plan included details of how they wish to take it forward, what could be the expected organizational

benefits, what specific processes/steps would be followed during execution, and who would be responsible.

Vanitha, as the Convener, took the commitment from everyone for a review date which was four weeks away. Suresh too blocked his time to review each action team's work. There was some discussion on the questions of whether all the teams should be present when Suresh reviewed one team. Raviraj encouraged the view to have all the teams present so as to facilitate cross-team learning.

At the conclusion of the follow-up session, Suresh expressed special thanks to Raviraj for taking the team through all the churn (Manthan) and assured on behalf of the team to carry forward the actions which would ultimately benefit USL in its growth.

Before leaving the venue, Vanitha personally thanked Raviraj for bringing the team to such a level where they started owning the organizational building agenda. She felt confident that it would be now much easier to work through the senior teams than before. Raviraj too thanked Vanitha for the opportunity and assured any support that she would need in driving the initiative.

## **THE FIRST ACTION TEAM REVIEW MEETING**

The agenda for the first Action Team Review meeting was circulated well in advance by Vanitha. It was planned that all the teams would be present throughout the meeting and Suresh would chair the meeting. Each team was asked to come prepared with a formal presentation on their action plans.

Suresh was eagerly looking forward to the meeting. He wanted to see how the empowered teams would take it up. On his part, he consciously decided to implement his personal action plan by being more assertive while reviewing the action teams.

Meeting took place as per the schedule. Everyone was present except one action team leader who had a family emergency. Vanitha welcomed all the teams and set the agenda rolling.

Teams went through their presentations. Initially, it was only Suresh who got into details and asked questions. As the meeting progressed, other members too participated with their observations or questions. There were a few instances where some members made sarcastic comments with caustic humor. Suresh discouraged the same and reminded the team about the seriousness of the agenda.

In fact, right through the meeting, he tended to be highly critical of their work. He had expected much better and more focused action plan on each theme. He felt the work lacked clarity though a lot of effort had gone into preparations. He also found the presentations lacking finesse of any professional standard. Without mincing words at the conclusion of the meeting, he stated that the presentations were not of the standard that he had expected.

The teams left with mixed feelings about the first meeting.

\* \* \* \* \*

Suresh got busy for the rest of the day after the action team review meeting. He left office around 7.15 p.m. As his driver skillfully maneuvered the car through the thick traffic, Suresh leaned back and closed his eyes. Thoughts of the action review meeting left him with feelings of discomfort.

Why was he feeling uncomfortable? “It’s true that I had expected more from the teams and they didn’t quite measure up to it,” he thought. “But, did it warrant such harsh statements from me? In my desire to practice assertiveness, did I miss the positive side of the process, and become excessively critical about the contents?”

He recalled the entire process since his initial meetings with Vanitha and Raviraj. Hasn’t the team progressed since then?

From the point of being a disjointed team, it surely had progressed. Thanks to the intervention, the team now acknowledges that they have a problem. They applied their mind to think and come up with some ways to improve. More importantly, they are now coming together more often than before. Is this not a good sign?

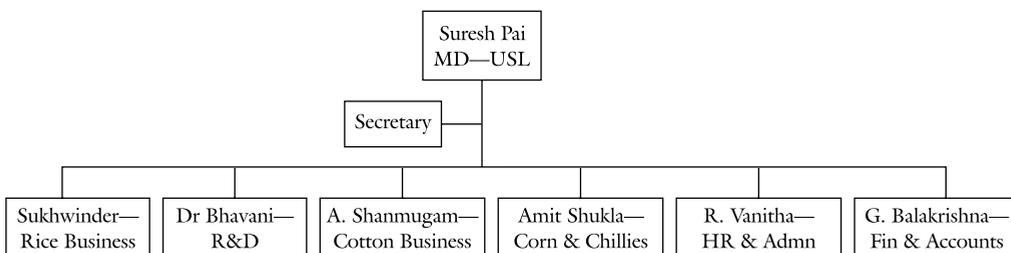
Suresh felt satisfied at this thought. It was soon followed by another apprehension: Is this team behavior permanent? Probably not. If it were permanent, why were they sarcastic about each other during the team review? Some of the members need to change their behavior. But, was my reaction appropriate in disciplining such team members? How does it work on the whole group? And, what about the negative feedback at the conclusion of the meeting?

He felt annoyed at his own behavior. “I should have been more positive in reinforcing their efforts. I was expecting too much too early. Perhaps, the teams were experimenting with concepts and themes that they had never worked before. They need more coaching and hand-holding. The process needs sustained effort.”

As this thought arose in his mind, he told himself that he would initiate quick leadership actions to undo the damage. He wanted the process to continue and decided to lend all support as a leader, though he had little clarity on what the teams need immediately, or what he should do the next day!

He decided to sleep over these thoughts and hopefully wake up with fresh ideas.

## ANNEXURE 29.1 SENIOR TEAM OF USL



- Suresh Pai:** Joined USL about three years ago; a veteran in Unified Global; a rice business specialist with good exposure to Asia Pacific markets; taken over complete business responsibility of USL for the first time in his career;
- Sukhwinder:** Joined USL about 2.5 years ago as a #2 in rice business; elevated to head of rice business after about one year when the position fell vacant; a field level manager with extensive travel experience across the rice growing states of India;
- Dr Bhavani:** Started career with Prime Seeds Pvt. Ltd as a research associate about 12 years ago and continued in the same line of activity; grown to head seed research and development now; mostly away from corporate office as she needs to spend time in the labs and field research; commercial orientation and exposure to organizational issues is limited;
- Amit Shukla:** Spent long time in rice business in Prime Seeds Pvt Ltd; when USL offered him the opportunity to head cotton seed business, he willingly agreed though competition was intense; cotton business is not doing as well as rice business for the past two years in USL;
- Vanitha:** Joined USL to head HR; she is from a different industry and is heading HR function for the first time in career; youngest in terms of age among the senior members;
- Balakrishna:** Joined Unified Global as a finance specialist about eight years ago; as per the internal mobility process of Unified Global, he is currently with USL for a three-year stint.

## **ANNEXURE 29.2 FACILITATOR'S NOTES ON WHAT SHOULD BE ACHIEVED DURING THE WORKSHOP**

- ✓ The team should understand each other a little more transparently
- ✓ They should realize and acknowledge that they have a problem
- ✓ They should check if they all have a common goal as USL senior team
- ✓ They should discuss if the culture that is being developed is good enough
- ✓ At the end, they should also be willing to take up responsibility to do something about the above

MANTHAN ...nice name ☺

## ANNEXURE 29.3 AN INTERNAL COMMUNICATION TO ALL INVITEES

### Manthan—A Team Retreat

#### CONTEXT

The Manthan workshop is particularly aimed at the senior teams and its members. Leaders at such levels carry significant responsibility for large teams and their impact on the business is of high order. It is therefore essential for this team to perform at its optimum and set an example and direction to the rest of the organization.

To do this, teams must address both business performance and behavioral issues directly and with equal importance. It's important for team members at the top to pay attention to these aspects of team and individual behavior since the same is mimicked lower down in the organization. The proposed retreat—MANTHAN—is to facilitate a structured self discovery, reflection, and brainstorming.

#### RETREAT OBJECTIVES

- *To facilitate a shared understanding of goals, values, and motivations*
- *To discuss and collectively strategize every members' contribution toward business direction*
- *To evolve an agenda of aligning individual expertise and personal goals with the business vision*

#### FACILITATOR

<A brief profile of Raviraj, the facilitator>

#### DATE AND LOCATION

**May 29, 30 and June 1, 2009 (Friday, Saturday, and Monday)**

It will be organized as a residential program; each delegate is expected to check in on the evening of May 29 at 6 p.m. followed by one full-day workshop on May 30, 2009. The workshop is expected to conclude by 6 p.m. on May 30, 2009. This will be then followed by a one-on-one coaching session with every delegate for a period of 30 minutes on Monday, 1st of June.

<Venue Details>

## ANNEXURE 29.4 TEAM ASSESSMENT BY THE SENIOR TEAM

(Based on 16 respondents)

<i>Dimension</i>	<i>Concern</i>	<i>Moderate Strength</i>	<i>Strength*</i>
Trust			
Conflict			
Commitment			
Accountability			
Attention to Results			

**Note:** \*None of the five dimensions was rated by the team as their strength.

## Explanation Notes on Team Assessment

1. Team members do not openly admit their weaknesses and mistakes
2. Team members do not call out one another's deficiencies or unproductive behavior
3. Team members do not know about one another's personal lives and are not comfortable discussing them
4. Team members do not quickly and genuinely apologize to one another when they do or say something inappropriate or possibly damaging to the team
5. Team members do not willingly make sacrifices in their departments or areas of expertise for the good of the team
6. Team members are not deeply concerned about the prospect of letting down their peers

## ANNEXURE 29.5 TEAM ASSESSMENT BY THE MID LEVEL TEAM

(Based on 22 respondents)

<i>Dimension</i>	<i>Concern</i>	<i>Moderate Strength</i>	<i>Strength*</i>
Trust			
Conflict			
Commitment			
Accountability			
Attention to Results			

**Note:** \*None of the five dimensions was rated by the team as their strength.

## Explanation Notes on Team Assessment

1. Team members do not openly admit their weaknesses and mistakes
2. Team members do not know about one another's personal lives and are not comfortable discussing them
3. Team members do not call out one another's deficiencies or unproductive behavior
4. Team members do not challenge one another about their plans and approaches
5. Team members are fast to seek credit for their own contributions but slow to point out those of others
6. Team members do not willingly make sacrifices in their departments or their areas of expertise for the good of the team.

## ANNEXURE 29.6 FOLLOW-UP ACTION THEMES

	TOPIC	LEADER 1	LEADER 2
1	Identify required competencies for business growth. Build and empower competent teams		
2	Evaluation and optimum utilization of resources (people and others)		
3	Recognition and utilization of individual potential skills and career growth		
4	Open and transparent communication across departments		
5	Code of conduct for leaders to demonstrate, and create a culture for open feedback		
6	Execution efficiency of business processes		
7	Foster and stimulate innovative thought process through risk taking		

## Keeping up with times: Proactive interventions at a multinational

Gopal P. Mahapatra

Can an organization initiate change when it is performing well? Is it possible for a company to proactively redefine its way of working ahead of changing times?

The multinational company that belongs to the metal industry has been in India for more than seven decades. It is well regarded for its management practices including employee relations, work culture, and occupational health and safety. It has presence across the entire value chain with operations from mining to finished products. It employs 12,500 employees across 10 mining and manufacturing sites. Additionally, it has six sales offices/branches. The organization has been a market leader in its sector. In its long history, it is known to have set bold visions and executed these effectively.

The company had two major competitors—the first is a large family managed organization, while the second is a Public Sector Undertaking (PSU). Despite stiff competition from these two companies, the MNC remained market leader on account of its clear edge in quality and other functional aspects.

A new CEO had assumed position from his earlier functional role. He was perceived to be a radical thinker and was known for his aggressive approach. He was a homegrown leader, who had even worked as an office bearer of the workers' union early in his career. He had considerable international exposure and was very active in several industry fora, where he had been entrusted leadership roles.

The CEO was aided by a top management team that was high on technical and leadership competence. This team consisted of professionals who too had started their careers with the company at the entry level and had been professionally groomed and nurtured to take on senior leadership positions.

While the “Annual Retreat” of the top management had been a regular affair, the CEO clearly wanted the retreat with him at the helm to be different and more impactful. He wanted to use it as a pit stop to pause and reflect on the past. Retreat would provide an opportunity

to collectively envision a future in which the organization could rise to new levels by riding the wave of liberalization/globalization that was expected to engulf the economy.

The deliberations at the retreat led to the realization that while the organization had experienced a long period of stability and growth primarily because of its low cost and technology capability, it needed to adopt the “Quality” route to rise to the next level of national and global competitiveness.

The CEO, through the Annual Retreat, involved his team and representatives from the organization at large at all stages in the process of developing a new vision and the roadmap. He recognized the need for their buy-in to enable the successful implementation of the vision and roadmap. Further, their active involvement in translating the vision into action was also clearly mapped out. The process of full employee involvement was implemented through a multipronged OD approach:

- Creating a special steering committee to lead the initiative chaired by the MD (CEO). All Divisional heads and heads of key functions—Human Resources, Finance, Quality, and Strategy—were nominated to the Steering Committee
- Launching it as an integrated OD journey (without naming it so) through initiatives like TQM, ISO, IT Enterprise Enabling (through Oracle), HRD, and Corporate Communication
- Involving internal change sponsors, enablers, facilitators at multiple levels of the organization with the valuable inputs and support from leading management, quality, HRD, IT, and related consulting firms and institutions
- The factory heads, functional heads, leaders, and managers were equipped to act as change sponsors, enablers, and facilitators through a series of TQM Facilitators Programs, TQM Team Leaders Program, ISO Lead Assessors and Train the Trainers programs

The outcome of these efforts translated into specific programs, which resulted in long-term capability enhancement and triggered culture change. The steps taken in the overall change process were:

1. Employee satisfaction and organization health survey across all the units of the organization
2. Department Purpose Analysis (DPA) and Quality Improvement Programmes (QIPs) (*Cost, Quality, Customers, and Exports emerged as the focus areas for growth and breakthrough from the SWOT analysis at the management retreat. Analysis of the annual reports revealed that they contributed to the competitive edge of the company in subsequent years*)
3. TQM Facilitator and Awareness Programme (*TQM and ISO were the major steps adopted for Leadership through Quality, Total Employee Involvement and Standardization through ISO. Most of the managers had gone through Leadership development; but TQM strengthened leadership development with the help of external consultants and some reputed Business Schools as well.*)

4. The theme of the change and various thrust areas and sub-components of change (for example, IR to HRD) were decided and worked upon

The entire journey visibly sharpened the employee involvement, quality, and change management capabilities. Employee involvement went up dramatically with reduction in turnover by 15–20 percent year after year and significant enhancement of exports. Whilst the costs of quality came down, the employee satisfaction, and customer satisfaction grew along with the brand equity.

Thus, the organization successfully prevented obsolescence by bringing in multiple changes leading to energy and enthusiasm in the organization at all levels. More than 60 percent of the managers and executives who played active and lead roles in TQM and other change initiatives are currently in leadership positions in Strategic Management, General Management, Human Resources and Quality in many large global and Indian organizations. Hence, proactive interventions not only resulted in growth of organizational members but increased organizational effectiveness as well.

## Tata Chemicals: Fostering learning journey

B. Sudhakar and V.N. Kantharao

Tata Chemicals Limited (TCL) was established in 1939 with plant locations in Mithapur (Gujarat). Later Babrala (UP), Nanded (Maharashtra), and Haldia (West Bengal) locations were added in India. In this old organization, people belonging to three generations worked at same place. As a result, the employees had strong emotional bonds at their workplace.

In India, it ruled the market in soda ash production with one of the largest soda ash plant built in 1944 at Mithapur. The township Mithapur, derives its name from “Mithu” which means salt in Gujarati language. Soda ash was almost like a monopoly—whatever was manufactured was sold. They had not been exposed to market forces as a result of which sales and marketing was treated as an activity with little importance. There was no HRD function.

The whole scenario changed with liberalization and reduction in import duty on soda ash. The organization had to respond to the new threats in the marketplace. There were severe threats to the survival of the organization.

Top leadership was new and was focusing on what changes were to be made and where to begin. First and foremost, the organization faced the herculean task of generating a desire for change through self volition and self determination. The challenge was to preserve the positive aspects like strong organizational bonding, nurturing environment, fighting spirit (also referred as “Spirit of Mithapur”), and above all high levels of technical capabilities. The transformation journey from 2001 to 2006 was guided by the philosophy of *“believing in people and their capacity to change.”*

### **FACILITATING FORCES**

The key facilitating forces for the transformation process at TCL were:

1. Business imperatives
2. Leadership alignment

3. Alignment between in-house and external change agents
4. Group of young and enthusiastic HR professionals who were willing to learn and take risks

## **Business Imperatives**

The following factors simultaneously created severe pressure on the bottom line of Tata Chemicals:

- Import duty for soda ash declined from 125 percent to 25 percent as part of liberalization.
- Higher manufacturing costs in India than imported material posed a major business threat.
- Important customers became the organization's competitors. For example, Nirma went for backward integration to manufacture soda ash.
- In the urea business, policy became very unfriendly for those who had put in huge capital.
- Salt market share was under threat owing to increasing presence of regional brands. Many new players entered the branded salt business making inroads into the market share of Tata salt in the branded salt segment.
- Material from ANSAC (American Natural Soda Ash Consortium) and China were available at prices far lower than those of the domestic manufacturers. It caused significant impact on the top line and bottom line of Indian players.

## **Leadership Alignment**

The senior leadership workshop at Chiplun (near Goa) in September 2001 became a watershed event in the history of Tata Chemicals. In this workshop, the leadership collectively took a hard look at the organization, its strategy, its culture, management styles, structure, and the mindsets of people. The joint organizational diagnosis helped in achieving full ownership and commitment toward the change envisaged at the retreat. While a coherent plan was designed to address business challenges, HR was assigned the task of working out the details of change/transformation process with the help of an OD consultant who had designed and facilitated the leadership retreat at Chiplun. Table 31.1 summarizes the diagnosis at Chiplun meet.

The leadership team envisioned a sustainable change, a process which could unleash the motivational energies of people across the organization and align every one with the single focus of transforming the organization. They recognized that large mass of people might need to be mobilized for the kind of shifts that were required. During Chiplun meet, entire leadership team was passionate and emotional about the organization due to their long

**Table 31.1** Organizational Diagnosis at Chiplun Retreat

<i>Where we are</i>	<i>Where we want to be</i>
<ul style="list-style-type: none"><li>● <b>SKILLS</b><ul style="list-style-type: none"><li>- Functional</li></ul></li></ul>	<ul style="list-style-type: none"><li>- Cross functional</li><li>- Multi-skill</li></ul>
<ul style="list-style-type: none"><li>● <b>ORIENTATION</b><ul style="list-style-type: none"><li>- Complacent</li><li>- Inward looking</li><li>- Comfort seeking</li><li>- Low risk orientation</li><li>- Low customer orientation</li></ul></li></ul>	<ul style="list-style-type: none"><li>- Performance</li><li>- Outward looking</li><li>- Risk taking</li><li>- Achievement</li><li>- High customer orientation</li></ul>
<ul style="list-style-type: none"><li>● <b>PEOPLE</b><ul style="list-style-type: none"><li>- High numbers</li><li>- Low mobility</li><li>- Integrity</li></ul></li></ul>	<ul style="list-style-type: none"><li>- Right numbers</li><li>- High mobility</li><li>- High integrity</li><li>- Multi-tasking</li></ul>
<ul style="list-style-type: none"><li>● <b>STYLE</b><ul style="list-style-type: none"><li>- Avoidance orientation</li><li>- Low on achievement</li></ul></li></ul>	<ul style="list-style-type: none"><li>- Empowerment</li><li>- Encourage dissent</li></ul>

**Source:** Output from the internal workshop.

association with the company. In the present state, everyone felt that transformation was critical to turnaround the organization.

### ***Reinforcement through leader's actions***

- Then MD was a keen believer in people processes and was willing to try out unconventional and new methods of change facilitation. He had a deep appreciation of people's innate potential and strongly advocated mechanisms for providing opportunities for people to try out their latent capabilities.
- He encouraged practices to enable employees to experiment with new roles in a different context/domain.
- He also set an example by volunteering to assist in the change process along with his immediate team in the learning and development initiatives, which became part of the larger change agenda. For example, he volunteered to take Multi-rater feedback (360 degree) from his immediate team, and helped it become the leadership practice at other levels of organization structure.
- He even took keen interest in interacting with individuals and groups who were going through the learning sessions. He listened to their self discovery experiences, thereby conveying that Learning and Development (L&D) was central to the change agenda. Management Development Programme (MDP) became a flagship program that everyone volunteered to be part of—they expressed their desire in their self appraisal formats that

they would like to be nominated for the in-house MDP program. In the beginning of L&D intervention, no one was sure as to how it will be perceived and received. As a result, the program was launched without much of fanfare and a commonplace name was given to the program—MDP.

The HR Head's sense of mission and purpose were congruent to MD's beliefs. This alignment created a positive spiral of generating ideas and enthusing people toward the organizational change agenda. The HR Head wanted to use applied behavioral sciences as the main instrument to trigger change. He was a change agent who had worked on self through a journey of personal growth and development. His conviction and faith in the field of applied behavioral sciences and IT led to the launch of the systematic, comprehensive organizational transformation blueprint.

The leadership team was equally enthusiastic and keen to try people based strategies for change. Although they were not aware of the particular method of change, they were open to experimentation to provide a positive orchestrating movement. Their experiences along with the colleagues in the L&D events had helped them discover the potential of these instruments/mechanisms. The importance and thrust to this change agenda got strengthened further when the MD changed. The new MD also continued to treat organization transformation process as a top priority. As a result, this methodology of change became an ongoing managerial and leadership practice at Tata Chemicals and is in the way of getting institutionalized.

## **Internal House and External Change Agent Alignment**

The HR Head played the key role of internal change agent along with an external change agent, a consultant specialized in OD. The external change agent brought the orientation of interdisciplinary approach to methods/technologies of change amongst groups, individuals, and organizations. Some of the important dimensions in the relationship of internal and external consultants included the following:

1. Mutual trust as professionals and respect as individuals. Both had same passions of exploring and experimenting new ideas in the field of behavioral sciences, which provided sense of purpose.
2. Alignment of personal values as they believed in openness, trust, and risk taking.
3. Trust in the human process methodologies and their potential to bring about sustainable and transformative changes in individuals and groups.

## **Group of Young and Enthusiastic HR Professionals Who Were Willing to Learn and Take Risks**

Tata Chemicals was going through a phase where they had surplus workforce. There was a freeze on the hiring of new people in HR. This limitation became an opportunity to induct

volunteers into HR from line functions. Several individuals were more than keen to join the function, learn, and grow. They were ready to face the challenge of proving themselves in the new role.

These young people were also exposed to a systematic learning and development initiative to become HR professionals with developed human process capabilities. A program called IF (Internal facilitators) was specially designed and conducted for all HR professionals in offsite workshops for a period spanning one year. This program was structured as follows:

1. Foundations courses in social sciences: Sociology, Psychology, and Anthropology
2. HR theory and concepts
3. HR systems designing
4. Morale management courses
5. Studies in Self, Group, and Organization
6. Change Management skills

This journey also became a positive force to bind everyone with a central mission of contributing toward the organizational transformation. Thus learning and development platform became a trigger for mobilizing the energies of the entire HR team. The enthusiasm and the sense of mission of this group of HR professionals was a significant force in initiating and experimenting innovative HR interventions along with the organizational transformation process.

## **CHARACTERISTICS OF THE CHANGE MODEL**

The uniqueness of this effort to bring about organization wide shift in Thinking, Feeling, and Action dimensions is anchored in the following set of guiding principles:

1. Change begins with “Self” and hence focus on Self should be the guiding principle for the transformation effort.
2. Acceptance of new set of beliefs and attitudes tends to be easier and superior in younger generation and hence, we should create a critical mass of young people.
3. The principle of experience-based self discovery applied to senior managers is more sustainable in bringing about change in individuals and groups.
4. The triggers for any change in people are “self reflection and self realization.” Therefore individuals and groups working on themselves, generate a positive energy in the organization, creating organizational climate conducive for change.
5. The importance of integrating the tangible and intangible aspects of people is the critical process of facilitating change.
6. Consciously aligning organizational professed values and the value framework of change methodologies helped in wider acceptance and willingness to take the journey.

# LEARNING AND DEVELOPMENT ARCHITECTURE

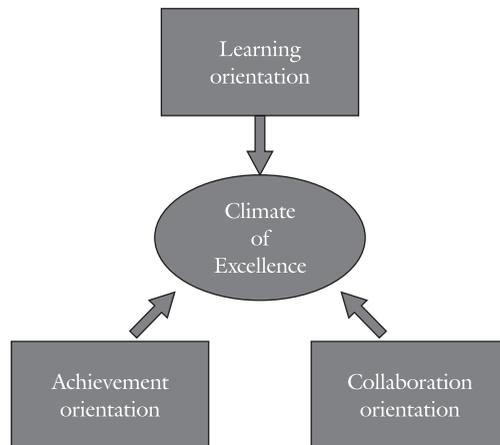
The design of learning and development is based on three pillars, namely, Learning, Achievement, and Collaboration as depicted in the model shown in Figure 31.1.

## 1. Learning Orientation

The objective of learning orientation is to trigger a need for change at the individual level. The intended effort is to enhance levels of consciousness and awareness of individuals and groups and thereby enhancing the urge to become more efficacious in functioning as individuals and groups.

Typically, this is done through experiential simulations like the symbolic drawing of one's self by identification to any living or non-living—present and desired pictures, supplemented by sentence finishing exercises on self, followed by writing exercise of “who am I,” etc.—having focus on Self. This is followed by triadic or dyadic sharing using active non-judgmental listening guidelines. These “self” based exercises trigger reflective thoughts about one's self and some self confronting questions—this experience will be followed by reflections by participants individually. At this juncture, “journal writing” as process of inner dialogue is introduced along with some concepts of Self from theories of personality in Psychology. Similarly, another set of experiential learning activities consisting of group and individual tasks are introduced which is critiqued by the facilitator by raising questions and capping concepts. These experiences are juxtaposed with movies or relevant themes. It is followed by group explorations of the implications for self and group in real life.

**Figure 31.1** Conditions for Creating Climate of Excellence



Source: Authors.

The iterations of experience—reflections, concepts, and critiquing increases self-awareness about the beliefs, perceptions, and behavior; resulting in an inner urge to fill the gaps identified by self. It has been observed that the participants of this workshop display openness to learn, thoughtfulness, sensitivity in handling people, appreciation of the organizational realities, and self management. Even in personal life, people have reported greater patience level and reduction of incidents of anger and conflicts. They are able to accept themselves with all strengths and weaknesses as a result of the workshop.

## **2. Achievement Orientation**

The objective of this orientation is to unleash the latent capabilities of individuals and groups. This is attempted by various simulations based on David C. Mc Clelland's theory of Motivation. These simulations like TAT (Thematic Apperception Test), Ring Toss exercise, Tower Building, and use of concepts like three motives help managers to discover their source of motivation and its implications on organization and their own career.

After attending experiential workshop, people feel inner urge to take charge of their life and career. Participants have enrolled for further studies, volunteered for new roles, participated in organizational initiatives, spearheaded into new projects, taken up personal projects like owning house, reducing weight, clearing in house potential assessment test (Fast Track Schemes), and so on.

## **3. Collaboration Orientation**

The objective of this orientation is to enhance awareness about the consequences of functioning in silos and need for developing superordinate perspective at group and individual levels. It also triggers extension motive in individuals and groups, thereby facilitating people to appreciate "inherent connectedness" in entire business and organizational cycles. Over the last few years, we have discovered that people learn to see "concern for self" and "concern for others" as coexisting and mutually complementary dimensions rather than as opposites. This collaborative outlook encourages people to go beyond boundaries.

This is accomplished through design of experience-based simulations based on Professor Uday Pareek's work on Extension Motivation, Prisoner's dilemma, sociometric tools like mapping the actual equations at work place on dimensions like trust, perception of power and sense of shared goals. These simulations diagnose and highlight the manager's work place equations and if left unattended, they lead to negative competition. Employees discover their propensity to collaborate or compete through an instrument based on data taken from the participant's essay on "Myself, My role & My organization."

People also develop a framework to see the superordination aspect of their role and the skill in connecting their role to other organizational goals.

It has been observed that people tend to become more conscious of their connection to a larger context. They extend help to others, look at the broader perspective in day-to-day tasks, take special interest in knowing big pictures and start acknowledging the contribution of other people, that is, gratitude.

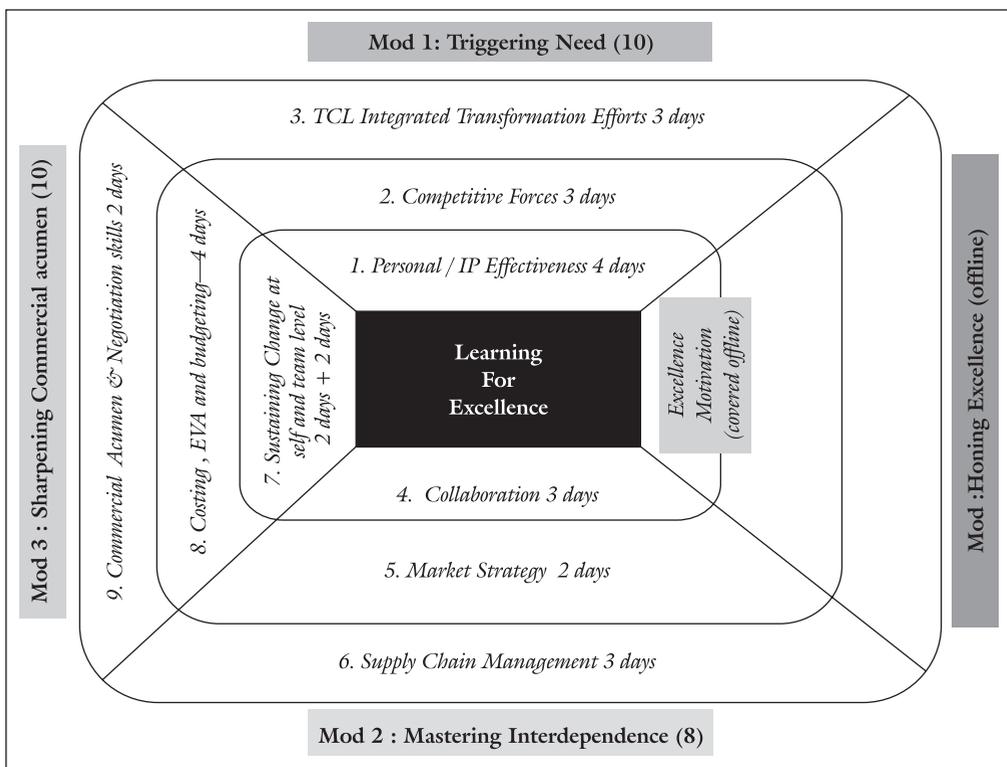
These three pillars became central guiding force in developing a systematic and planned development strategy. Managerial, functional, and behavioral themes were integrated around these pillars while developing the macro design of the learning and development plan. The diagram below shows how the integration of three themes was achieved.

## SALIENT ASPECTS OF L&D PLAN

The key salient aspects of the L&D plan at TCL are listed below (see Figure 31.2):

1. There has been a sincere and serious effort in operationalizing the total plan as the key actors believed that “how” we do things matters and impacts the efficacy of “what”

**Figure 31.2** Contributors to Leading for Excellence



Source: Authors.

we do. Another strongly held belief was that the entire mechanism of planning and operationalizing are very good opportunities to demonstrate the values that are upheld and the values that governed L&D plan. Therefore, there is a special emphasis given to pre-training, training, and post-training phases. As a pre-training phase, special care is taken in identifying and preparing participants. This is very important in triggering change. During the training, building a learning community with new set of beliefs and values is pivotal in triggering change. Bonding in the learning group is critical; therefore, it is ensured that the same group goes through the journey through 30–35 learning days over a span of 18 months. This has often created a strong bond that continues even after leaving the organization.

2. One of the powerful processes is the actual interactions and experiences shared during the sessions. The sharing between people from various business units and functions provide platform for learning from each other and formation of informal groups/communities. This cross-functional exchange of ideas and experiences has immense potential to trigger transformation.
3. Only those faculty members and facilitators are selected who have strong belief in experiential methodology and are willing to customize the design keeping Tata Chemicals' realities in the context. Constant interaction and sharing of L&D architecture and its assumptions with all the faculty has helped in generating a coherent and well orchestrated learning facilitation group consisting of internal and external trainers.
4. Inter-phase opportunities were leveraged to enhance the learning. Usually, the gap ranges from 2–3 months which was used to transfer learning from temporary systems (training program) to permanent systems (ongoing organization/department).
5. Like a religious practice, every day learning session starts with reflections—writing down reflections and sharing them in larger groups. The facilitator connects the concepts to reflections to generate a desire to try new ways.

These changes led to the creation of a critical mass of change agents who helped in realizing the change agenda for the organization. Total number of people from all levels of managements covered since 2003 is 350 (every year a batch of 60–65 people are covered), out of which 270 are still working with Tata in different capacities.

## **ILLUSTRATIONS OF THE IMPACT OF L&D JOURNEY**

A few indicators of successful change are as follows:

- The ability of these employees in spearheading initiatives was very high.
- Most of the Cross Functional Teams (CFTs) that had these members met the targets.
- The performance level of these employees was better compared to others who have not been through this process.

- The employee engagement levels of these employees were higher than others.
- The level of risk taking has significantly increased, as seen by employee mobility across business units, functions, and locations.
- The overall organization performance was better than those of the competitors.
- Another unintended benefit was the retention of key talent—low attrition.

After a gap of two years, an independent agency was requested to study the impact of the program. Some illustrative anecdotes which give us a flavor of the shifts people have experienced in personal and professional sphere are presented here:

Last 30 years, I am working for the solar salt department. Ours was the first MDP batch and it was a great inspiration. There was a new project with the company to launch—iodized samundar crystal salt and I was given the responsibility to manufacture the salt in 1 to 2 months time. I started the production within 15 days and then the product was launched in next 15 days. This was a new area for the company and for me also. The project is now running successfully for the last 3 years. I am very happy that I have contributed to the company. Without MDP I feel I would not have been motivated enough to complete the project successfully and in time.

There was a power failure in the soda ash plant due to fire. My area is totally different and nobody asked me to go and help. I voluntarily went there and worked for three continuous days and nights. I did the whole planning of the cable laying area during night and during day they used to carry out the project. I was also conscious about what I was doing. I had learnt from MDP to take ownership. Without MDP, the motivation and inclination would not have been there to take such an initiative. The energy level was so high that I did not feel tired and enjoyed doing the job.

After MDP, I became calm and less erratic under work pressure. The decisions that I take now are thoughtful. I can give you one recent case. We were in the process of commissioning the chilled water plant. The plant value was worth ₹ 5.5 Cr and it had to be commissioned in stipulated time. A contractor was given the contract of commissioning which I was supervising. Despite all the efforts, there was some problem in the equipment. During hydro testing, some tubes used to get ruptured. The project had to start in next 10 days. With the supervisor of the contractor, I understood the whole system and where exactly the problem was. I knew one thing firmly: the project has to be started within next 10 days whether the contractors completed it or not. I came to a conclusion that there was a 100 meters pipe that needed to be replaced. I took the decision of replacing it. The problem was solved and the plant was commissioned on time and is now functioning perfectly. If I had not gone through MDP decision-making, it would have taken a long time and there would not have been enough confidence to take the risk.

EGS (Employee Growth Scheme) was a great milestone for me. MDP helped me to focus on EGS. It helped me to look at “who I am” and “what I want to be.” This helped me take ownership for preparing for the EGS exam and not blame any failure on the circumstances. I discussed my preparation plans with my wife and also took advice from another colleague who had cleared EGS. I am happy that I too have cleared EGS because I could focus on it. I do not think I would have been able to do all this on my own. Clearing EGS was one of the greatest benefits

of MDP. I cleared EGS in the second attempt. My first attempt was before doing MDP and the second attempt was after going through MDP.

I look after the bagging plant. There are almost 300 workers working for the bagging plant. These workers are mostly uneducated. I made a personal commitment that I shall educate all my workers. This is the first fertilizer plant in India where all the workers are drawing their salary by putting their signatures. Earlier they used to give thumbprints. This is my first achievement. Now they have started little bit of reading as well. They are very happy and now they come and tell me “you have given us a wonderful gift, earlier the contractor asked to put their thumb prints wherever he wanted, now we ask him what it is all about.” This is my personal achievement and I am very proud of it. The bank manager comments, “Your 90% of workers have opened an account in the bank.” This is an achievement.

All our marketing officers have taken the initiative to spend one day on social forestry. They also take the distributor and dealers with them. This activity is not in the TCL banner but everybody has taken the initiative to do this. They took this as a one day project. They visited a primary school and gave lectures. They asked several students to plant one plant with his best friend and this would be the memento of their friendship. Several plants were planted with this initiative. The plants were collected from the forest department. Distributors also participated. When the officers came back, their satisfaction was very high. During the monthly review meetings, everybody was extremely excited. I had never seen them so excited even on achieving their sales target. It was clear to my officers that they cannot do this job on a working day. It was all their initiative—to speak to the head master and take it further. I am glad I was able to convince my team about this. This was the result of AMT at MDP.

On the personal front I always used to have fight and went home late. I also used to tell my wife that I am not available for you all the time and I work for the company. I have transformed after MDP. I feel that my family is more important than my professional life. Now I close each and everything by 7 pm, (however there are exceptions on some days) and go home. But whenever I am getting late, I call up and communicate that I shall be getting late and the time when I will reach. Now she comments “Aap abhi aadmi ban gaye” (now you have become a human being).

Now I have become disciplined. Earlier, I used to find reasons for not doing a particular thing. For example, I had a heart attack and my doctor suggested every day morning walk. I used to have excuses like “I need to go to the office in the morning, I need to get ready” and never used to go for walk. MDP has helped me to change my thinking.

## HCL Technologies: Enhancing employee engagement

K.N. Rekha and Srinivasa Reddy Gurram

Hindustan Computers Limited (HCL) started in 1976 (About HCL: HCL 2010) to serve the need of computers maintenance in India. In the initial stages, the company diversified into multiple computing areas by creating a strong base in R&D. Over three decades, HCL developed two major arms—HCL Infosystems (Hardware) and HCL Technologies (Software). But HCL Technologies that had emerged as a spin-off from R&D could not add much to HCL brand through application services.

In 2005, the IT industry was flourishing in IT services and software-driven solutions, not hardware. The biggest players in the international market space were competing based on scale by using the so-called “scientific management” approach. Scientific management refers to breaking down the projects into smaller pieces to enable lower-skilled employees to accomplish small and easy assignments in order to drive down costs. But HCL Technologies decided to take a different approach. The organization focused on adding value by meeting the customer needs through closer ties with them. This required interventions to engage the employees in a manner that would ensure and inspire them to deliver the high quality customer service. Organizations typically provide importance to serving the needs of customers often at the expense of meeting legitimate needs of employees. The HCL management realized that placing the employees first will energize them and in turn help in meeting the needs of customers.

Thus, the transformation journey started in 2005 across HCL Technologies with the theme of “Pride–Passion–Results” to reenergize the employees. The transformation journey was built around multiple innovative initiatives powered by the new CEO, Vineet Nayar.

To begin with, they created a motto: *Employee First, Customer Second (EFCS)*. A group of young and dynamic employees were constituted to work on this theme. The message was communicated clearly and strongly across the organization to get employees’ attention. The strategic goals of EFCS were to create a unique employee organization, drive an inverted organizational structure, create transparency and accountability within the organization, and encourage a value-driven culture. The leadership team believed that the employee engagement

is of utmost importance for any change to happen. Several initiatives were taken for enhancing the engagement of employees.

U&I Intranet communication web portal served as a forum for the employees to post their questions and comments on the webpage to the CEO. The comments ranged from questions on company's strategy to personal concerns like "I have a problem with my bonus." The CEO along with the leadership team answered on an average 50 questions a month. *The objective of the portal was to foster a culture of open conversation to build trust and create transparent culture.*

Initially, the portal was filled with cribs, complaints, and angry remarks from employees. The CEO was rather shocked to read those comments or questions in the portal. He initiated a discussion with a group of employees. They expressed that the comments also reflected growing confidence among employees that there is a leadership team that is approachable and that listens to their concerns. Now they believed that someone somewhere would do something about the issues being raised in the portal. Leadership gained confidence that the trust building was beginning to happen.

The portal helped to provoke discussions among the employees. It also facilitated the transfer of responsibility of problem solving from CEO and leadership team to the employees. The portal gave the employees access to the questions/comments raised by their colleagues. This initiated employees into addressing those issues and providing solutions rather than waiting for the leadership team to respond. Clearly, the leadership team could see a radical shift of employees' mindset from "what was wrong" to "what could be done about it."

Smart Service Desk (SSD) was initiated to reverse the accountability from leadership team to the employees. Any employee with an issue could open a ticket for a problem or a query or a request. Once the ticket was entered by the employee, the system automatically assigned it to a support executive in the concerned department. The concerned support executive was expected to take necessary action to resolve it. The manager was kept in the loop right from the opening of the ticket to the closure of the ticket. If the assigned executive did not attend to the issue, it was automatically escalated to his/her reporting manager. The ticket could be closed only by the employee who opened the ticket when he/she was satisfied with the solution.

The intervention paved way for the leadership team to observe certain patterns of issues/queries raised by the employees. They started analyzing the issues/queries raised frequently along with ways to tackle the same. They found that there were three root causes of many problems: an unsatisfactory policy, inadequate or unclear communication, and poor execution or implementation of a satisfactory policy or process (Nayar 2010). The leadership asked the team from the enabling function to address these problems. Thus, it provided a means for relooking into the policies/processes in order to modify them to meet the employees' needs. The goal was to reach state of a zero ticket.

Through this process, employees could see that many unattended/nagging problems of yesteryears started to disappear. This initiative minimized sources of employee frustration and changed the employees' perception toward the company.

360 Degree Feedback was another initiative to use the feedback as a developmental tool rather than an evaluative tool. Another major focus was to create openness and transparency of communication by expanding the evaluators to include relevant members from a larger group. To ensure confidentiality, credibility, and accurate data encryption, a third party was called to audit and certify the survey. It enabled all the employees to participate in the feedback process. The employees were able to evaluate not only their respective bosses but also their boss' boss.

The feedback of all the employees including the CEO was posted on an intranet website which enabled everyone to view anyone's feedback (positive as well as negative). Initially, employees were hesitant to post the feedback. CEO led the process by posting his survey (that is, feedback) on the website. Following him, senior managers also started posting their feedback.

Another interesting feature of the feedback process was that if the feedback was positive, the employees felt motivated and started striving for better scores next time. If the feedback was negative, the employees were forced to face the reality of unsatisfactory performance and how he or she was viewed by others. Surprisingly, this did not demotivate them because managers were aware that in a culture of trust and acceptance of change, a negative review would be seen as a constructive input. It was considered as an opportunity for improvement. If a manager chose not to share the feedback, then it was perceived that s/he was hiding something which tends to be even worse than a negative feedback. Hence all the employees participated equally in the process.

"Feedforward" system was introduced in order to view the intervention as developmental rather than evaluative tool. In the feedforward system, employee would be provided review on three critical competencies about themselves. Each competency would be marked as strength or developmental area along with specific steps to improve.

The management kept up the process of communication and interaction with the employees about changes required for the organization. At a certain stage, the CEO started assessing whether the transformation messages communicated were found to be relevant to the employees or not. He wondered if the employees would care more about how this transformation affected them personally, that is, their careers, and their families rather than the corporate well-being. Hence, he realized that the emphasis must be on what employees consider important instead of marketing their interventions. He felt that the company must understand the needs of the employees. Hence the focus shifted to identifying ways which enable them able to work faster through EFCS. A host of questions emerged from this realization.

- Would employees be able to do their jobs better?
- Would they learn new things?
- Would their jobs become easier or more enjoyable?

This realization led to the introduction of the initiative "Directions."

“Directions” was an initiative led by CEO and senior management team. It was an annual company-wide event that took strategic directions where employees at all levels participated in the process. It had a series of informal conversations. The CEO and the senior team spent two weeks every year on planning this event and another two weeks in organizing the event.

The employees, CEO, and the senior management team gathered every year in an open forum. Firstly, the video on the company’s strategy was played to the audience. Then, the CEO and the leadership team engaged the employees in a discussion where they were encouraged to raise questions on company’s strategy. The leadership team then responded to all the questions posed in the interactive sessions.

*The unique feature of this meeting was to ensure that all the employees including CEO and the leadership team spoke in the same language. They also understood how their individual contributions fit in a larger organizational framework.*

Talking about the initiatives, the CEO remarked (Cappelli et al. 2010): “Our competitive differentiation should be the fact that we are more transparent than anybody else in our industry. Customer likes us because of transparency, employees like us because there are no hidden secrets.” He added: “If you are willing to be accountable to your employees, then the way the employee behaves with the customers is with a high degree of ownership.”

A strong service brand requires focusing on constructive customer interactions. In turn, this requires energized and engaged employees. For the organization, EFCS is the important building block for building and honing this fundamental strength.

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## OD intervention in an NGO: An experience

Udai Pareek and Somnath Chattopadhyay

The NGO had 188 members spread all over the country, mostly below the age of 50; only 11 members were above 50, with the mode age in the 30s. The members came from 13 different geographical backgrounds and 8 countries. Their involvement with the NGO ranged from one year to 38 years; about half had spent 10 or less years. The highest number was from the nursing profession.

### ENTRY AND CONTRACTING

One significant member of the NGO contacted a consultant who was reluctant because of possible ideological conflict. But the member insisted that the NGO wanted help in OD and not in ideology. Consequently, the consultant was invited to participate in a three-day international meeting held in Europe by the apex body of the organization. A meeting was held with the representatives of NGO to understand the operations and structure of the organization. On the basis of several meetings and discussions, a working paper on the project was prepared. The paper dealt with four parts:

1. Our understanding at that time of the key issues
2. A conceptual framework developed to formulate interrelations
3. Hypotheses, assumptions, and propositions acting as the bases for design of OD program
4. The outline of the intervention plans

The working paper identified the key issue as balancing of three aspects of life: (*a*) ideological life, (*b*) professional life, and (*c*) missionary life. It emphasized that any change in environment demanded re-examination and readjustment of multiple factors within the system. One of the prime concerns was insecurity. Habits had been long formed leading to a certain degree of

stability. Change presented a new perspective and demanded new behaviors, thereby causing uncertainty, anxiety, and apprehension.

In developing the design of the OD program, the following hypotheses were used:

- It is possible to examine the related knowledge and its linkages with behavior. Such an examination can be made at both the rational as well as emotional levels.
- Appropriate hypotheses on personal, organizational, and community levels, can be framed by an individual who can also gather data regarding her/his behavior on each dimension. S/he can analyze this data and accept or reject the hypothesis regarding behavioral patterns.
- Confrontation of issues furthers an individual's understanding of the latent issues. This provides insights which may enable the individual in dealing with problems.
- When latent issues such as anxiety, fears, and apprehensions are brought to the surface and shared with others, perceptions of the issues change and become more realistic. At that stage, it is possible to mitigate unrealistic fears, and categorize them as personal or general, individual or systemic. This sorting out may help in energy mobilization.
- Sharing of anxiety and inadequacy reduces the level of these feelings.

The following propositions were suggested for the OD programs in consultation with the organizational members. It was concurred that changes are more likely to occur and persist if:

- The setting dramatizes the importance of working intensely on them. It will create a sense of urgency and an in-group feeling among the participants.
- An individual believes that he can, will, or should change and develops a sense of self-efficacy.
- An individual explores his personal orientations, styles, apprehensions, etc., and relates them to self-actualization. It will encourage experimentation and change.
- The new attempts at changes are perceived and experienced as consistent with the ideal self-image, the changes are likely to be sustained.
- The self-confrontation occurs in a face-to-face group, in a climate supporting such confrontation to provide insight into her/his behavior.
- The group develops a climate of support, with a norm of sharing feedback openly and regularly. It will deepen and foster learning about the self.
- There is a linkage between newly developed insight and personal and interpersonal dynamics to action. Then, the change in both behavior and action will occur and endure.
- The change in behavior (for example, sharing feedback) is perceived as requirements of career and life.
- The changes are perceived to be consistent with the prevailing cultural values and norms. They are a sign of membership in a new or current reference group.

- The individual keeps record of progress toward achieving goals to which s/he is committed.

A few days after presenting the working paper to the organization's head, it was discussed in a divisional committee. The committee requested the consultants to prepare a shorter version of the working paper to circulate among all the members before taking any decision. There was silence for almost six months. It was agreed that the decision-making regarding OD program would follow a bottom-up approach. The system that followed the norm of making decision at the top, now required to reverse the norm and initiate a new practice. The result was indecision and subtle resistance.

At the same time an important process was initiated which involved a good deal of questioning. Questions were not only raised on whether to accept or reject the working paper, but also on the various norms and practices regarding the governance of system. They were raised by the members individually, in small groups, and in local units. The consultants did not actively develop the process of decision-making, but the task performance (of discussing the working paper) made the process almost inevitable. After a period of six months, the consultants thought it necessary to churn up things a little more, for a final decision—yes or no—to emerge. The members could experience success in being able to arrive at a decision. In order to facilitate the process, the consultants offered to meet the representatives of local units (LUs) for a couple of days. So a two-day program was arranged.

The program was attended by representatives of all LUs where they discussed the new constitution, issues facing their lives since the introduction of constitution, the meaning and implication of OD and societal changes, adaptability, etc. The consultants presented various aspects of change—need for change, what it means personally and professionally, and how to cope with the demands of change. A demonstration of laboratory training was given in a microform, as per the outline of the OD program and its financial implications. After two months of quiet, most of the LUs were ready to participate in the OD program. A draft contract was finally prepared, which was readily accepted.

## **OD INTERVENTIONS**

For a thorough understanding of organization and meaningful planning of interventions, the consultants visited a few LUs. They saw their functioning; observed their formal meetings both at the LU level as well as the division level; and acquainted themselves quite intensively with the organizational process in their workplace, through informal visits and attending formal meetings. This process of initial diagnosis was rather unorthodox. The nearest standard method to this approach is the anthropological method of observation. Too much reliance on the instrument-generated data tends to shadow the holistic nature of the client system. While the intended methodology in OD is non-directive and client-centered, quantitative data feedback

is strongly directive because of its unassailable power. Attention tends to be monopolized by the quantitative picture and the consequent interpretation of data.

## **Intervention Planning**

In the planning of the interventions the following issues were considered:

- The unit with which the intervention was to be used
- Overall objectives and the specific objectives of interventions
- Type and nature of the interventions
- Phasing, sequencing, and linkage of these interventions

Extreme positions are usually taken in the planning of interventions. While some consultants may use their general insights and experience in working with the client system, and evolve their strategy based on their intention, some others plan out everything in detail. However, an intermediate position between the two extremes was taken in this case and planning was done till a certain point.

The overall objective of the interventions was to help the members bring key questions to the surface, confront and evolve the solutions themselves individually and in groups. Consultants would help them in increasing their effectiveness as persons, groups, and as a community. The specific goals, therefore, were to help them to move toward the positions they valued, to facilitate self-actualization, to function optimally, and to use freedom and responsibility in being relevant to the world and its needs today. The other objectives of the program were:

- To develop an orientation of looking at what is happening in the organization and why it is happening, to strengthen both religious motivation and concern for others
- To help others and receive help from others (interdependence of growth)
- To discuss issues, including differences, openly (openness)
- To work for continual growth
- To develop tolerance and flexibility at all levels
- To create awareness and improve sensitivity to one's own and other's strengths for better utilization of resources for the community

## **Phasing, Sequencing, and Linkage**

The nature of the task and the objectives of the programs were such that the interventions had to be on the living systems. For example, all members participated (after participating in basic lab) in organizational diagnosis of their LUs, and implementation of their action plans, as well as preparation and implementation of action plans for their houses. Before withdrawal

of consultants, stabilization and consolidation of the change effort had to be planned. This was an attempt to refreeze, and obviously the last input. Accordingly, the interventions were conducted in the following order:

- Basic laboratory
- Internal resource development
- Organizational diagnosis
- Review laboratory for internal resource person
- Stabilization

The OD program was scheduled to be completed in a period of 12–15 months. The basic laboratories would be held within the first six months, followed by internal resource development. Organizational diagnosis will be conducted after four months and continue thereafter. At the end of the year when the review laboratory was over, the internal resource persons went back to their respective LUs and the terminal phase started.

The important inputs in the basic laboratory were: microlab, personal structured data, panel discussions of organizational strategy, action plan, and evaluation. The steps in the preparation of action plans for the local units were:

- Preparing a master list of all problems of the LU perceived by its members
- Prioritizing the problems on the basis of three criteria: urgency of the problem, feasibility of action, and minimal requirements of external resources
- Selection of a problem and defining it specifically
- Dynamics of possible causes and anticipation of difficulties
- Force field analysis of the problem
- Devising alternative strategies for solution and selecting one of the alternatives
- Planning the action steps, including the time schedule for action to be completed
- Consideration of help needed and planning for that help

Those plans were presented by the planning module to the whole group in the community session for critical review, and were later revised. After revision, they were shared with the whole community to work on the action plan. The strategy to involve other members of the LU (who were not present) was also discussed. At the end of the program, the total experience was evaluated. The participants worked in six groups to discuss the various aspects of the program, and presented to the total community their conclusions. For example, six groups were formed for the following aspects:

1. Insight into self, and planning for self-development to consider inputs such as L-group (Learning Group), including marathon group, FIRO-B, individual plans and commitment, microlab, and data feedback.

2. Learning to understand others through techniques—L-group, the case method, perception exercise.
3. Developing a climate of collaborative work in the houses through exercises on trust and on motivation.
4. Understanding community problems and preparing to deal with a problem through action plans, fantasy, and panels.
5. Developing conceptual understanding of intrapersonal, interpersonal, and group processes through exercises and concept sessions.
6. Management of the program (including facilities, kind participants, and nagging trainers).

The program was designed to be intensive, highly packed with events both at the rational as well as the emotional level. The working day started at seven in the morning and closed most often in the small hours of the following morning. The intensity of the experience, though very exhausting, was highly stimulating partly due to good design of the program. However, the keenness and eagerness of a group of individuals who had dedicated their life for a purpose, with their high degree of motivation and commitment to the program, was a unique and extremely satisfactory experience for any consultant. The trainers learnt as much as the participants did. The program ended with songs on commitment and energizing the learning with a basic faith of transferring it for the good of all.

At a much later stage, a survey was conducted with the help of the members to assess the intervention and develop members' organizational diagnosis skills. What transpires during the intervening phase between the two interventions is also important. To sustain the momentum gained in the basic laboratories, an intervention was necessary at the level of each LU. This took the form of organizational diagnosis, one of the OD interventions.

This intervention was named Unit Health Survey and required the would-be facilitator to enter into a dialogue with every members of the unit and initiate discussions to find out the health of the LU. Meaning of organizational health, the characteristics of a healthy organization, and the action steps required to be followed, were explained in a letter written by the coordinator and sent to each house. In the facilitator's absence, it was decided that any person chosen by the LU, could undertake this exercise.

## **INTERNAL RESOURCE DEVELOPMENT**

In the plan of process facilitation, it was conceived that the role of the external consultants should be self-liquidating. In order to do so, a self-supporting system needed to be developed within the organization. This included:

- Developing a group of persons who might acquire the expertise of change agents from within the organization. They could be called internal change agents, internal resource

persons, or internal facilitators. The term “Internal Facilitators” (IRs) was more acceptable to the organization.

- Recruiting, on contract, some young behavioral scientists to work full time within the organization on problems requiring application of behavioral sciences and to work in close liaison with the internal resources. This was a suggestion made to the coordinator for putting up for consideration before the governing board.

Selection of internal resources turned out to be a very potent intervention in the organization. In almost all LUs, several battles were fought, in the open and under cover; armistices were signed; peace was made, broken, and remade. An intense confrontation process came into operation where many a tear was shed and much laughter rolled.

One of the latent concerns was whether the resource persons selected would become too powerful, by the very fact of their selection by the assembly and by the advanced expertise generated out of specialized training, and replace in effect the head of the LU. This did disturb the existing power equations. The entire issue of power distribution network came under scrutiny. Backed up by the experience of the basic laboratory, with their new-found energy for verbalizing, sharing, opening, and owning, there was vigor and strength to deal with the intricacies involved in settling the issue. The task became very involved and difficult indeed.

The list of IRs contained 21 names which included one facilitator from each LU, and a few more members who could look after some process facilitation for special tasks at the corporate level of the sector. The basic program of Internal Resource Development was essentially a 10-day laboratory, consisting of:

- **Learning group (L-group):** *Synonymous* with T-group or sensitivity sessions.
- **Consultant client group (C-group):** As per the structure of C-group, the whole group of 21 participants was divided into three small groups of seven persons each. The objective was to provide an opportunity to develop the skill of giving and receiving help, and other associated skills such as listening, communicating, interviewing, understanding, and building empathy. One person ( $X$ ) from the group would be the help receiver and another person ( $Y$ ) the help giver. The third person was the process observer. Each member played each role in turn. The role of the trainer was to intervene only to focus attention on the process. The content was the real life problem which  $X$  confronted. The session would end with a critique by all the members of the subgroup.
- **Participant Concept Session (PCS):** In this session participants were required to present different concepts. The objectives of the session were (*a*) to create the confidence that they could present concepts, (*b*) to develop knowledge and understanding of the theoretical constructs necessary for any meaningful role of a facilitator, and (*c*) to practice the skill required in presenting a concept session. Generally three members worked together for this session with the help of the faculty. But members themselves designed their session plan, studied the content to be presented, made thorough and elaborate notes, and prepared the necessary audiovisuals to present the concepts. The

presentation was often shared by the three-member group and the questions after the presentation were taken up independently by the group members. The various concepts the members presented were: feedback, team building, decision-making, hidden agenda, data for interventions, authority and leadership, planning and commitment, and managing conflicts.

- **Your Choice Time (YCT):** This part of the schedule was provided for any activity that the participants or the faculty liked to do. Surprisingly, to none it meant free time. It was mostly used for study, consultation, writing the lab diary, or small group (dyad/triad) meetings, and to resolve some issue that bothered them in the “here and now” situation.

A module is a small group working from planning to implementation of a small project of intervention. The total group was subdivided into four modules. Each module was like a group of consultants working on the problems. Each group diagnosed the need for intervention, collected data, planned the intervention, and then implemented it. After implementation, the group’s activity was critically reviewed where the faculty joined the other members in sharing their observations with the community.

Besides PCS (Participant Concept Session) there was also FCS (Faculty Concept Session). It was considered very necessary that unlike a straight laboratory where the maximum emphasis was on experiential learning, the advanced laboratory for facilitators should provide a conceptual base for the experiential learning also. The concept sessions provided by the faculty were on self, interpersonal communication (with role playing), collaboration, observation skills, change and human values, facilitation, and facilitator’s role. Many other concepts were discussed in lecture forms at the appropriate time when other activities brought out sufficient experience which needed backing up by the relevant concepts. The last event of the day was the L-group, held after dinner but continued till the small hours of the morning. Every night the session turned out to be a mini-marathon.

## **STABILIZATION AND TERMINATION**

*The Reinforcement Lab (RL)* was held nine months after the Internal Resource Development (IRD) laboratory. It was intended that all the facilitators who participated in the IRD lab would also participate in the RL. They had also expressed their desire to attend the RL in writing along with the suitable dates. The program dates had been fixed accordingly. But some facilitators from one of the districts could not attend the RL due to a concurrent program being conducted at that very time.

The reinforcement lab was quite unstructured. The participants were familiar with the trainers, having participated in the basic lab as well as in the IRD lab. They knew the norms and values of laboratories. The contents of the program essentially moved around the role

of the facilitators—the skills needed in performing the role effectively, and in identifying and resolving dilemmas of the internal facilitators while working with the LUs.

One of the thrusts of RL was to promote maturity in place of an exuberance of enthusiasm resulting in overambitious action planning. Notwithstanding the shortcomings in the original selection of internal facilitators and the subsequent struggle, after the RL we had renewed faith in the strength of the internal facilitators. Thus, their self-confidence was reinforced. Before we withdrew finally we thought it was necessary to attend to a few issues. For instance, we needed to help to resolve some conflicts that arose at the management level of plan renovation. One of us spent some time in an LU to counsel on this issue and arrange confrontation meetings between the conflicting parties. The confrontation proved very useful and the issue was resolved through the hard work of the conflicting parties.

Almost during the same time the members of the LU had reinforcement and psychological rewards from other sectors. There was praise and appreciation (and a little bit of jealousy too!) that this sector had moved ahead of the others in their work. In the meantime an international meeting of representatives from all over the world was held. One of us agreed to provide process help to the meeting, and four internal resource persons were selected for help. We spent time in planning the process feedback strategy, and a few days on backup help to the internal facilitators, who took on the main process work. Almost everyone in the meeting was highly impressed by the superb professional work the internal facilitators did.

The central authority was also keeping itself informed about the activities of this sector, and they had witnessed their work and professional competence. Happily they did give positive reinforcement. A professionally competent person visited the sector several times, met the members in almost every LU and entered into detailed dialogue in each LU. His visits had a stimulating effect on the members in their new pursuit.

In the gradual withdrawal process, the consultants made it clear to the organization that they did not think any other direct intervention was needed anymore. However, they would like to visit and help the coordinator and any LUs. It was made clear that such requests for help must be channeled through their coordinator; after they had done all that they could do to help themselves. These criteria were set forth to underscore the need for self-help and self-reliance. It was satisfying that they did not need much outside help. They relied on their own skills and abilities. Thus, the intervention at the NGO turned out to be successful personal and OD experience.



### Interviews

Part 3 of the book presents interviews with five OD masters. These five individuals are eminent OD practitioners who have the reputation of being considered as thought leaders in the field. The section starts with an interview of Warner Burke by John Schermerhorn. In this interview, Warner Burke presents his perspectives and provides a holistic view of the OD challenges and concerns. For doing so, he dips into and draws on his pioneering work in OD.

Further, we have interviews with four distinguished internal consultants/OD practitioners. Not only are they well known and highly regarded individuals but they also represent some of the most successful and renowned corporations/business groups in India: Aditya Birla Group; Larsen & Toubro, GMR Group and IBM, India. The chapters present the views and ideas of Dr Santrupt Misra who is the Director HR and Director Carbon Black Business Global of the Aditya Birla Group; Mr P.M. Kumar is the Business Chairman—Group Corporate Development of GMR Group; Mr Yogi Sriram, Executive Vice President (HR & Administrative Services) E&C and Power at Larsen & Toubro Limited; and Dr S. Chandrasekhar, Vice President-HR (India/South Asia) at IBM India Pvt. Limited.

All the OD practitioners interviewed in this segment bring rich, insightful, and varied experience. This section aims to capture the lessons from their experiences through conversation with S. Ramnarayan. The conversation revolves around the following themes:

- Among the variety of OD interventions that you have worked with, can you highlight those that you would consider very powerful and important?
- Were there any approaches that you felt did not work so well? And if they did not work so well, why did they not work well?
- What do you think contributes to the effectiveness of training or learning events?
- What changes do you see happening in the field of OD?
- Are there some factors that you think are unique to India that you have to factor in?
- How does a budding OD practitioner develop a clear sense of identity, values, philosophy, and also competencies to be effective?
- Are there certain challenges that are not adequately addressed by existing OD interventions?

- Are there some OD concepts that have outlived their utility?
- How do you think we should create and nurture OD practitioners?
- What are the most important competencies that you would look for in an OD practitioner?
- In an era of global competitiveness, mega projects, and mergers and acquisitions, what role do you think OD will play?
- What lessons can be learnt from successes and failures of OD initiatives?

The objective of this section is to learn from the experiences of these OD practitioners in facilitating OD interventions and fostering organizational effectiveness. The interviews provide a holistic understanding of OD—theory, interventions, concepts, issues, challenges, and future directions. They provide interesting insights that can inspire us to explore different facets of the vibrant field of OD.

## OD in perspective: A conversation with W. Warner Burke

John R. Schermerhorn, Jr and Amy Taylor-Bianco

For W. Warner Burke, organization development, or “OD” as we popularly refer to it, is not just a concept—it is a life-long professional commitment. Scholars and OD practitioners know him well through his many articles and books on the field. This interview was stimulated by his recent book chapter, “A Contemporary View of Organization Development” (Burke, 2008a and 2008b).

*What is your preferred definition of OD? And, in what ways can use of this definition help those who hope to move OD forward successfully into the future?*

My preferred definition is this: Organization Development is a process of planned organization transformation led from the top and rooted in open system theory and applied behavioral sciences with the express purpose of enhancing an organization’s capacity and adaptability for continuous change and development. With this definition the practice of OD is evidence-based, values-based (development), and is about change at all levels of an organization including inter-organizational relationships.

*How is OD unique, perhaps distinct from “change management” or “change leadership”?*

There is confusion about OD and what today is referred to as “change management.” People associated with the latter use OD techniques and tools but place far more emphasis on bottom-line concerns than on humanistic values. OD people believe, or should believe if I can be so bold, that providing organizational members with learning and growth opportunities, treating them with dignity and respect, and involving them in decisions that directly affect them and their work (all of these being humanistic beliefs) positively influences the bottom-line.

Currently, the concept of engagement appears to capture much of what I am attempting to state about the relationship among humanistic values, job satisfaction, and productivity that all lead to higher bottom-line results (Macey and Schneider 2008). We need to teach OD practitioners more about findings that relate work satisfaction to productivity.

*In today's dynamic organizational environments, does OD's tie-in with Lewin's three-phase change model—unfreezing, changing, and refreezing—hurt or hinder its effectiveness?*

Lewin's three-phase model remains relevant. Successful organization change that is fundamental and transformational in nature must follow at least a simple plan.

The model, especially as supported by Schein's elaborations (see Table 34.1), still works. In fact, a recent article by (Burnes 2004) fully supports this statement. The problem is actually prior to unfreezing.

**Table 34.1** Burke's Integration of Schein and Lewin Phases of Planned Change

<i>Unfreezing</i>	<i>Changing</i>	<i>Refreezing</i>
Motivating others to change their lack of confirmation by demonstrating a need for a change. Change can be motivated in forms of guilt or anxiety, while inducing psychological safety through reassurance of no punishment or guilt for embracing the change.	Revision of prior cognition by identifying or following a new model, or leader, and scanning for other relevant successes to gain insight into a particular type of change.	Induction of new behavior through trial and reward processes, as well as continued implementation into relationship and groups.

Source: Burke (1994).

Today we rarely have sufficient time to conduct an adequate organizational diagnosis. Clients want action yesterday. Yet, long ago, Lewin once again seemed to know what to do under such "no-time" circumstances. He said something like: "If you really want to understand an organization, try to change it." The forces for equilibrium and those opposed to change by their behavior provide information that is quite diagnostic. What is resisted speaks volumes about the culture. So one needs to proceed with the unfreezing phase, a sense of urgency with documentation, and then pay close attention to organizational members' reactions. It would be useful to "describe" the change process in such a way that unfreezing, changing, and refreezing become dynamically intertwined.

*How can OD deal with what you say is a reality that most organizational changes are planned in "linear fashion" and implemented in "chaotic and messy" settings?*

Plan we must, and following a three, or four-phase model is not necessarily being overly linear and engineered. We simply must be aware of and prepared for things not going exactly according to our plan.

The consequences of a change intervention are more important than the change itself. In other words, change management is, or certainly should be, about dealing with consequences of the change itself, particularly those consequences that were not anticipated such as managing people's reactions that we had not planned for and correcting quickly problems that emerge and can prevent progress toward our change objectives.

*How does an OD consultant and change leader achieve this capability to be planned yet flexible?*

A change leader and an OD consultant must be simultaneously “planned and flexible/spontaneous.” This means that one must understand that human behavior is not one hundred percent predictable and plans will not be enacted exactly as planned. The change leader and OD consultant must be “locked-in” to their change goals, but not locked-in with respect to getting there. For every given goal there are multiple paths. Moreover, as I stated earlier, dealing with the consequences of a change initiative is paramount yet not trying to force the initiative down people’s throats just because things are not working out exactly as planned.

*Are there certain competencies that all OD specialists should have?*

Too much specialization in OD can be unproductive. An OD consultant must be a generalist. If a high degree of specialization is needed for a certain change effort then the OD consultant brings in this specialist for the job. For example, OD consultants are typically not compensation specialists but on occasion such expertise is needed. This need is only an occasional one and not in general. In other words, an OD consultant does not need to be a specialist in compensation even though changing some aspect of the reward system is often required for an overall successful change effort. I have suggested a set of competencies (see Table 34.2) that all OD specialists should have (Burke 1994) which include such abilities as tolerance for ambiguity, ability to confront difficult issues, self awareness, and abilities to conceptualize and teach.

## BURKE’S LIST OF KEY ORGANIZATION DEVELOPMENT SKILLS

**Table 34.2** Burke’s List of Ten Primary Abilities for an Effective OD Consultant

<i>Ability to tolerate ambiguity</i>	With every organization being unique, past practices will not necessarily be successful again. It is best to begin anew with only general characteristics of social systems.
<i>Ability to influence</i>	OD must embrace power and have abilities to persuade others.
<i>Ability to confront difficult issues</i>	Many of OD’s responsibilities include bringing attention to avoided issues organizational members are reluctant to face.
<i>Ability to support and nurture others</i>	It is significant in times of conflict and is crucial during initial team building.
<i>Ability to listen well and empathize</i>	Significant in times of confrontation or stress and interviews.
<i>Ability to recognize one’s own feelings and intuitions quickly</i>	More than ordinary consideration should be paid toward separation of one’s own perceptions and client’s.
<i>Ability to conceptualize</i>	Necessity of OD to demonstrate links and cause and effect in understandable manner for client.
<i>Ability to discover and mobilize human energy</i>	Gain insight and redirect energy aroused from resistance.
<i>Ability to teach or to create learning opportunities</i>	This should not be restricted to the classroom, but exercised through workplace activities.
<i>Ability to maintain a sense of humor</i>	Useful in limiting tension and maintaining perspective, emphasizing not to press one’s own seriousness when efforts do not go as planned.

Source: Burke (1994).

*How confident are you that today's graduates have the capacities for self-examination and self-awareness that are necessary to successfully practise OD?*

It does seem that students today have less tolerance for ambiguity, but as I think about it, I am not so sure. My perception may be due to the ambiguous situations that we put students in as we train them to be OD experts. And, a 70-year-old individual might be just as intolerant as a 20-year-old.

So, it is more about training and educating students to be tolerant not that they have less ability than previous generations. And I do believe that our current students have just as much capacity (if not more so) for self-examination and self-awareness as previous generations. Change leaders must persevere, if not exhibit stubbornness, from time to time regarding movement, "staying the course," toward change goals. And so it is with OD consultants. But their perseverance must be as evidence-based as possible, that is, they are being stubborn not as much as a personality trait but because they know what is the research and theory basis for the change activities that are taken.

*What are the most important cross-cultural issues and considerations for those interested in global applications of OD, say in India?*

I have some but limited experience with the culture of India. I first was there in 1972 when I spent part of the summer as a visiting professor with the Indian Institute of Management, and traveled around much of the country. Change in India today is occurring at an unprecedented rate, and OD can be very helpful with the process, that is, helping organizations to plan, change instead of change merely happening to them.

Indians have been interested in and practising OD well before 1972 when I was there, and my presentations then were well received. So, there is much history, and I do not see major cross-cultural issues with the US way of practicing OD in India. It has always been my understanding that OD practitioners in India respect theory and research, and work to apply behavioral science knowledge. The differences cross-culturally are there for sure, but not that easy to see immediately (after all, Indians speak English very well). We, Americans, must be diligent, however, about understanding subtle yet real differences, for example, how the dynamics of power and politics are manifested.

*How do OD's western roots, i.e., North American and Western European, affect how easily it travels the world and finds success in different cultures?*

OD did emerge from western thinking but with its humanistic base has traveled cross culturally quite well. I have been active in transporting OD to Japan since 1972. While there are differences in the way that OD is practiced there (more reliance on training and development interventions, for example), the underlying value system is well accepted as is the theory and research that under girds OD. The biggest problem that faces OD practitioners cross culturally is that although many of our interventions are transnational they need to be

modified to work effectively in other cultures. We in the U.S. cannot afford to stick with our way of practicing our craft. For example, it is possible for multi rates feedback to work in Japan, but it has to be implemented quite differently when we conduct that kind of intervention in the U.S. particularly with respect to how the feedback is delivered. After all, “saving face” has a critical value in Japan. Let’s end our conversation with a focus on the future—looking toward 2020, so to speak.

*Do you believe that OD will remain vibrant and helpful for those seeking to build and perpetuate high-performing and high quality of work-life organizations?*

OD will remain vibrant, relevant, and helpful in the future only to the degree that we continuously learn and change ourselves. Where our future lies is with a deeper understanding of and practice in areas of organizational dynamics as structure, particularly new forms such as networks, leadership which emphasizes servant leadership and stewardship, yet at the same time we must learn more about the darker side of personality, interorganizational relationships—alliances, mergers, etc.—and organizational governance both for profit and non-profit organizations.

*Just how does an OD practitioner achieve and maintain this state of “continuous learning and personal change”?*

Maintaining a state of continuous learning and personal change is best achieved by such actions as these:

- Looking for and taking advantage of opportunities to learn from knowledge beyond our roots in the behavioral sciences. I think my book on organization change is better than it might have been because I based the writing in part on other disciplines such as cell biology and chaos theory.
- Advancing ourselves beyond areas that may be limited. For example, I was originally educated as a social psychologist. I had to expand that base considerably to become an organizational psychologist. And then I learned that I was not as strong at the individual level as I needed to be, so I got myself trained as a therapist. If we pay close attention, our work gradually reveals our strengths as well as our limitations. Doing something about the latter is what I am talking about.
- Traveling globally and learning about other cultures. This kind of learning helps significantly with learning more about corporate culture, not to mention understanding individual differences more thoroughly.
- Immersing ourselves in one or more of the arts whether it be music, painting, studying the classics, dance, poetry, or ceramics. We, behavioral scientist types, can become too immersed in our field. We need to find ways to broaden our learning and knowledge base as well as feed our souls. Total immersion in our own field will eventually stunt our growth as human beings and professionals.

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## Building future readiness at GMR: A conversation with P.M. Kumar

S. Ramnarayan

*GMR group has undergone significant changes in the last decade. It has developed new capabilities to establish itself as a very successful company. You have played a major role in orchestrating the change. How would you describe the change agenda? What approaches did you follow to make those changes happen? Where does OD fit in or not fit in this approach?*

At GMR, the fundamental transition had to be from one asset, small family company to multiple assets, multiple projects company that effectively leveraged the liberalization era. The change primarily involved the movement of company away from license era to liberalized era that offered a huge basket of opportunities.

Here was a family—father, two young sons, and a son-in-law. The father was about fifty, and sons and son-in-law were in their twenties and thirties. They had the opportunities glaring them in their face. It required the small company to prepare itself to manage the future and get equipped to be successful, in terms of processes, systems and organization structure, more or less in line with the classical 7S framework. We had to ask ourselves what was the strategy. At that point of time, there was no strategy. The promoters were just opportunistic. In other words, how do you get strategic planning in place rather than being merely opportunistic?

We were a company who wrested the first mover advantage in all the areas, by being opportunistic. We were in various businesses like agri-business, ferroalloys, and breweries. We had to divest a number of these businesses and focus on infrastructure as a theme. We continued to retain sugar business, which we have now divested. We had interests in the ING Vysya Bank. Gradually, all the unrelated businesses have been divested. The strategy was to focus on infrastructure strategy. We continue to be entrepreneurial in our strategy thinking. That is the DNA of the family.

To do that, we had to bring some method to the process of organization development. So, strategic planning process became very important. We introduced risk management processes for each business. And we went into projects that required high capital funding.

Initially, GMR Group started with friends and family building and running a small company with one asset. From such a humble beginning, a complex company and organization structure have been created. We formed a top management team. Its members came together to dialogue more often around key issues. They were all working people, running the assets and handling functions directly. They had to find time to discuss and decide on the strategic planning process, the risk management process, the HR processes, and systems and organization policies. In this way the organization started to move from ad hoc and personalized approach to a professional set-up.

In those days, we had great difficulty attracting talent. No one wanted to join GMR; there were lot of doubts and apprehensions like in most such situations. It was an uphill task. As Ram Charan says today, “strategy follows people.” Unless you have the right people, you can’t even think of strategy.

We brought in professionals considering their competence, potential, and values and beliefs. We focused for 2 years with top 5 or 6 people on their own values and beliefs and how it will translate into the organization—it was a discovery and expression of who we were. My Marico experience, Thermax experience, and several other experiences had taught me that the bed rock of change and OD is on values. Systems come later—values come first. This is my viewpoint and I have seen this work more than once. So we went with values. We didn’t follow the route of “aspirational values.” We did not do “cut and paste” of other company values. We went the discovery route. The group members talked about what is important in their lives, what has made them successful in their business or what are the critical incidents that they have experienced. For two days we churned the experiences and insights gathered with openness. The members explored issues in-depth. The group came up with some 20 things that they would like to be seen doing, that they do well, things they don’t want to repeat or do ever again. We worked on that data. After digesting the views, we articulated these in the meeting at different points. Outside this group, there were 20–30 senior members who wondered what was happening and why everyone had gotten into a huddle.

Then, we had our first leadership conference. We did a SWOT analysis of the company. People started participating and opening up. This has continued to be the bed rock of GMR even today—participation and values. The transition was getting the family to think less of “who” and think more of “what,” that is from person based to issue based decisions.

In the mean while, the group Chairman had attended a CII Conference on family business and got involved with the subject relating to development of the family business. He led a clear journey into family governance processes to ensure perpetuity including succession. The first thing was to work on relationships before structure. As we say “values before structure,” “values before systems” and “relationships before policies and structures.” We worked on several sessions on relationship issues, which I won’t elaborate for now. Having worked so deeply with the family, they carried all those relationships, skills, and values to the business. They dealt with the professionals in the same manner as they would deal with each other in the family.

Thus within a relatively short time, a small entrepreneurial venture with a single asset had grown and transformed into a high-performing, professional organization that retained the spirit of entrepreneurial thinking. Currently, for instance we need at least 40 leaders in 18 months to support our growth and, our capital investments till 2013.

We have made a decision that institution building will be pursued simultaneously with organizational business building. Institution building and business building will run parallel. Again, we have made a clear, unambiguous choice that we want to be the “best” but not necessarily the biggest. It was an informed choice. Now the implication for OD is that if you say business building and institution building will go simultaneously in a growth platform, then institution building has to constantly keep pace. So, speed is important. But you also need consultation, alignment, and syndication with all stakeholders. So we have to match speed and consultation. Sensing the right time to do the right thing is very crucial. When should values and beliefs be the focus? What HR policy should be introduced and at what time? How complicated should the organization structure be in the first stage? We invited McKinsey to help us with the second stage of the organization structuring. Now we have integrated everything into the theme of business excellence. That has been the journey so far.

*Many families, particularly when they have been reasonably successful, may have continued to be in the opportunistic mode. Interestingly, you chose to spend two days on values and beliefs and then on leadership conferences. The family decided to give primacy to institution building. What is it about the organization that allows such ideas to find ready acceptance in the first place?*

I think the promoters value learning and assimilation of progressive thoughts. Under the mentorship of the founder and group chairman, they have explored and internalized the unequivocal benefits of a value based institution beyond commercial interests, stewardship, social contributions, and the benefits of long-term thinking and perpetuity.

*What do you think enabled you to gain their conviction and commitment?*

I guess it was my willingness to take full ownership, provide unconditional partnership, a sense of “we are in it together,” confidentiality, trustworthiness, and knowledge of the subject and past wide consulting experience—above all, that their success was paramount in my mind and they felt it so.

*What approaches have you followed to introduce organization development and change?*

In my view, every intervention would follow certain steps:

- i. Development of the concept—sensing the right time for things and conceptualizing it
- ii. Acceptance of that concept
- iii. Alignment of that concept

- iv. Education
- v. Evangelization
- vi. Prototyping
- vii. Execution
- viii. Internalization
- ix. Integration with other systems
- x. Review

We may use any other term like management or intervention or initiative. But if you have followed this broad sequence of steps, it will work. Every single time we have done this.

*How do you distinguish between acceptance and evangelization?*

Acceptance is an endorsement that the change initiative is relevant and necessary and that the top management is willing to support it through advocacy, role modeling, and investments of time and money.

Evangelization occurs much later in the change process when the process is taken through the organization by the sponsors/champions and process owners. We may use road shows, exhibitions, polling, town hall discussions, or focused group. They are all part of evangelization.

*Can you similarly elaborate the different stages or steps of intervention?*

“Concept” is very simple. It should have business relevance. It has to be institutionally relevant. We look around for the best in class. Concept begins at three levels—to do better than something in the past, better than the competition, or the best in class. So, we conceptualize that whatever we do, we have to be the best among the global institutions, and we have to be the best in class across industry. We are not worried about our competitors; we want to be the best in class.

So, that is concept—what do we want to do, be it reduce age, or have flat organization, learn about private–public partnerships or how to get into airports. For instance, when we got into airports, we visited the important airports in the world, learnt, and clarified the concept. Initially the concept of an airport was an airstrip with some facilities. Through education, by involving consultants, involving other thought leaders, and being open to learning, we elaborated the “concept.” This is the first step.

Then, the concept has to find *acceptance* among key people—decision-makers, promoters, and important stakeholders. The aim of this stage is to be able to obtain commitment and conviction to the project for whatever we are going to do. For example, in performance management, we need to have the concept, and we need to accept that this is what performance management would be aimed at.

Now, we have to start aligning with the larger group. Then the *alignment* has to take place around different difficult issues amongst the few leaders and alignment with the rest of

the organization. Here we manage differences and once again scope the change process and agree on what we want to commit to.

*Can you give an illustration of likely problems in alignment?*

A very simple and complex issue in a family would be: “at what rate should we grow? We are a family business; if we keep working 24×7, then we would have no time for family. So should we reduce our pace? We may not have the required strength of professionals. Should we wait till we build the leadership bandwidth?” So, you have to align multiple perspectives and arrive at a “Go” or “No Go” decision. Each acquisition or each bid goes through this. It all needs alignment. Somebody may say, “Ok. We’ll go slowly and we’ll not take on too many projects.” That’s one example. We have made a choice of growth. We have accepted the concept. Now the alignment is around the pace of growth.

Then, *education* is simple. You go out there and talk to people. It is taking the idea to a larger cross section of employees and training people. When we chose to go with the Business Excellence concept, we got the people trained. Everyone learnt the key ideas. We had acceptance and alignment with senior management team. Then alignment was how these things should be implemented, how fast these things should be implemented, how many businesses we should cover, should we go slow, synchronously and then initiate appropriate education.

Then for *evangelization*, you have champions. You have people going out there to understand the concerns of the skeptics and other people, and make efforts to get their buy-in, you adjust your course if required and then you *prototype*. When we chose the business excellence model for implementation, we took Hyderabad airport first. We prototyped it first, did our assessment there and learnt our way. Then we went to Energy business and then went to Construction business. We moved gradually one step at a time.

Let me restate and underline the fundamental principle. Unless the business leaders own up the intervention, no change is possible. We cannot have an HR University or OD University driving the change. An OD practitioner should gain the business and stakeholder commitment. That is the key. An OD practitioner should earn the trust and credibility of the community that he/she works with. He/she should ensure that whatever intervention that he/she has chosen is not for the self aggrandizement but for the betterment of the common good. The trends underlying the intervention are accepted by the community of stakeholders.

OD specialists should remember that their effectiveness depends on their trustworthiness. They should constantly ask themselves whether they are working for the interest of the organization. They should be well informed of people with different kinds of expertise. This will enable them to bring the right kind of support to their organization.

We’ll run with an idea if the idea is right—it is well timed and we are ready for it. There are 4 Ts—the timing, the trust, the topography, and the overall target. All the four Ts are important. Then we have the cost factor—at what cost do you want to do it. For me, the heart of OD consists of these factors.

*Can you share an instance when it was not possible to generate stakeholder commitment?*

Many of our competitors throughout the world have implemented employee stock option plan. For the last three years, we have been exploring how we can get an agreement on this idea. The family has very strong views. Among the senior people, some say “yes,” some say “no.” So, I know that this is a difficult choice. We can’t push it and we don’t want to push it. The concept has got stuck at the acceptance stage. For every positive example that we quote, they quote a negative one. The mindset is not prepared. We are not ready. This is a clear example and we are living with it now.

You realize that OD and change don’t rest on business case or logic alone. It is value based and philosophy based. For instance, why should we get into ESOP? There are non-quantitative or non-economic ways of creating belonging and ownership. There are fundamental values involved. We have never yet found any OD based only on rationality and logic. It is based on rational and emotive factors. We need to appeal to both right and left brain.

*What would be your advice for learning and development professionals getting into change and OD roles?*

Have good networks. Be resourceful to be able to connect with the right people. Bring value based people into work.

Most importantly, you have to constantly ask yourself: Is there predominant self interest for doing this? If the answer is “yes,” drop the plan like a hot potato. If you are ready as a practitioner, if it is in collective interest, then go. That would be my advice. If I look back at my career, I would say that my versatility has been of great value. I have been versatile. I did process work, lab work, systematic job evaluation work, strategy and HR work, industrial relations, unions, settlement, and facilitation. On hindsight, I would say that I have been fortunate. This has been an excellent exposure. I believe versatility is important for gaining trust and credibility. Otherwise, you may say that I have one hammer and everything looks like a nail. There are practitioners today for whom there is one answer for everything. They will not be accepted. They will only play a very marginal role. You need versatility and openness. You should be able to see a wide range of possibilities.

*What has been GMR’s primary approach to capability building?*

I think most capabilities have been built by doing. By building an airport, we learnt how to build it. A number of consultants brought in their expertise and we gained from their expertise and experience. Formal and informal knowledge management practice is extremely crucial. What mistakes did we make in the last road project? We don’t want to repeat those. It has been active, throbbing history of initiatives. In many cases, my role has been to applaud the curiosity and entrepreneurship. Everybody wants applause. Everybody wants to hear that they did well. We are human beings. Whether you are a group chairman or a low level employee, you like to hear that you did well. If it comes from people you trust, it is even better.

*Can you give an example of “learning by doing”?*

Every other day, there are scores of lessons. For example, we have built capabilities of project management. There are people with great entrepreneurship ability and attention to detail, professionalism and belief in work. They have been extremely execution focused and practical. We have built projects and have managed assets. People who have handled these challenges have made several improvements and innovations which went into building our growing expertise in the sector.

Our experiences are replete with lessons. You have to attune your antenna. Scanning is very important. What is happening in the market today? What are others doing or not doing? Ultimately, relationships are very important. The organization is built on the bedrock of relationships.

*Finally, can you throw some light on how you see OD in India today?*

From the Indian perspective, OD and change are booming in organizations like Bharti, L&T, and others. Large numbers of Indian organizations are surging ahead. They have fabulous practices. MNCs are not doing so well. They tend to be somewhat stale and boring with many of their decisions getting stuck in cyberspace. Somebody overseas even gives you the format that you need to use. Individuals in MNCs tell me that there is little creativity there. They tend to be slow in decision-making. Of course, there are certain organizations like Unilever that don't fit into this broad generalization. For all the exciting OD projects and possibilities, we need individuals with right values and skills. That remains a problem. We have Diwali out there in the marketplace, but not enough fire crackers!

*Thank you for your time and insights!*

## Choice points in OD journey at L&T: A conversation with Yogi Sriram

S. Ramnarayan

*You have been associated with L&T for a long time. The organization has grown significantly and has established itself as a highly successful entity. As someone who has not only played a role in making these changes happen, but also observed what has happened from close quarters, how would you describe the change agenda and approach?*

L&T is a 72 years old organization. While the company has transformed over the years, the pace of change quickened significantly ever since Mr. A.M. Nayak took over the reins in 1999. In the last 6 or 7 years, the tempo of transformation has been rapid.

I would like to believe that we are the world's fastest growing engineering conglomerate. Let us look at the pace of growth in terms of return to shareholders. In the last few years, while the Indian Sensex has grown by 5 times, the L&T share value has grown by 40 times.

The company's transition from a more egalitarian culture to a more merit-oriented culture has been one of the most significant changes. The process of differentiation between those who are performing well and those who are not has been introduced in an incremental fashion without sharp discontinuities that might upset many people. The gradual step-by-step approach has been sensitive to steady performers or solid citizens. We function in a democratic environment where changes are debated and modified in order to respond to the spirit of the time. Hence, the process of implementing differentiation and various leadership programmes which actually celebrate the differences have been very successful.

People's integration with the larger goal of the organization has resulted in a deep sense of ownership. It has happened not merely through large scale interactive processes or participative processes for developing mission statement but also by implementing Employee Stock Option Plan (ESOP). It has helped in instilling a sense of ownership among employees as large numbers of people in the organization are covered by ESOPs. It has also ensured that the people possess a sense of line of sight with the larger goals of the organization. Amongst the brick and mortar companies, L&T is definitely a success story in terms of ESOPs.

ESOPs surprisingly turned out to be a successful experiment in retention and checking attrition. The leadership programme in the organization has been equally powerful in the talent building process.

After the divestment of cement business, certain new businesses have come into the fold of L&T such as ship building, real estate, and railway business unit. They have inculcated the habit of looking at risk management in a productive and practical manner. For instance, in power we entered a major joint venture with Mitsubishi Heavy Industries for the manufacture of super critical steam turbines and super critical steam boilers which gives us the capability to almost compete with organizations like BHEL. Of course, this won't happen immediately but in a phased-systematic manner over a relatively short period of time. Overall, these new businesses have infused a new kind of energy into the organization and people.

The other change agenda has been the gradual movement of converting certain operating divisions to independent company. This is currently called “(virtual) operating company.” I am adding “virtual” within brackets to signify a unit that is rehearsing to become a listed company. That is the strategic aspiration.

*What are one or two capabilities that have been consciously built during the change process? How have these capabilities been developed? Did you employ any OD interventions in the process?*

“Project Execution” would be the number one capability of L&T. There is a huge emphasis on project execution and risk management. We have now set up an institute for project execution. L&T is perhaps the only company in the world that has an in-house academic institution to build and nurture talent in the area of project management. This institute of project management is located in Vadodara. It has a full-time dean and three full-time faculty members apart from several part-time faculty members. We have a good mix of in-house and external instructors.

The institute uses case study approach extensively. We utilize live success and failure cases from our 62 businesses. This approach enriches the courses by providing a lot of variety and highlighting different dimensions. The cases range from an airport to a runway to a bridge to a processing plant. They effectively capture the richness of this unique organization which is difficult to replicate from outside. We do have tie-ups with some of the universities abroad to emphasize global practices and benchmarks. We have collaborated for courses to bring the latest thinking and ideas to help us deliver on time and meeting cost, quality, and design standards.

Over the last decade, L&T has been extremely systematic and careful in putting top performers through a pipeline of Assessment Centres (ACs) and working on them through two programs. These are “Senior/Top Leadership Development Programme” and “Leadership Development Programme.” The process of putting people through Assessment Centres is called the “Management Leadership Programme (MLP)” and it has become a signature program for L&T. Lot of HR people want to join L&T to learn about MLP and ACs. Currently, we are making the processes online. In other words, we are infusing technology to enhance the speed of response.

*How central have been the OD principles and practice in the organization's change strategy? Which OD approaches worked very well? Were there certain approaches that did not work so well?*

To begin with, OD spirit underlies our approach to leadership development. An important path way to Leadership development is one of sharing feedback with people. Assessment centers help people receive regular feedback of what they need to do to become better, more capable leader.

Another place where OD principles underlie our approach to in-house changes is in our use a lot of large scale interactive processes at different points of time. For instance, at one point of time, we had institutionalized a large meeting called “workout” for the top management—this is very much large scale interactive processes at work. The frequency of those large scale meetings have reduced with increase in the size of the organization.

We conduct an “L&T quiz” every year. This is a non-conventional kind of large scale interactive process. The quiz is based on themes which are important for the growth of the company. For example, we had the theme of “sustainability” this year. According to Derek O’ Brian, who was our quiz master; it’s perhaps the largest quiz in the corporate world for a company. The first round consisted of questions to be answered on mobile phones through SMSes. Then, there was an elimination round—this was through written tests. The process generated a huge amount of excitement. There was a large gathering at the concluding final round. All the senior people were present to select the winner amongst the six finalist teams. This approach helped us reach out and communicate a message to a large audience. L&T quiz touched almost everyone of the 38,000 employees. The number of active participants was in excess of 10,000. We have formal large scale interactive processes highly effective in involving large number of people.

On the flip side, “talent mobility” has been an area of concern. Mobility of talent between one group and another is very important in a large company. At L&T, we are still going up the learning curve in talent movement from one business to another. At the same time, as we progress toward the “operating company model,” the businesses are becoming more rigid about preserving their resources including talent in order to get listed at stock exchange. I believe that for large organizations, talent mobility is an area that we all have to work on.

*What lessons can be learnt from the successes and failures?*

There is one lesson, loud and clear from all successful changes. You can’t give up easily. I believe that OD is like releasing ten hot air balloons. There may be lots of people who will shoot down a few of them. But one or two of those hot balloons survive and then keep expanding. So we should try out new things and attempt to build support. There will be one or two that will find favor. “Focus on those one or two successful initiatives” is my message to colleagues and OD practitioners.

Second message is that “all change need not be democratic right through.” It is ideal to follow a consensus approach as we are a democratic organization. But in reality, a few things

are better achieved with a top-down approach where someone is calling the shots. After all the discussions and consultations, someone has to say “This is it and let’s move forward.”

Thus a blend between directive and democratic approach is effective for change management. Change need not be implemented in absolute democratic or autocratic manner. We must get inputs from the right people. People should be heard, and their views considered. To reach an effective closure, as we approach the last mile, the leader has to be clear and decisive.

Let us say that we are discussing an extremely debatable topic like whether an organization should separate the top performers and develop them. You hear multiple views. One view states that the steady performers also bring in a lot of revenue and productivity. Another view argues that it’s important to differentiate because top performers contribute more than other members. At the end of the day, if we are swayed by all the views, we end up doing nothing. Therefore, we have to be decisive at places.

*In an era of global competitiveness, mega projects, and mergers and acquisitions, what role do you think OD will play?*

In my view, OD approach will continue to play an important role today, as it was in yesteryears. Let’s take a technique like Appreciative Inquiry (AI). In a typical M&A, there are 2 parts of the merger equation. During Time and Warner merger, had they turned the problem into a positive statement as per AI and gone through the stages where the leaders recognized and sorted out the differences; it would have been a different story today. So, AI can be effectively used as part of due diligence. Unfortunately due diligences are hardly done to look at aspects like: will the leadership, will the respective leaders gel with each other? Will the respective culture and value system gel with one another? Generally, they are undertaken to suit the decisions based on shareholder value. AI as a technique in OD has huge relevance even in today’s era.

It’s a myth that OD has to be only long-term. I think OD can be short term like fast-food. Some years back, there was no concept of fast food in India. But now we have fast food restaurants and they have grown. Some people want fast service over the counter. Similarly, OD needn’t necessarily be the long term approach that was in vogue earlier. It can be utilized to fit a particular situation. We can take nuggets of OD insights and plug in wherever required to reinforce the change process.

For example, communication is an important part of employee engagement. And the entire cycle of getting information on how people feel about a particular policy can be done very quickly through an online survey. We don’t have to wait for process consultants to get people to sit on various task forces and groups to share their views. Instead, the organization can hold a “town hall” meeting and communicate to people about what the pulse looks like from the survey and then examine decision alternatives. That’s the new-age OD. L&T has achieved some traction for bringing change in a shorter frame instead of waiting for a very long time.

*L&T has tried out a variety of interventions and approaches. Can you share some interesting ones? Which interventions have you found the most exciting and useful?*

L&T has recently launched an extensive employee engagement program called “Upstream” in our hydrocarbon businesses. We have around 1,500 employees. There is a separate engineering company with around 500 project managers in Powai, Bombay under the umbrella of Upstream. The company has three yards where we fabricate and construct modules for platforms. We manufacture niche high-technology products. All these 1,500 people are in huge demand in the market because of talent shortages in the oil & gas industry.

In view of the complex nature of projects and niche skill-set, poaching of talent and skill shortage is high. Therefore, we decided to launch an employee engagement program. The workshop that we conduct has a unique feature. For example, in the first workshop, from the leadership team, a select team of young top performers with less than five years of experience were made to sit in a circle around a round table. They are called a “BullBus” team. “BullBus” is an acronym for bullshit busters. The participants involved in any discussion have the option to pick up members from the bullbus team and invite them to join their team to observe the entire discussion with a magnifying lens. That was proved to be very effective because the bullbus teams are reasonably mature. They have shared with their elders about the lack of sensitivity to context of what the Gen Y really needs. It is an interesting way of quickly communicating about the Gen Y expectations. Incidentally out of 1500 people in the upstream, approximately 80% are below 27. In our organization, the age of members range from 23 to 60. The young and old can exchange their ideas, thereby bridging the gap and enhancing the commonality. It is an effective way of getting upward feedback.

As a result of bullbus intervention, the elders now feel much better connected with the youngsters. There is growing interest. Music groups, dance groups, and various reading groups have sprung up. The Chief Executive of the business has taken a keen interest in the activity. He has demonstrated leadership behavior by having joint dinners, lunches, and listening to the youth workforce.

At L&T, we have initiated “Stay Interviews” that are little different from “Exit” Interviews. “Exit” interviews are conducted after the horse has bolted and the person has submitted his resignation. At the time of leaving, you try to record his/her goals, concerns, and reasons for resignation. On the contrary, “Stay” Interviews try to find out why people are staying in the organization and reinforce those factors. It is a good example of practising OD i.e. Appreciative Inquiry in an indirect way.

*What are the most important competencies that you would look for in an OD practitioner?*

The knowledge of process consultation in practice is very important. The social psychology studies carry huge insights. It is imperative for an OD practitioner to keep reading and practising. It is important to keep up the reading habit. Group processes are another critical aspect of OD. Understanding group dynamics using facilitation skills and conceptual frameworks are of paramount importance.

*Can you give an illustration of facilitation skills in practice?*

To illustrate facilitation skills, let me take the example of business leaders in L&T. I was asked to facilitate a workshop on project execution skills for 45 top managers of Power. The objective was to find out their views on the way to achieve execution excellence. They were a new group with whom any existing example of project execution had not been shared.

First aspect of facilitation is the design of the program. To begin with, how am I going to design this two and a half hour intervention? What is the pre-work that is required? I actually sent out a format for the people to write success stories in project execution from their previous organizations, like NTPC, BHEL, and others. After they shared their success stories, we picked up a few themes from them. We had a voting process as an appreciative inquiry. Then, groups selected a topic as a theme to reflect their aspirations. The group discussion revolved around why they selected that particular theme. At the end, we had action program/action plans on what the respective groups will do to achieve their aspirational goal.

Right from the design stage to the configuration of how the groups will be formed and thinking through minute by minute about how this would unfold are very important facilitation skills. You have to think about maintaining enthusiasm, overcoming objections, and answering queries. You develop these skills through deliberate practice and experience.

I view 45 participants as the microcosm of the 2000 employees that they represent before they enter the workshop. In addition, how the key insights would be cascaded by participants after they go out of the workshop is an important part of the facilitation.

*What do you see as some of the unique aspects of India that we should keep in mind for being effective in our context?*

I want to share two observations about India. First, we are an incredibly young society. In terms of “change,” there is great opportunity along with great responsibility for OD practitioners. The question of how do we influence mindsets and behaviors has to be approached with great sensitivity.

Secondly, we work with very diverse kind of cultures. We need to take this into account while implementing OD interventions. For example, numerous JVs are an Indian reality. We should be very sensitive to the cultures of our partner organizations.

Within India, I find culture is dictated more by the kind of education received by a person rather than the geography. For example, people from tier 2 or tier 3 B-schools may not be as good in communication as those who have studied in the urban areas. Many of these OD processes require people to open up and talk. We would lose the power of their thoughts if we are going to rely solely on English oral communication. One has to look at innovative ways of communicating information. For example, in some workshops, we ask people to depict vision with scrap paper or match sticks or crayon and describe it in their own way. We avoid assigning power point presentation for a larger audience. The excitement of expressing with a live model takes away the fear of being educated in a vernacular and not being able to speak English very well. We should try and include everyone. The other reality is that the

organizational structure and emphasis of business tend to change dramatically and quickly. For instance, in telecom industry, the entire business emphasis has changed very fast. Therefore, re-skilling and changing the leaders' mindset become very important to cope up with the accelerated pace of change.

*How do you think we should create and nurture OD practitioners?*

It is important to think about this issue particularly when there are no formal courses. There are disparate small courses and certification, but I believe OD practitioners should be accredited by an institution. This should be based on practice and theory. It should be based on an actual OD change that the person has done in one or two years or even shorter duration in an organization and not on a project. The work should be examined and recognized by a set of practitioners. I would feel that the interns should be technically very sound and understand the literature. They may focus on one or two narrow areas of specialization, say appreciative inquiry, process consultation or coaching. I think it is very important to start a comprehensive OD course led by very senior people with a set of ethics with possibly collaboration with a reputed school abroad with a strong track record in OD.

The other key issue is that HR practitioners are scant in the leadership positions. Most HR practitioners are uncomfortable in discussing the business part and the conceptual part. Just as we need equal emphasis on both academic rigor and practice, we need equal attention to business issues and people issues.

*Thank you for sharing your experiences and insights!*

## Change and OD in Aditya Birla Group: A conversation with Santrupt Misra

S. Ramnarayan

*Aditya Birla Group has undergone significant changes to establish itself as a highly successful entity. As someone who has played a major role in orchestrating these changes, what has been at the heart of your agenda and your approach? What OD interventions did you employ?*

In the last fifteen years, Aditya Birla Group has tried to reengineer and reinvent itself while preserving what has been good and great about it. The effort was to contemporize the organization and its skill set; modernize mindset; and also create leadership teams with greater diversity. Secondly, given the business context, the demands on the organization were changing. The organization needed new skill set and new ways of looking and handling issues, both complex and basic. Also, the organization needed skills to avail of the opportunities that the new context was presenting. At the third level, we therefore had to internally realign ourselves—the way we communicate with the employees, build trust, build teams, and reorganize the structure to fit the way we created value, delivered value, measured performance, and trained people.

The attempt was to do three or four things simultaneously. First, the organization was trying to compete effectively with the existing competition; second, avail of new opportunities that the context was presenting; third, modernize itself internally; and lastly, to give itself a structure that would make it more effective and productive.

It was a very large scale change management. We approached it incrementally by dealing with different areas at different points in time. To begin with, we had to prepare the organization for a large scale change.

At one level, the preparation for change started by doing superficial changes that had no substantial impact. But it told people that things would change. We were also involved in altering the cultural norms and mores of the organization. For example, everybody addressed everybody as “Sri” in their formal letter. Now, when we started using “Dear Mr” instead, that in itself is an intervention into the cultural mores of the organization.

A set of values that were merely paternalistic and respect oriented needed to be gradually changed, while preserving the respect and certain other positive elements of welfare and paternalism. We needed to inculcate values like meritocracy, performance, competition, standard, and integrity. People were focused on the “ends” of the organization rather than on the “means.” So, we needed to say “means” are as important as the “ends.” Therefore, the interventions at the levels of values, norms, culture, structure, and teams were introduced.

In short, there has been no intervention in the last 15 years where OD specialists were not deployed. The challenge was in terms of where and how to intervene in the system. To be honest, it was more experimental approach rather than a planned approach. It was planned to the extent that we knew the desired end state. Different phases of interventions were not sequentially planned. So, it was not a grand planned change and we did not plan every step of the way. But it was more of an intervention in the socio-technical system. It was experimental, in the sense that if it worked, we went that route. But if it did not work, we withdrew ourselves, learnt our lessons and future attempts happened elsewhere at other levels of the organization.

*Among the variety of interventions that you have worked with, can you highlight those that you would consider very powerful and important?*

Some of the interventions were extremely powerful for the organization. Every intervention communicated multiple messages to the organization. For instance, the Chairman and the top managers started participating in the 360 degree feedback. It was an intervention that changed the cultural norm—the junior could also provide feedback to the senior. It created a sense of trust and transparency. It has prepared the top management of organization to receive and discuss feedback openly by sitting together. That was a powerful intervention.

There were interventions at the lower levels of the organization. High quality personnel were hired from leading management and engineering schools. They were paid competitive compensation in tune with the market rates. This was an intervention which communicated the importance of merit/competence to attract the younger generation with new skills like IT. It changed the paradigm of competence that the organization required. That was another powerful one.

We carried out an organization health study which was an important intervention. The feedback on how people perceived the organization was shared with the employees. Then, certain questions such as: “Do you want to do something? Do you want change? How do you change? What can you as an individual do to contribute to this change? What can organization do?” were posed to the employees.

Similarly, several team building exercises were introduced across functions to support structural changes as we moved from functional to SBU structure and also created global structures.

In doing all of these interventions, we used various resources and range of expertise from Indian, international, firms, individuals, teams, and so on. A number of consultants helped us carry out those interventions.

The emphasis was on churning the organization and creating new ideas and frameworks, and holding mirrors to help critical questioning and introspection, say through 360 degree feedback, survey feedback, and numerous such approaches.

*Were there any approaches that you felt did not work so well? And if they did not work so well, why did they not work well?*

Yes, there were approaches that did not work so well. Learning and training interventions did not do too well partly because the organization was familiar with that as an intervention. More importantly, in certain cases effectiveness of the learning event itself was questionable, may be because the trainer did not customize the materials to our requirements and did not do a good job. Some of the team building exercises like “outbound” became exciting events rather than altering events.

*What do you think contributes to the effectiveness of training or learning events?*

Training and learning would serve best if it is more problem focused rather than general capacity enhancement tool. Capacity enhancement needs to be seen in the context of a problem because we deal with the problem. We have to link learning to the problem. Too often, the emphasis is on the supply side, not on the demand side. Where does the demand for the new learning exist? Can you establish that clearly to the unit and the participants?

*During this period, you also have grown in the global arena through acquisitions and mergers. How do you make these complex changes work effectively?*

Yes, we have also grown through acquisitions in a big way. We take a series of deliberate initiatives to make them work effectively.

Each acquisition is a very unique kind of situation presenting a unique set of challenges. So, we have never approached it with one set of predetermined tools. Strait-jacketing of acquisitions is not possible. There are many variances—size, location, nature of business, value proposition, and the like. Each one is different. Therefore, in acquisitions, predominantly we can say that employee communication works as a very important tool to bring about change. Second, I find role modeling very important—you have to set examples. There is a need to demonstrate success stories and provide examples of best practices. It is important to empower people to watch, observe, and absorb best practices. They work very well in changing systems because people use their own styles, preferences, and judgments rather than imposition from one organization or the other. This has worked very well in acquisitions globally.

*Can you share a case illustration of how this was carried out?*

Let me take the example of L&T cement. When we acquired L&T cement in India, they were our competitors. We were also in the cement business. We felt that this acquisition would work if we address the question of how to integrate effectively. So, we created something

called Sammelan. We brought people together and began by sharing who we are and how do we do things. We also asked participants to draw animals to represent themselves and represent us. Thus we tried to find out from them about their perceptions. We tried to explore similarities and differences. As we exposed ourselves to who we are in the Sammelan process to the top 100 people, we realized that we were not all that different as an organization. We were a warm organization. There were lots of strengths and merits. That is one approach that worked in that case.

Sometimes, we were not competing but complementary. For example, when we approached Novelis acquisition, we went about it very differently. That was more about communicating the strategic logic as to why the two are better together than separate. It was not important to express strategic logic in L&T. It was more to assure them and reduce their levels of anxiety and concerns by self disclosing who we are and what we stand for and what's good about it.

*What changes do you see happening in the field of OD?*

The era of grand planned change is over. It has to be short, sharp, and quick interventions like Army incursions rather than grand planned changes. So you need quick dip-stick diagnostic processes. Therefore, OD interventions cannot be extremely time consuming, have long gestation or require high level of trust building and client understanding. That approach will relatively become irrelevant today. We need to find lot more diagnostic techniques, shorter time duration, sharper and quicker interventions that have small doses. Because, no management today is able to engage in a long term change over a sustained period of time. The group cannot guarantee that the leadership members will remain with them to see it through.

*So while you have a long-term perspective, you set short milestones and move forward. You had mentioned about moving from functional organization to SBU structure. How do you ensure that a structure functions as intended?*

Often, people don't understand why you need a new structure. What is the business logic? Second, people will look at the structure from their own point of view that how it impacts them. And, even if we are able to clearly communicate that it is beneficial, a question comes up: Am I prepared to play that new role expected of me? So, structural changes without adequate focus on competence building would run into problems. It creates anxiety with people wondering whether they can measure up to the demands and expectations. Quite often, people are excessively focused on structural changes and just keep filling boxes rather than addressing the competence required, inter-role relationships, and helping people make the role transition. The structural change efforts end often with drawing up the boxes and filling names in it rather than working on making people successful in the new roles. Such lopsided attention or lack of attention causes problems.

*How do you get multiple functions to overcome “silo thinking” and work collaboratively?*

We have tried two or three types of interventions in this area quite successfully. First, we focus on goal setting. We have to help setting of shared goals across all the functions and the businesses. Secondly, we create short task forces to deliver projects that are interdisciplinary and responding to multiple stakeholders. The third one relates to reward structure—setting composite rewards, which are the reflections of contribution to large part of the organization. In tandem, these three interventions work even better in breaking silo thinking.

The last and most important issue is often not studied and even actively undermined. Does the leader of the organization convey the message of unacceptability of silos? When that person unwittingly promotes silo thinking, there is every possibility that people work by themselves. That’s a fundamental variable that people don’t focus on.

The leader must see the value in the collective knowledge and expertise of people and must feel confident enough to leverage it. If the leader is insecure, he or she will try to manage the organization by dividing it to feed his or her insecurity rather than building it together.

*Are there certain unique aspects of Aditya Birla Group’s approach to bringing about change?*

Since we have undergone many changes, we are more interventionist. We think more deliberately and specifically than many other organizations. Particularly, we continue to have hunger to grow and succeed. Global arena presented huge opportunities and therefore we could afford to aspire for and do a lot more than usually normal organizations are able to do.

*Are there some factors that you think are unique to India that you have to factor in?*

The respect for seniors, elders, and authority is quite unique to India. Perhaps that makes OD interventions at senior levels tougher in the Indian context. It may be a challenge to confront some issues. It may be as difficult to get agreement to make themselves available for certain kinds of intervention. You have to take a judgment call on whether or not certain interventions will work.

*How does a budding OD practitioner develop a clear sense of identity, values, philosophy, and also competencies to be effective?*

If I take my example, my experience has been in different systems, both cultural and otherwise. In particular, when you are part of bringing about change in organizations of different kinds of sizes and complexity, you gain exposure. Skill sets are actually moulded by the challenges of the context. Greater the exposure to diversity and variety and greater the passion to learn, the faster is the competence building and the clarification of values and norms in one’s own mind to be a good practitioner.

*Are there certain challenges that are not adequately addressed by existing OD interventions?*

One area where the OD professionals need to further refine their approach is the whole area of top team intervention. How do you make top teams more effective? How to make top teams like the boards of directors, management committees of companies, or executive committees of lines of businesses, effective by sharing the common goal? How can that be done effectively and in a lasting manner? This is going to be one of the biggest challenges because many of the corporations' stock do not grow with the organization.

Earlier members of top teams had similar socialization, and had grown together. Now people are brought from different organizations with diverse thought processes and value systems. They have different exposure. How do you bring them together? Let us take start-up companies or new sector companies like telecom as an example. One individual will be from telecom; another one will be from railways; a third one from FMCG; and yet another one from somewhere else. How do they start working together? Do we have an effective top team to drive thousands of crores of capital allocation? This is a huge challenge.

*If you were given the challenge of building a top team, how would you approach the task?*

To manage this challenge, there would be two or three areas that we need to tackle to enhance effectiveness. First, we have to find tools that could perhaps get better understanding of the learning style of these individuals. How does each individual learn? How do they process information? How do they make decisions? Get a clearer understanding of that.

Second, gain a better understanding of the cultural context they have come from. In particular, understand the context of their earlier organization and how this has influenced and changed their leadership and decision-making style.

Finally, the team has to find a common purpose/value system that they all share. This needs to be highlighted to be the anchor of their interactions.

*Are there some OD concepts that have outlived the utility?*

The whole concept of the team needs to be revisited because today you have virtual teams. You have quick-set teams that come together for a purpose and break apart. They are not working together as teams over a longer period of time. So, the stability of team concept has changed. The entire issues around team interventions need to be revisited.

*Thank you for sharing valuable insights!*

## Fostering growth, change, and leadership: A conversation with S. Chandrasekhar

S. Ramnarayan

*You have been associated with different units—Vizag Steel, NIIT, Reliance, Cap Gemini, and IBM India. All these organizations have gone through significant changes and developed considerable new capabilities to establish themselves as highly successful companies. Can you first describe a few of the changes that you consider most significant in these different organizations, and why they were necessary at that time?*

Yes, I had the privilege of catalyzing and driving change in a variety of unique business situations over the last three decades of my career. As I look back, I find largely three themes that run commonly across all my experience:

1. Growth and Scale
2. Change and Transformation
3. Leadership and Organization

While these look ordinary and expected, when we see them in contrast to what else is possible, their significance stands out. While we are lucky in India to handle mostly these exciting themes—we could be dealing with another challenging set of themes: decline, downsizing, closure, compliance and worse still, managing the status quo. It is another topic altogether.

Coming back to the earlier themes of growth, change, and leadership, different organizations at different times had to deal with them in different proportions.

Let me begin by recalling my experience at Vizag Steel (RINL) in the early part of my career in late 1980s and early 1990s. I consider Vizag Steel as a significant chapter in the practice of OD and change management.

Vizag Steel was a brand new steel plant in the public sector, where some visionary industry leaders from the earlier era were determined to make a difference. They had seen how stagnation and poor work culture had afflicted the steel industry earlier. These leaders had the vision

and a burning desire to leverage the opportunity of building a green field plant to change the mindset of the workforce and achieve world class productivity.

As a young man, with a fire in my belly, their dreams resonated with my ambition and I catalyzed, strategized, and partnered a large scale change process that ran over a couple of years and covered over several thousand managers and workers. The main aim of this OD exercise was to change the mindset of people, build confidence and faith that they can produce 3 million tons of steel (from a set of equipment that were conventionally “rated” for lesser capacity) simply by improving work practices, adopting world class work methods and sharing the zeal and vision to make a difference.

At that time, there were many doubters and naysayers. But we persisted, involved all the stake holders, sought help from many like minded consultants and OD practitioners, executed many interventions largely in education, training, communication, dialogue, benchmarking, and governance.

All those interventions paid off and this steel plant turned around in some time, wiped off its debts, produced more than 3 million tons from the same equipment, contained its manpower nearly at one-third of what used to be the industry norm and was then poised for further and growth.

This experience, in hind sight, has been a shining example of successful change management. We must remember that this happened in Public sector which we normally do not count as places to look for best practices.

*What interventions were utilized in Vizag Steel to build faith, confidence, and “can do” spirit?*

Let me share two principles that were at the heart of our approach to build confidence in Vizag Steel.

*The first principle is:* “Seeing is believing.” Vizag Steel chose a fairly large group of employees representing a wide cross section of workers, union leaders, frontline managers, and middle level managers to visit the world’s best steel plants. As part of the program, some of us went to Pohang and to British Steel. We saw how the companies had achieved dramatic increases in performance. People saw that it was possible to combine electrical trade with mechanical trade. In India, there were rigid boundaries; for instance, having a separate electrician and a separate mechanic. Not surprisingly, the headcount remained high. Rigidity of functional and role boundaries created coordination problems and pushed down the productivity. As the familiar story goes with a touch of exaggeration, if you want to change a bulb, the first person will come and assess the requirement; the second person will bring a ladder; the third person will hold it from bottom; the fourth person will climb the ladder; the fifth person will hand over the bulb; and the last person will fix the bulb in the socket. We saw a single person doing all these roles in the progressive steel plants. In the process, the work was getting done quickly, efficiently, and with less manpower.

We studied the work practices of as many aspects of steel companies as possible and kept detailed notes. We exchanged views with our colleagues on our observations in the evenings.

When we compared our own practices with practices in more advanced countries, we began to question our own mindsets. No amount of preaching would have brought about such change in attitudes. People must be exposed to superior methods and practices. They must see what can be done differently. Thus one key principle is “Seeing is believing.”

*The second principle* relates to the power of leading from the front. As we were struggling to communicate the need for enhancing productivity and containing manpower, the unions began to create trouble. They closed the gate one day, and did not let any manager to enter the workplace. A production unit had already started and it could not be stopped as it was a continuous process plant. The chairman of the company personally called over a hundred managers and some very senior officers called the others. Over a 1000 officers were contacted without the news leaking to any of the union members. Through word-of-mouth communication, it was decided that all the managers will assemble at a certain place, they will walk to the gate and a large group of 1000 persons will confront the union leaders and tell them: “We want to attend work; please don’t stop us.” It was a long march, and raised images of Mahatma Gandhi’s Dandi March. The Chairman led from the front. The members of the top team were beside him. All of us followed and a thousand-strong group of managers from Vizag Steel walked down the streets for 5 to 7 kilometers and reached the gate. Interestingly, just the sight of this large, united group was enough for the union leaders to melt away without a word being exchanged. The chairman did not resort to any of the usual responses. He did not think of seeking police protection to deal with the union. He did not consider political intrigues or make clandestine plots to break the union. At no point was there a talk of plant closure or lock-out. This single act of leadership demonstrates several values. Such leaders inspire faith and confidence.

The true test of leadership that transforms mindsets happens on the “hot” ground of difficult organizational challenges. It demands courage of conviction. Of course faith and confidence are not built overnight. You have to persist. Persistence arises from genuine commitment to value-based leadership actions.

A senior leader once told me that he had talked to a large group of employees in his unit, but none of them asked any questions. I asked him: “Were you in a mood to listen?” He replied: “Of course, that’s what I want.” I helped him see how when they had asked him questions in the previous meeting, he had snubbed them without even being aware of it. In many workshops and process interventions, leaders become anxious to be perceived as not only possessing wide knowledge, but also as highly action oriented. Rather than give space to people, they assume defensive posture and in the process actually kill free, frank, and open dialogue. If there is no trust and openness, workshops are meaningless. As Gandhiji pointed out, *we have to be the change that we wish to see in the world.*

*That was very interesting. Let us move to another organization and another OD intervention.*

Okay, let me talk about a case of attempting to grow and change simultaneously. Here was a hugely successful Education and Training company that had gained tremendous

reputation for its high quality education programs in IT skills. In mid and late 1990s, its visionary leaders wanted not to rest on their laurels, but aggressively pursue growth and scale—take the company beyond borders, build global capabilities, and more importantly diversify beyond education and build deep capabilities in IT consulting and services. This required simultaneous attention to growth, diversification, and scale.

I had the opportunity again here to share the vision of the leaders and embark on several interventions, remarkable among which was a whole programmatic approach to build leadership across the ranks. Deepening leadership capabilities, building a critical mass of leaders at various layers (beyond its charismatic founders), and getting a large numbers of leaders to speak the same language and share a common DNA was seen by us as imperative to global growth and transformation. The challenge was to build new leaders quickly, who shared a common agenda and approach and who were then available to be deployed across new locations globally.

We searched a bit and decided to leverage the learning provided by Noel Tichy in his famous work around leaders building leaders. A construct of making leaders accountable for the growth of their teams through “teaching” was designed. What was then called “Leadership Circles” was a carefully designed learning intervention that was deployed not by external trainers, but by line leaders.

In this unique experiment, a few hundred leaders were chosen. They were given a pre-defined syllabus and study/teaching material and were initially trained in “facilitation” skills. Then they were asked to teach others in their respective teams.

Starting from the very top, the “leadership circles” soon became an organization wide initiative in developing a critical mass of leaders and specially in imbibing a common “leadership speak” across the growing organization. Due to its ability to align and throw up new leaders, whenever a new growth location came up, the management now had a trained pool of leaders to select from. This helped the company’s business objective of obtaining scale and cross-border growth.

It’s not that all organizational challenges were met by this intervention alone, but this clearly proved a key initiative supporting the business’ need to grow through creating more leaders rapidly.

*How was the agenda of leadership circles evolved? How did they function?*

The agenda of leadership circles was created within the company by talking to the top people about what are the key messages that we want to go across the organization in a consistent manner. Two themes came up—being global and being effective. When we introduced leadership circles, globalization was at a very nascent stage. We picked up literature on globalization and identified some insights on working across borders. The themes included: global market and opportunities for India; and what does it take to be global multinational. We also examined Stephen Covey’s ideas on seven habits of effective people. Our company, being in the education business had the ability to quickly create learning designs out of

content. Instructional design was our core competence in that organization. We leveraged that strength and created instructions around two primary themes: How do you become global? How do you become effective as a person?

From the sessions and statements of lessons learnt, books were created which had themes around global capability and personal effectiveness. We took initial set of leaders through a facilitation skills program in which another leader and I provided training on how to conduct a leadership circle and how to use the study materials provided to them.

In a leadership circle, as a leader you may, for instance, call your immediate reports and tell them “listen before you speak.” Then you work with your people for one month before calling them to another meeting. Interestingly, a norm had been established that you cannot preach what you cannot practice. In other words, the leader who talks about listening has to practice listening. Otherwise the direct reports might question their leader’s credibility: How can you teach us listening when your own listening leaves much to be desired? This was an interesting self imposed pressure on the teacher-leaders to practice what they have taught. Therefore, it fostered self reflection and actually helped refine their leadership behavior. When we had “debrief” sessions with those leaders and asked them to share their experiences and challenges, many individuals remarked: “It was huge challenge. Between two lessons, say between the first and the second lesson, I was practicing quietly what I had taught.”

*Would you like to present an OD experience from another organization?*

Yes. Let me close by giving another—a little unusual—example of how planned hiring and strategic recruitment of leadership talent can deliver change and growth and enhance the organizational capability to pursue new business goals.

Among certain sections of HR and OD professionals, I have noticed something akin to a caste system—a strange condescending attitude toward recruitment. They consider recruitment a largely “transactional” activity, below their intellectual prowess. But in my experience, at certain times, rapid organizational transformation and new capability building can be brought about by executing a well conceived strategy of leadership hiring.

Here was a gigantic new generation telecom services start-up—in early to mid 2000—that was determined to enter and capture the burgeoning market of mobile telephony in India. True to the outstanding genius of the celebrated entrepreneur behind this venture, this business was indeed built from the scratch employing several unique strategies. Thousands of kilometers of optical fiber was laid across the length and breadth of the country in less than 18 months. Thousands of telecom towers and switches were erected. New technologies (CDMA) were bought and adopted. Close to 40,000 highly skilled people were hired. And through a game changing product and pricing strategy, this firm very much changed the way Indians spoke on mobile phones and transformed the industry landscape in this space forever.

This new start-up arose from the stable of an unrelated petrochemicals group. Its commercial success would not have been possible, but for a carefully executed recruitment strategy.

Let me explain what was unique to this strategy. Firstly, it saw recruitment as a proactive investment in capability building and not a mere “vacancy” filling exercise. Secondly, it

targeted and brought in talent in a highly planned manner. Thirdly, and most importantly, the talent acquisition strategy was dovetailed with the “project plan” of the organization’s evolution and launch.

The skill needs of the growing company were forecast on a changing timeline and what we then called the “rocket launch” model of proactive hiring was designed and executed. What was this “rocket launch” model? As we know, many rockets follow what is a multi-stage launching strategy. By jettisoning or dropping parts of the rocket as they run out of propellant, the mass of the remaining rocket is decreased. This “staging” allows the thrust of the remaining parts to accelerate and gain the rocket’s final speed and height.

Large start-ups that evolve into major organizations need a multi-stage talent launch plan. It needs different talent segments to arrive and depart at opportune times for the whole launch to gain speed and be successful. In the case of this telecom services start-up, local experts were clearly not available. It needed to first hire a large number of “expat” experts from other parts of the world who have had the experience of using new technologies. In parallel, it needed to hire local leaders from incumbent telecom companies who understand the terrain and can build the organization that is needed on the ground. Simultaneously it needed a large contingent workforce. They were foot soldiers initially spread across the large marketplace, carrying the new product. Finally it needed a critical mass of high potential youngsters—with fire in the belly—who will quickly learn from the expats and the experienced local leaders and will take over as the organization reached steady state.

Now you may like to see the “expats” and initial local leaders and even the foot soldiers as parts of a rocket that drop off, leaving just the young successors who constitute the more permanent part of the rocket that is finally launched into the orbit and attain steady state. When you view recruitment along this analogy and construct a sourcing and acquisition model that is nicely synchronized to give the organization right parts at the right time, and also jettison those that are no more needed, your whole perspective on recruitment undergoes a paradigm shift.

I had opportunity to learn, lead, and drive this model in a large telecom services start-up as a key capability building intervention. This gave several benefits in bringing new skills and building new capabilities. Successive generations of talent that came and went gave the organization the benefits of a just in time talent supply and inventory.

As you can see from these different examples, there can no one formula for successful Organization Development interventions. Different business/organization situations demand different interventions and their success depends on how relevant and tailor-made are they for the need at hand.

*In orchestrating these changes, what has been at the heart of your agenda and your approach?*

My approach has obviously evolved and was refined over years. But as I look back and learn from both the successes and failures of my experience, the following stand out.

1. Understand the business deeply. Identify its particular context and its specific competitive challenges.
2. Let the “task” decide the “tools” and not the other way round.
3. Involve and enlist the support of all key stake holders and avoid one-up-manship.
4. Simplify, de-mystify and avoid jargon. Spend more time on execution than on conceptualization.
5. Be vigilant, nimble and do mid-course corrections; do not stick to one large grand plan dogmatically and lose the flexibility to fine tune and adapt.

Most of the interventions I employed were in the field of education, subtle influencing and enrolling others into a common agenda, structured “alignment” exercises, and planned leadership development programs. Planned Hiring strategy too worked for me in certain contexts.

*Can you elaborate on the notion of “understanding the business deeply”?*

First and foremost, most businesses tend to be inward looking. Even the chief executive and the senior managers are preoccupied with day-to-day routines of measuring and meeting quarterly performance. In such a situation, the focus remains limited to what happened in the immediate past and what should happen in the near future, say next month. But business success demands competitive benchmarking on key business parameters so that leaders know where they are with reference to their competition. This is something that HR people should understand and appreciate. For example, if you are working for a telecom company as HR leader, do you have the pulse of the performance of a Sales Leader of, say Tamil Nadu circle of Airtel versus Aircel versus Tata Indicom versus Reliance? Do you know: Who earned how much revenue? Whose average revenue per user (ARPU) is better? Whose penetration in the market was what?

If you don't know, then you also won't know the relative talent repository of these companies. Therefore you will not have a complete picture of how to develop your people's talent. The comparative understanding of the talent in the context of the business will give you the strength to talk to the business leaders in their language and enlist their support as you strategize for the change.

If you have to understand the business in the competitive context, you must understand it over say, two-year time frame not just the immediate term. You are the only custodian for the horizon in the company. In my role as HR or OD, often I experienced an essential struggle is around “time horizon.” Usually I come with a longer term horizon whereas most business leaders come with a relatively shorter term horizons. Thus there is an inherent conflict. So the question is: how you build a case for your time horizon in business terms like Return on Investment (ROI) or Net Present Value (NPV) of future earnings.

You should be able to say that if you invest these resources, do these workshops or get the degree of alignment, then you will see it reflected in the speed with which your programs get

deployed in the marketplace. For instance, you may say: “The cycle time from dealer to stockist is taking you three months; but this workshop can bring the alignment, and will reduce this cycle time to one month.” You should be able to measure and translate these interventions in business language. This is where the understanding of business helps. It is beyond merely knowing the business. You should move through the whole journey from data to information to knowledge to wisdom. This will sharpen your understanding of what you can afford as an investment in people related activities. An OD intervention tends to have a large training element. When you ask for training budget, there may be a push-back from business leaders on the ground that valuable time which could have been utilized for billing and generating income, say in the IT industry is actually being diverted to “non-value adding activity.” How do you express the benefits in terms of certain business parameters?

*Can you share a few insights that you have gained on enlisting the support of key stake holders?*

I have often noticed that a company has a visible structure and also an invisible structure. There may be very powerful people who don't appear on the organization chart. In a family-owned and managed company, owners may have very unassuming people sitting in a corner with a designation of an accountant or advisor carrying far more weight on the mind of the owners than any formally designated person.

Even in a multinational or a public sector company, the visible structure cannot be taken on its face value. In a multinational, for example, it could be someone from global headquarters. As they are not in India, you won't immediately know them and may lose sight of them in a complex structure. But they may have a huge influence and say in the final decision-making. In public sector, union leaders tend to be important stakeholders. There will be certain individuals who are actually the influencers or the opinion makers. We need to quickly sense who they are and include them and enlist their support.

Let me share with you an interesting program called *New Horizons*, which I created and led in an European headquartered global consulting company.

Here the main idea was to get a select set of India leaders to assume true leadership role for enhancing revenues. Historically, India Unit of this MNC had evolved as just another back office delivery unit that would take orders from the West and be responsible for execution and delivery. The attempt was to change the mindset: How do you take center stage with the client and actually participate in key client facing activities such as designing estimation and pricing? How do you actually take responsibility for business leadership even if you are at the delivery center in India?

Once the program was created, we covered 250 to 300 senior leaders in India. We had done considerable preparatory work. We did 360-degree assessment in the beginning, built in lot of exercises and cases. While the program was fine, we anticipated and sensed that resistance for the success of this program could come from unexpected quarters. While the top leaders of the company—globally—said that India leadership should change, the operating leaders in different countries sometimes saw it as a “threat.” They won't openly express it.

In the western countries, several jobs are getting lost to India and other emerging economies. If you are an India Leader for change, you have to enlist the support of your on-shore colleagues. The jobs in their units could be at stake because you are growing. How do you find out who are affected by your program? How do you enlist their support? How do you enroll them in to your program? These are big challenges. So we actually brought in overseas non-Indian leaders to come and lead the *New Horizons* program in India. Since they preached to Indians to change and take leadership, they went back and supported the same from their home ground. These people will not be visible on the Organization chart, but you have to find them and enroll them. Only if you rise above the obvious checklists, you would be able to begin addressing these challenges.

*How central were OD principles and practice in your change strategy? Which OD approaches have you found the most exciting and useful?*

Large scale dialogue with employees and enlisting their support in carrying out major changes have been, in my experience, the most useful of all OD interventions. The key here is for the leadership to be transparent, authentic, and genuine. If people see and experience you and the key leaders of the company as a sincere bunch of people—truly committed to bring about relevant change—they would normally follow and you would see a whole place changing. Another important aspect is the ability to take an integrated view of organization structure, systems and processes, and people instead of focusing only on any one aspect. Merely doing workshops on change and preaching people to change without adjusting the rest of the organizational systems and structure does not work.

*What operating guidelines will you provide to someone who wants to facilitate large scale dialogue?*

It is first important to remember that if the critical mass is not with you, you cannot bring any change. As you cannot cover all key stakeholders at one time, in big organizations large scale dialogue is particularly valuable. I would provide three specific guidelines for facilitators of large scale dialogue.

*First*, be extremely sensitive about exclusion and inclusion issues in the organization. You have to pay attention to the criteria that are used to invite people into the meetings. It must be based on clear thought and strategy, not just a routine list of email addresses. Sometimes it is better to adopt an alphabetical listing to avoid sending any unintended interpretations and meanings. I have seen issues cropping up and tensions arising in organizations because the facilitator has not been mindful of who has been invited and who has been excluded for the meetings.

*Second*, pay attention to managing the “stage.” By assuming the center stage, a number of HR leaders think that they are demonstrating leadership. I have often found the benefits of actually vacating the stage and contribute by orchestrating ahead of the event. In the process, you provide opportunity to the players who should be on the stage. Another related point is about the importance of creating a level playing ground for various powerful players to come

together in a problem solving mode. This requires a deep understanding of organizational power and politics. This does not mean playing negative political games. It means that you create conditions for unleashing collaborative energies among influential individuals.

*Third*, have a large plan, but implement it incrementally. Develop a clear perspective from the beginning to the end so that you can put various parts together in a planned manner. Define the constituency that is relevant for the issue on hand ahead of time. Should we first take group of Vice Presidents? Should we have a team that cuts across levels, say Vice Presidents to workmen? Should we invite union leaders? Clarify your thinking before constituting the teams. Do some pre-events meeting and discover their views. Understand the dynamics of the constituency and what it would take to build teams that create synergy. These kind of tactical tasks play a big role in whether you really achieve the success.

Sometimes people spend lots of time thinking about the tool or technique to be used. Fascination with latest tools and techniques should not obscure your awareness of the current reality and what may be required for effective response. You may have business leaders fighting the battle of falling market share or declining revenue and margins. If you talk of a new management tool or approach that seems tangential to their concerns, it would amount to showing off your knowledge when it is not required. In other words, effective facilitation of large scale dialogue is all about attention to details, focus, execution, and keen awareness of the ground reality.

*Based on your OD experiences—those that have worked well or not so well—what are a few key lessons for OD practitioners?*

Leaders cannot “outsource” change related work to some OD consultant—external or internal. It won’t work. They have to lead change personally. Too much jargon and conceptual models alienate people. Initiatives started well and not sustained create huge credibility gap. It is not very useful to use workshops and people assessments to “fix” the trouble makers. The business case for the change being sought needs to be very strong and explained very transparently. Else people will not be with you.

*In an era of Global Competitiveness, Mega Projects, Community pressures, and Mergers & Acquisitions, what role do you think OD will play?*

OD will continue to play a critical role in delivering change. Understanding competitors and doing things better than them needs deep organizational change. Executing Mega projects needs building alignment, rapid learning, and capability building. Most times, OD has been relatively inwardly focused on the internal organization. Dealing with communities, harnessing the eco-system around the organization and taking the OD plans into the larger community are important next steps. In M&A situation, OD programs must enable the combined entities to benefit by the synergies of the two organizations and not let one “dominate” over the other.

*You have been going through a long and interesting professional journey. What factors or experiences have shaped your professional growth and development? What have been some of the most significant lessons that you have learnt in the journey?*

The opportunity to work with and observe a large number of exceptionally talented leaders, professionals, and colleagues has been the single most defining factor of my growth. Luck and ambition took me to a number of challenging situations and I had the privilege of interacting with a large range of people—not just corporate executives, but poets, writers, sports men, religious/spiritual gurus, cinema actors, social workers, countless ordinary (unsung) men and women in India and abroad. I learnt from everyone I met.

Most of the lessons are about making myself a better person. They are not so much about some new “tricks of the trade” or some new “models.” They are mostly truisms that experience teaches. Let me state these, even if you may have heard them before.

1. You can do nothing alone. So seek and gain help, early on.
2. Admit mistakes. Don't hesitate to say sorry. Be accountable.
3. Keep learning and changing and you will never be perfect.
4. All learning is a means to an end. Don't be carried away by new jargon or new models. Use them prudently.
5. Doing small things well and staying sensitive to people are far more important than grandiose conceptual models and larger than life leadership posturing.

*Can you share an example of learning from an unusual or unlikely source?*

Sure! Let me recall an interesting example. I had the opportunity to travel overnight in a train with veteran actor Akkineni Nageswara Rao. With the flight from Vizag to Hyderabad getting cancelled, coincidentally we found ourselves spending an evening together in an air-conditioned first class coupe of the Godavari Express. I had seen his movies and had a number of questions for him. He shared his perspectives freely and frankly. At some stage, he asked me: “What do you do?” I replied that I worked as HR Manager. He thought for a while and said, “Let me tell you what I understand by HR role.” He said that long years earlier, another actor by the name of Satyanarayana had approached him and had asked him: “You have been an advisor and mentor to a number of actors. What should I do to be successful in the main ‘hero’ roles?” I told him, “This may not suit you. You should do what you are good at. You should concentrate on the ‘villain’ roles. Though Satyanarayana still tried initially to succeed in a few ‘hero’ roles, he accomplished his best only when he moved later to ‘villain’ roles. I thought to myself that I had made the right assessment in that case.”

Nageswara Rao asked: “Isn't your role to find out who is good at what, and ensure that talent is exactly where it should be?” (Keep the heroes as heroes and villains as villains and not mix up.) He added that right assignments based on right assessments can help organizations. That was a useful lesson which I learnt from a cinema actor. Later he also said that

movies get made with contributions from several individuals. For instance, this includes the cameraman, the person who doubles up for the main actor in stunt scenes, or an assistant to the cinematographer. Organizational theater cannot create collective excellence by focusing only on top people. You have to make special efforts to ensure people at different levels feel included in the functioning of the organization. These were interesting perspectives from a person who has little to do with management field. If we have the openness of mind, the ears and the sensitivity to pick up the lessons, sources of insights are all around us.

By the way, I am convinced that we must destroy the general perception that HR manages people. Managers manage people. As HR manager, we only manage the people who report to us. The role of HR is to help managers manage people better. When you have someone like Nageswara Rao who epitomizes OD values, all that you do is to examine how you can add value by providing a few ideas or approaches that may not have occurred to them. For doing so, it is important to remain updated on latest developments and calibrate yourself to appreciate the needs of different managers and respond to them appropriately.

*What do you see as some of the unique aspects of India that we should keep in mind for being effective in our context? What opportunities and difficulties would OD practitioners tend to find in India?*

The good thing about India is that you cannot generalize anything. If something is true in India, as they say, its opposite too is true. I have seen extremely paternalistic and feudal companies as well as very professional, almost clinically impersonal companies in India.

For example, many Indian organizations are still very hierarchical and in some cases “feudal.” There is a lot of rank and status seeking. All this is perhaps a reflection of our larger society which too is highly rank conscious. This makes it difficult for OD interventions to succeed without the so called “blessings” of founders/leaders that matter. Of course a lot is changing. The youth of today—Gen Y—is not going to put up with a lot of bossism. Our youth is our biggest opportunity. OD practitioners must learn to engage with the Gen Y and move beyond top-down change focus.

In my view, we should stop looking for what is unique to India. In a globalized world, geography and national culture are increasingly subservient to the Corporation. Google or Microsoft in India may not be very different from what they are in UK. But interestingly they would be very different from each other as global corporations. Our own Birla and Tata groups—who are rapidly globalizing—have the need to build globally integrated corporations across borders. Even as they have to be sensitive to local laws and practices, the benefits of a global company can be obtained only if their processes and work methods are standardized across countries.

How can we be global if we are always looking to find what is different, than merely adopting what is best from across the world?

*What are the most important competencies that you would look for in an OD practitioner? How do you think an individual can best develop these competencies?*

Today OD practitioners are required to work in a variety of new situations—highly entrepreneurial tech start-ups, large global or globalizing companies seeking to work across borders and cross-generationally diverse workforces. These situations will demand new competencies. Just dealing with the CEO and the top leaders and designing “Vision and Mission” sessions will not be adequate. Ability to understand and deal with technology will be a key competency. Can we have a real time “SMS poll” to learn about what changes people are seeking and how comfortable they are with planned changes? How can we leverage social media inside the organization and understand the “status updates” of its employees much like in Facebook? How can we be truly global and learn to work across time zones and cultures effectively? How can we integrate “transparent governance” and ethical purpose in all our change efforts? These would be the new competencies that OD professionals need to learn.

*What advice would you give to budding OD Practitioners? What are the key Do's and Don'ts?*

Be passionate about OD. It is essentially an inter-disciplinary subject. So learn eclectically across sciences and arts. Learn to link your OD interventions with predictable and desirable business outcomes. Measure to improve. Avoid jargon. Communicate authentically. Enlist others and enroll support. Stay humble and maintain low profile. Work across generations and leverage diversity. We cannot be world-class if we always have an excuse, “oh this won't work in India.” Be truly global and bring best practices from all over the world.

*Thank you so much for sharing your insights!*

As we bring this book to a closure, let us pause to reflect on what may be in store for organizations in terms of demands and expectations placed on them. Mega mergers and acquisitions are becoming commonplace today. Several organizations in both the developed world and emerging markets operate in multiple countries and cultures. People routinely operate in virtual teams. None of these trends are showing any signs of slowing down.

It would appear that the environments for organizations will only increase in uncertainty and complexity. Let us briefly review a few illustrative examples that make us believe companies will face more demanding environments. If the industrial revolution of the late 18th century created economies of scale, we now have emergence of a new manufacturing technology that does just the opposite. It will decentralize the business, require less labour, and play havoc with existing intellectual property rules. It is, therefore, expected to make factories obsolete by undermining economies of scale and cutting costs by getting rid of production waste enormously. When we have preponderance of such technological developments, what would happen to the social architecture that forms the basis for organizing? What would be the challenges for OD in profoundly altering organizing logic? How would individual behavior and cultural habits have to change to fit the new social architectures?

Let us take another example. 50 percent of India's 1.2 billion people are below the age of 25 and 65 percent below the age of 35. While it is great news in terms of labour availability, let us consider the growing expectations of a massive population. Huge capacities have to be created in terms of education, housing, health care, employment opportunities, infrastructure, or leisure. What opportunities and threats would these create for firms? How would firms operate amicably and harmoniously with the stakeholders all around?

We can continue in the same vein and refer to upheavals in other spheres. But one thing is certain. If the demands on firms are stringent today, they would become even more exacting tomorrow. The future promises to be full of tough and interesting challenges for OD professionals. There are a number of concepts, ideas, experiences, and viewpoints in the book that we hope will help you in formulating your thoughts to address those challenges. The papers in Section 1 provide concluding observations and guidelines that outline what need to be done and how.

A review of the cases and interviews in Parts 2 and 3 will indicate that there are certain invariants in the OD field. These factors have not been explicitly mentioned in the cases or

interviews, but they remain at the core of the OD approach. Without these factors, interventions can degenerate into empty rituals with little or no meaning. In many ways, these are the factors that give life to OD interventions. Let us briefly look at some of these factors.

1. **Sense of Purpose:** In one of the cases discussed in the book, the trust between senior management and operating levels had broken down, and the organization was on the path of steady decline. The spark for OD came when someone decided at some point of time that the situation was unacceptable and trust needs to be re-created even though the task seemed daunting. Then the rest of the steps followed. In another case, the silo mentality persisted for a few years till the General Manager decided to address the issue despite the fact that the pathway to get there was not at all clear. In yet another case illustration, mindsets at senior levels had become a major impediment to organizational performance. When someone assumed ownership of the problem and committed efforts to alter mindsets, the situation began to change. In other words, a strong *sense of purpose* arising from *care* and concern for a larger goal is a key driver of OD effectiveness. Without a strong purpose, OD techniques will end up as a mere mechanical tool kit. The OD practitioners should not only “know”; but they should also “care.” While knowledge represents the “head” of the organization, values such as compassion, tolerance, respect, service, trust, and integrity represent the “heart.” A heart that sees and cares is very important in OD.
2. **Awareness and Attention to Reality:** For clarifying the purpose, OD practitioners need to pay *attention to reality* all around. Awareness of what’s happening in and around the organization is critical. In one of the cases, the intervention ends up creating a strong, unanticipated, negative effect. When the OD practitioner chooses to explore the issue with an open mind, a new insight emerges. In another illustration, the individual senses whether or not the group is ready to move on by paying attention to not only what they are saying, but also what they are not saying. Importance of sharpening one’s awareness of internal and external dynamics cannot be overemphasized.
3. **Spirit of Inquiry:** For a journey through complexity and uncertainty, OD practitioners need a *spirit of inquiry and learning*. Our cases and illustrations of successful interventions are all based on the commitment to learning. Individuals displayed curiosity and learnt from a variety of sources—consultants, customers, colleagues, and others. They were sensitive to gaps in understanding and capability. They obtained feedback and converted “knowing” into “doing.” That requires commitment to experimentation or learning by doing. Progressive organizations and practitioners were willing to try out new ideas. Exposure to new experiences and broadening one’s perspective based on those experiences enhances maturity.
4. **Cooperation and Collaboration:** In choosing an approach and implementing actions, OD has emphasized values of *cooperation and collaboration*. This is achieved by focusing on the larger goal, working to create synergy and harmonious relationships. Resistance can arise from unexpected quarters in unexpected ways. It requires ability

to listen with an open mind and create strong and synergistic relationships. The OD leaders interviewed in the book underline the importance of short-term wins even as we function with long-term aspirations. This becomes particularly important when organizations operate in high velocity environments. Working with limited authority, OD practitioners will not be able to give instructions and expect compliance. They will have to be facilitators. This would require them to display qualities of humility, patience, persistence, flexibility, and adaptability. They should be skilled in conflict management and influence. Their work will also include helping businesses learn how to effectively lead organizations and people with a very different social architecture.

5. **Self-Reflection:** While the above fundamentals appear simple, the actual choices can pose difficulties. Caring as a value seems straightforward. But what should an OD practitioner care about? For instance, when faced with a choice between individual needs and collective interests, what should an individual do? Making choices require practitioners to be thoughtful and considerate. We need to be *self-reflective*. As an OD leader suggests in an interview in the book, “If we become aware of any selfish interest in our thinking, we should drop the issue like a hot potato.” Similarly commitment to learning can pose problems when it comes in conflict with productivity and short-term performance. Values become particularly important in complex environments. We should be able to reflect on our own motives, approaches, and actions. Complex and demanding work invariably involve our emotions and motivations. As we embark on complex problem solving, we would encounter moments of exhilaration or frustration; strong intentionality and purpose or helplessness and resignation. We should be able to observe ourselves with a keen and critical eye and see how these emotions and motivations are influencing our framing of the issues and our actions. We should then be able to guide our behavior on the right path. That is why a good OD practitioner is more than tools and techniques. It is also one of following the path of personal growth.

The demands on organizations and its human systems are only expected to increase in the coming years. Even as things change, there are certain fundamental principles that are unlikely to change. These factors were important yesterday. They are significant today. And they will remain vital tomorrow.

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