Organizational Development and Reinventing the Organization - Chapter 1
Objectives

- Define the Concepts of Organizational development and recognize the need for change
- Describe organizational culture and understand its impact on behavior of individuals in the organization
- Understand the expectations of the psychological contract formed on joining an organization
- Describe the five stages of development.
What is Organizational Development

Organization development (OD) comprises the long-range efforts and program aimed at improving and organization’s ability to survive by changing its problem-solving and renewal process.
Organizational Development

- Richard Beckhard
  - Planned
  - Organization-wide
  - Managed from the top.
  - To increase the organization's effectiveness and health
  - Planned interventions in the organization's processes using behavioral science knowledge.
Organization Development

- Development efforts are planned, systematic approaches to change.
- Long-term efforts and programs aimed at improving an organization's ability to survive by changing it problems solving an renewal processes.
Organization Development

- OD is not a micro approach to change.
- OD is more than any single technique.
- OD does not include random or ad hoc changes.
- OD is aimed at more than raising morale or attitude.
Characteristics of Organization Development

- Change
- Collaborative
- Performance
- Humanistic
- Systems
- Scientifics
A Change Agent

- A person in an organization responsible for changing existing patterns to obtain.
Why Organizational Development?

- 1. Level of competition
- 2. Survival
- 3. Improved performance
Major Goals of Large-Scale Change Program

1. Increase productivity
2. Increase responsiveness to clients
3. Improve competitive positive (increase productivity/decrease costs)
4. Increase employee involvement and participation
5. Increase employee morale
6. Develop new managerial skills and strategies
The Emergence of OD

1. The need for new organizational forms
2. The focus on cultural change
3. The increase in social awareness
The Only Constant is Change

- The pace of change is constant
- The fundamental nature of managerial success is changing.
The Evolution of Organization Development

- Organization Development started in the late 1940s at MIT and is deeply rooted in the pioneering work of applied social scientists like Kurt Lewin.
- The term organization development is widely attributed to Robert Blake and Jane Mouton.
Who Does Organization Development?

- Organization Development Practitioners
  - OD Specialists
    - Organizational Consultants
    - Internal Practitioners
    - External Practitioners
    - Managers and leaders
The Organization Culture

- Organization culture refers to a specific civilization, society, or group and its distinguishing characteristics.

- Pivotal norm - Norms that are essential to accomplishing the organizational goals.

- Peripheral norms that support and contribute to the pivotal norms but not essential to the organization’s objective.
The Socialization Process

- Socialization may be defined as the process that adapts employees to the organization culture.
<table>
<thead>
<tr>
<th>New Employee Expectations</th>
<th>Encounters Organization’s Culture</th>
<th>Adjustment to Culture Norms</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>1. Performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Commitment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Obtain goals</td>
</tr>
</tbody>
</table>
Encounter Organization’s Culture

- Deciding who is a member and who is not.
- Developing an informal understanding of behavioral norms.
- Separating friends from enemies.
Adjustment to Cultural Norms

- Creative individualism- a less obvious alternative is for new members to accept the pivotal norms and seriously question the peripheral norms.
- Only the more healthy organizations are allowed to change their norms.
## Basic of Responses to Socialization

<table>
<thead>
<tr>
<th>Rebellion</th>
<th>Creative Individualism</th>
<th>Conformity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rejection of all Values and Norms</td>
<td>Acceptance Only Pivotal Values; Rejection of all Others</td>
<td>Acceptance of All Values and Norms.</td>
</tr>
</tbody>
</table>
Psychological Contracts

A psychological contracts may be defined as an unwritten agreement between individuals and the organization for which they are members.
# A Model of Organizational Development

<table>
<thead>
<tr>
<th>Stage One</th>
<th>Anticipate a Need for Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage Two</td>
<td>Develop the Practitioner-Client Relationship</td>
</tr>
<tr>
<td>Stage Three</td>
<td>Diagnostic Phase</td>
</tr>
<tr>
<td>Stage Four</td>
<td>Action Plan, Strategies, and Tech</td>
</tr>
<tr>
<td>Stage Five</td>
<td>Self-Renewal, Monitor, and Stabilize</td>
</tr>
</tbody>
</table>
Continuous Improvement

- In today’s environment companies seeking to be successful and survive are faced with the need to continuously introduce change.
Questions
Reference