

**KOSHYS INSTITUTE OF MANAGEMENT STUDIES**

**Department Of Business Administration**  
**Subject: Organisational Change and Development**  
**Course: BBA Semester: VI (HR Specialisation)**  
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**Unit 1: CHANGE MANAGEMENT**

- The importance and nature of change.
- Change and human response.
- Introducing change effectively: Basic steps.
- Factors influencing change-
- Resistance to change.
- overcoming resistance to change

**CHANGE :**

An act or process through which something becomes different.

*It is not the strongest who have survived, nor the most intelligent, It was those who were most responsive to Change*

***Change in Business...***

- Development of new product
- Entry of new competition
- Change in consumer taste and preference
- Shifting in socio-political, environment and cultural framework
- Advancement in technology
- New emergent Market

## **ORGANIZATIONAL CHANGE**

The process by which organizations move from their present state to some desired future state-

- To increase their effectiveness.
- To find improved ways of using resources and capabilities .
- To increase an organization's ability to create value.

### **Why change is important?**

- Phenomenal growth of the worldwide web and associated technologies.
- Climate change impact on social and organizational processes.
- Growth and establishment of new economic and global forces (china and India)
- War on terror and its aftermath.
- Corporate social responsibility.

## **THE NEED FOR CHANGE**

Change is a risky activity –many organizational changes fail or do not realize their intended outcomes.

This raises the question: why change is so prevalent?

## **FORCES/FACTORS INFLUENCING CHANGE**

-External, environmental pressures

-Internal, organizational pressures

### **A). EXTERNAL FORCES OF ORGANIZATIONAL CHANGE**

- **The external forces of change stem up from the external environment**

#### **1.COMPETITIVE FORCES**

*Organization must make changes to attempt to match or exceed its competitors on at least one of the dimensions of efficiency, quality, innovation, and customer responsiveness*

- organizations change their strategies to ensure their global presence.

- Example: Nissan, Toyota and Mitsubishi, continuously relocate their manufacturing as well as their assembling operations to South East Asian countries to achieve a competitive advantage in the form of reduced cost OF LABOR AND ECONOMIES OF SCALE.

## **2. POLITICAL FORCES**

- Rapidly changing global political scenario and the upheavals in the global politics
- Challenges in the form of changes in regulations, policies
- The political framework, ideologies

## **3. ECONOMIC FORCES**

- Changes in the business cycle,
- Inflation or Deflation rate,
- Fluctuation in the interest rates.
- Economic recession, changes in the economic policies or tax structures,
- Import/export duties.
- Fluctuation in the oil prices globally.
- Financial stability of the country

## **4. TECHNOLOGICAL FORCES**

- Technological advancements and innovations in communication and computer technology
- Advances in manufacturing technology.
- Shortening of product life cycle.
- Example of Singapore: With the usage of Information Technology in the strategic decision making and overall planning, today Singapore holds the status of being the world's first completely networked economy

## **5. GOVERNMENTAL FORCES**

Governmental regulations and also the extent of intervention may influence the need for change

- **DEREGULATION:** Deregulation is associated with decentralization of power or economic interventions at the state level or lessening of the governmental intervention in the economy. For example, due to deregulation in sectors like insurance, banking, petroleum being handed over to the private players
- **FOREIGN EXCHANGE:** Foreign exchange rates directly affect the international trade, as the variations in the exchange rates influence the currency payment structure. Example: India pays more for oil imports with fluctuation in dollar value.
- **PROTECTIONISM:** Due to the growing competitive pressures, most of the governments try to enforce certain regulations or intervene for safeguarding their threatened industries.

## 6. Changes in the Needs and Preferences of Customers

Compel the organizations to adapt and innovate their product and services offerings constantly for meeting the changing demands of the customers.

## 7. Ethical forces

- Important for an organization to take steps to promote ethical behavior
- Creation of ethics officer position
- Encourage employees to report unethical behaviors

## B. INTERNAL PRESSURE FOR CHANGE

- **SYSTEMIC FORCES:** Change in any subsystem, result in a change in the existing organizational processes and the complete alignment as well as the relationship.
- **INADEQUATE EXISTING ADMINISTRATIVE PROCESSES:** With the changing times, an organization needs to change it's rules and existing administrative processes.
- **INDIVIDUAL/GROUP SPECULATIONS:** desires and requirements keep changing with the changing times, which result in differences in individual as well as group expectations.
- **STRUCTURAL CHANGES:** Changes alter the existing organizational structure as well as its overall design. May take the form of downsizing, job redesign, decentralization.
- IBM reformed in its existing system and procedures to achieving cost effectiveness and enforced downsizing strategy.
- **PEOPLE FOCUSED CHANGE:** the major focus is laid on people and their existing competencies, human resource planning strategies, structural changes and employee reorientation and replacement.
- **ISSUES WITH THE PROFITABILITY:** due to a loss in revenue, low productivity or a loss in the market share.

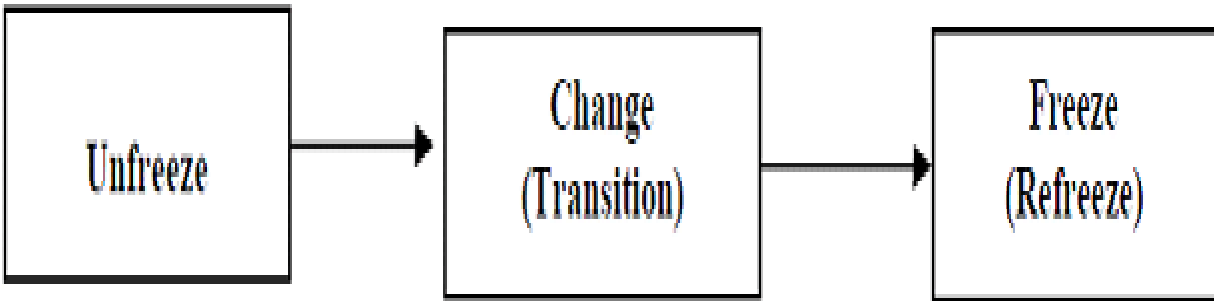
## **CHANGE AND HUMAN RESPONSE**

The reactions to change can be categorized as follows:

- **DENIAL:** It results from insufficient knowledge and occurs when individuals believe the change will have little or no impact on them. Denial can be overcome by involving individuals in the change process providing them with information about it and monitoring their perceptions.
- **RESISTANCE** the resistance stage occurs when employees experience self doubt, anger, depression, anxiety, fear and uncertainty that accompany major changes. During this stage managers should listen and acknowledge the feelings and engage in an open two-way communications that enables them to address their concerns, build and earn employee trust and take corrective actions.
- **EXPLORATION:** the exploration phase reflects the progress towards acceptance of the change. In this phase, individuals have accepted the reality of it and are seeking positive outcomes in terms of opportunities and personal self-interests. Managers should continue to motivate and encourage individuals with communications, provide training and short term goals to make them focus on priorities and move closer to commitment.
- **COMMITMENT** this phase is characterized by individuals demonstrating their commitment. Managers should therefore use milestone celebrations, rewards and team building to motivate individuals to re-establish the psychological contract.

## **PROCESS OF CHANGE**

- Kurt Lewin's Three Stages model or the Planned Approach to Organizational is one of the cornerstone models which is relevant in the present scenario even.
- Lewin, a social scientist and a physicist, during early 1950s propounded a simple framework for understanding the process of organizational change known as the Three-Stage Theory which he referred as Unfreeze, Change (Transition) and Freeze (Refreeze).
- According to Lewin, Change for any individual or an organization is a complicated journey which may not be very simple and mostly involves several stages of transitions or misunderstandings before attaining the stage of equilibrium or stability.



**Stage 1 - Unfreezing:** This is the first stage of transition and one of the most critical stages in the entire process of change management. It involves improving the readiness as well as the willingness of people to change by fostering a realization for moving from the existing comfort zone to a transformed situation. It involves making people aware of the need for change and improving their motivation for accepting the new ways of working for better results. During this stage, effective communication plays a vital role in getting the desired support and involvement of the people in the change process.

**Stage 2 - Change:** This stage can also be regarded as the stage of Transition or the stage of actual implementation of change. It involves the acceptance of the new ways of doing things. This is the stage in which the people are unfrozen, and the actual change is implemented. During this stage, careful planning, effective communication and encouraging the involvement of individuals for endorsing the change is necessary. It is believed that this stage of transition is not that easy due to the uncertainties or people are fearful of the consequences of adopting a change process.

**Stage 3 - Freeze (Refreezing):** During this stage, the people move from the stage of transition (change) to a much more stable state which we can regard as the state of equilibrium. The stage of Refreezing is the ultimate stage in which people accept or internalize the new ways of working or change, accept it as a part of their life and establish new relationships. For strengthening and reinforcing the new behaviour or changes in the way of working, the employees should be rewarded, recognized and provided positive reinforcements, supporting policies or structures can help in reinforcing the transformed ways of working.

## **STEPS IN MANAGING CHANGE**

- Develop New goals & Objectives
- Select an agent for Change
- Diagnose the problem.
- Select Methodology

- Develop a plan
- Strategy for implementation of the plan
- Implementation of the plan

Receive and evaluate feedback

## **TYPES OF CHANGES**

- Strategic Change- This is the change in the mission of the organisation.
- Structural Change- Decentralized operations and participative management style.
- Process Oriented Change- Related to technological developments, automation and use of robotics.
- People oriented change- this is related to the attitudes & behavior of the employees.
- Exceptional Change- A particular change is accepted as exception.
- Incremental Change- A gradual change, those who are affected do not experience it initially.
- Pendulum Change- Change from one extreme point of view to the opposite.

## **CHANGE AGENTS**

- Change agents can be managers or employees, or external consultants hired to facilitate initiatives.
- Internal change agents have the advantage of being familiar with an organization's history, operations, and people.
- while external change agents can provide a fresh perspective without the influence of a firm's traditions and culture,

## **CHANGE AGENT QUALITIES**

- **Flexibility.** Being open to change requires an entrepreneurial attitude. Leaders have to tap into creative instincts to find non-traditional ways for a business to grow and exploit opportunities. This includes connecting with people of different generations and backgrounds to gain a deeper understanding of perspectives, experiences, and personalities.

- **Diversified Knowledge.** Successful leaders avoid getting stuck in the confines of their industry. By looking at what is going on in other sectors, and seeing what is working and applicable to their own industries, leaders can gain valuable insights and spot new opportunities for growth.
- **Priority and Results Focus.** In creating change, it's often helpful to tie specific priorities to the overall business goals. These are must-win battles that determine success or failure and are focused on improving the company's performance in the marketplace.
- **Ownership and Responsibility.** People respect courage and accountability. In order to lead effectively, executives and managers need to ultimately hold themselves responsible for their team's performance. They may have to make decisions that go against dissenting opinions and can cause conflicts, but doing so with conviction and ready to handle the consequences will ultimately demonstrate that their intentions are motivated by the best interests of the company, thus gaining the trust of their people.
- **Effective Listening Skills.** Effective change agents are able to explore perspectives and take them into account when looking for solutions. This will help in getting buy-in to a change; people want to feel that others are listening to their ideas. Those who do will develop stronger relationships with their people by gaining trust.

## **RESISTANCE TO CHANGE**

- Resistance to change is the opposition to altered circumstances or modification of the status quo.
- Status quo - It is defined as the current or existing state of affairs. To maintain the status quo is to keep things the way they are.

## **TYPES OF RESISTANCE**

### **1. Psychological Resistance**

- Fear of unknown
- Fear of failure

### **2. Logical Resistance**

- Power & Conflict
- Misinterpretation of change

- Not agreed with the impact of changes

### **3. Sociological Resistance**

- Group Norms
- Disturbance in established pattern

## **CAUSES OF RESISTANCE TO CHANGE**

### **1.INDIVIDUAL RESISTANCE**

- Habit
- Security
- Economic Factors
- Selective Information Processing
- Emotions

### **2. ORGANIZATIONAL RESISTANCE**

- Structural Inertia
- Group Inertia
- Threat to Expertise
- Threat to Established Power Relationship
- Threat to established resource Allocation
- Lack of communication
- Technology

## **OVERCOMING RESISTANCE TO CHANGE**

### **METHODS OF DEALING WITH RESISTANCE TO CHANGE**

Kotter and Schlesinger's Six Methods

Kotter and Schlesinger proposed six strategies to manage successfully the resistance to change.

- **Education and Communication:** education will avoid employees getting stuck in the denial phase for a long time and helps them adapt to new roles quickly whilst reducing uncertainty. Training on new knowledge and skills reduces fear of unknown and increases confidence with required changes to behavior. Open communication that answers questions and encourages feedback will eliminate employee mistrust and will make them feel more involved with the change initiatives.

- **Participation:** it's hard for an individual to resist a change decision in which they participated. People who participate will be well informed and committed to implement change as the process creates a psychological ownership of decisions and accountability for their success. Individuals who are allowed to contribute in change planning process won't have any mistrust about the change and will be more committed to its success

- **Facilitation and support:** change affects employees' roles and routines so managers' support is essential to maintain a certain level of comfort and get the affected individuals adapt to the new role. Facilitating and providing a forum to share their concerns reduces fear and anxiety (which is one of the cause of resistance).Support activities like counselling, stress management and even emotional support will make an employee feel valued and encourage them in coping with change.

- **Negotiation and agreement:** negotiation is suitable when an individual will suffer loss due to the change. Managers will have to recognize the negative effects of it and negotiate with employees on their specific concerns providing incentives to them in exchange for acceptance.

- **Manipulation and co-optation:** manipulation involves intentionally using selective information in an attempt to influence individuals to accept change. Co-optation is about getting acceptance from employees by using tactics such as appointing an individual to an important position to gain acceptance. This can be the quick way to avoid resistance but can be dangerous if individuals become aware of manipulation.

- **Coercion:** when the motivation approach doesn't work, managers have to use force or threat to overcome resistance. Coercion includes using explicit or implicit threats like promotion denial, bonus, etc. Sometimes coercion may be the only option available but managers need to take into consideration that individuals are likely to develop resentment and this might have long term negative effect.

## UNIT-2

### ORGANISATIONAL EFFECTIVENESS

#### ORGANISATIONAL EFFECTIVENESS

- Organizational effectiveness is defined as a concept to measure the [efficiency](#) of an organization in meeting its objectives with the help of given resources without putting undue strain on its employees.
- Efficiency :a situation in which a person, company, factory, etc. uses resources such as time, materials, or labour well, without wasting any.

#### Factors affecting organizational effectiveness

- **Casual variables** – These are independent variables that can be altered by the organization and its management, for instance, its policies, [skills](#) and behavior and leadership and business strategies. The casual variables can determine the course of [development](#) within an organization
- **Intervening variables** – These are motivation, performance goals, attitude, loyalty and perception of the employees and their capacity for efficient decision-making, communication, and interaction. The intervening variables show the health of an organization.
- **End-result variables** – These are loss, costs, earnings, and productivity. The end-result variables reflect the achievements of an organization.

#### APPROACHES TO ORGANIZATIONAL EFFECTIVENESS

##### 1. GOAL APPROACH

- This approach assumes that organisations are planned, logical, goal-seeking entities and they are meant to accomplish one or more predetermined goals.
- It sees effectiveness with respect to its internal organisational objectives and performance. Typical goal-attainment factors include profit and efficiency maximization.

##### 2. SYSTEM RESOURCE APPROACH

- This approach to organisational effectiveness focus on inputs — that is, on the extent to which the organisation can acquire the resources it needs.

- It assumes that the organisation consists of interrelated subsystems. If any subsystem functions inefficiently, it is going to influence the performance of the whole system.

### 3. INTERNAL-PROCESS APPROACH

- According to Internal-Process Approach, effectiveness is the capability to get better at internal efficiency, co-ordination, commitment and staff satisfaction. The focus is on minimising strain, integrating individuals and the organisation and conducting smooth and efficient operations. An organisation that focuses primarily on maintaining employee satisfaction and morale, minimising conflict.

### 4. STRATEGIC CONSTITUENCIES APPROACH

- This approach focuses on the groups that have a stake in the organisation such as suppliers, lenders, participants, customers and others who are directly and indirectly influenced by the company. According to this view, effectiveness is the extent to which the organisation satisfies the demand and expectations of all these groups.

### PROBLEMS IN MEASUREMENT OF EFFECTIVENESS

Measuring organizational effectiveness can be a complex task, and several problems can arise during the measurement process. Here are some common challenges and problems that organizations may encounter:

1. **Subjectivity:** Effectiveness is often a subjective concept, and different stakeholders may have different opinions on what constitutes effectiveness. It can be challenging to develop objective measures that accurately capture the multidimensional nature of organizational effectiveness.
2. **Multiple Dimensions:** Organizational effectiveness encompasses various dimensions, such as financial performance, customer satisfaction, employee engagement, innovation, and social impact. It can be difficult to develop a comprehensive measurement framework that adequately captures all these dimensions and their interrelationships.
3. **Lagging Indicators:** Many traditional measures of organizational effectiveness focus on lagging indicators, such as financial results or historical performance data. While these indicators provide valuable insights, they may not capture the organization's current or future effectiveness accurately. It is important to complement lagging indicators with leading indicators that can provide early signals of performance and effectiveness.

4. **Data Availability and Reliability:** Gathering reliable and relevant data for measuring effectiveness can be a significant challenge. Organizations may face difficulties in collecting accurate and timely data across various dimensions and levels of the organization. Data quality issues, inconsistent data sources, and limited access to relevant data can undermine the accuracy and reliability of effectiveness measurements.
5. **Alignment with Goals and Strategy:** The effectiveness measures used should be aligned with the organization's goals, strategy, and industry context. If the measurement framework does not capture the organization's strategic priorities or fails to reflect its unique challenges and environment, it may provide misleading or incomplete information about effectiveness.
6. **Causality and Attribution:** Establishing a clear cause-and-effect relationship between organizational practices and effectiveness outcomes can be challenging. Various factors, such as external market conditions, competitive dynamics, and industry trends, can influence effectiveness. It can be difficult to isolate the impact of specific organizational practices or interventions on overall effectiveness.
7. **Benchmarking and Comparability:** Assessing organizational effectiveness often involves benchmarking against industry peers or best practices. However, finding comparable organizations and obtaining reliable benchmarking data can be challenging. Differences in organizational size, structure, resources, and operating contexts can limit the comparability of effectiveness measures.
8. **Dynamic Nature of Effectiveness:** Organizational effectiveness is not static; it evolves over time. Organizations need to adapt to changing market conditions, technologies, and stakeholder expectations. Static measurement approaches may fail to capture the dynamic nature of effectiveness or fail to provide insights into how organizations are responding to changing circumstances.
9. **Organizational Culture and Resistance:** Organizations with a culture that is averse to measurement or change may face challenges in effectively measuring and improving organizational effectiveness. Resistance from employees, lack of buy-in, or a fear of negative consequences can hinder the implementation and acceptance of measurement initiatives.

## **FACTORS CAUSING INEFFECTIVENESS**

**Poor Leadership:** Ineffective leadership is one of the primary factors that can hinder organizational effectiveness. When leaders lack vision, fail to communicate effectively, make poor decisions, or lack the ability to inspire and motivate employees, it can lead to a lack of direction, low employee morale, and overall organizational inefficiency.

**Lack of Clear Goals and Strategy:** Organizations that do not have clear goals or a well-defined strategy often struggle with ineffectiveness. Without clear direction, employees may be unsure of their priorities, leading to disorganized efforts and wasted resources.

**Inadequate Communication:** Communication breakdowns or ineffective communication channels can lead to misunderstandings, lack of coordination, and reduced efficiency. When employees are not properly informed, or when important information fails to reach the right people at the right time, it can hinder decision-making and overall organizational effectiveness.

**Poor Organizational Structure and Processes:** An inefficient organizational structure and outdated or ineffective processes can impede effectiveness. When roles and responsibilities are unclear, decision-making is slow, and workflows are convoluted, it can lead to bottlenecks, decreased productivity, and ineffective collaboration.

**Lack of Accountability:** Ineffective organizations often suffer from a lack of accountability at various levels. When employees are not held responsible for their actions, performance, or meeting targets, it can result in complacency, low motivation, and a lack of commitment to organizational goals.

**Inadequate Resources and Support:** Insufficient resources, whether financial, human, or technological, can hinder an organization's ability to operate effectively. When employees lack the necessary tools, training, or support to perform their roles, it can lead to suboptimal outcomes and reduced effectiveness.

**Resistance to Change:** Organizations that resist change or are slow to adapt to evolving market conditions can become ineffective. In a rapidly changing business environment, organizations must be agile and open to innovation. Resistance to change can result in missed opportunities, loss of competitiveness, and reduced effectiveness.

**Poor Employee Engagement and Motivation:** When employees are disengaged, unmotivated, or unhappy in their roles, it can significantly impact organizational effectiveness. Low employee morale can lead to decreased productivity, higher turnover rates, and a lack of commitment to achieving organizational goals.

**Lack of Continuous Learning and Adaptability:** Organizations that do not foster a culture of continuous learning and adaptability may struggle to stay relevant and effective. In rapidly evolving industries, failure to learn from mistakes, embrace new ideas, and adapt to changing circumstances can result in stagnation and ineffectiveness.

## UNIT-3

### ORGANISATIONAL DEVELOPMENT

- Organisational (or organization) Development or simply O.D. is a technique of planned change.
- It seeks to change beliefs, attitudes, values and structures-in fact the entire culture of the organization—so that the organization may better adapt to technology and live with the pace of change.

#### **R. Beckhard defines O.D. as a change strategy which is:**

(i) Planned.

(ii) Organization-wide.

(iii) Managed from the top to increase organization effectiveness and health through planned interventions in the organization's processes, using behavioural science knowledge.

#### **OBJECTIVES OF ORGANIZATIONAL DEVELOPMENT**

1. **Enhance Organizational Performance:** One of the primary objectives of OD is to improve the organization's performance and productivity. It aims to optimize processes, eliminate inefficiencies, and enhance overall effectiveness.
2. **Increase Employee Engagement and Satisfaction:** OD seeks to create a work environment that fosters employee engagement, satisfaction, and well-being. It focuses on factors such as job design, work-life balance, recognition, and opportunities for growth.
3. **Improve Communication and Collaboration:** OD interventions aim to enhance communication channels and promote a culture of open and constructive dialogue. Improved collaboration among teams and departments leads to better problem-solving and decision-making.
4. **Develop Effective Leadership:** OD focuses on developing strong and capable leaders at all levels of the organization. Effective leadership is crucial for guiding the organization, inspiring employees, and driving change initiatives.
5. **Cultivate a Positive Organizational Culture:** OD aims to shape and reinforce a positive organizational culture that aligns with the organization's values and promotes behaviors conducive to success.
6. **Increase Innovation and Adaptability:** OD fosters a culture of innovation, creativity, and continuous learning. It equips organizations with the ability to adapt to new challenges and opportunities in the business environment.

7. **Develop High-Performing Teams:** OD interventions focus on building strong, high-performing teams that collaborate effectively, communicate openly, and achieve collective goals.
8. **Enhance Employee Skills and Competencies:** OD initiatives often involve training and development programs to improve employee skills and competencies, ensuring that the workforce remains capable of meeting organizational demands.
9. **Promote Diversity and Inclusion:** OD supports diversity and inclusion efforts by fostering an inclusive work environment where individuals from diverse backgrounds can thrive and contribute to the organization's success.
10. **Strengthen Organizational Resilience:** OD helps organizations become more resilient by improving their ability to bounce back from challenges and disruptions.
11. **Align Organizational Structure and Systems:** OD interventions can involve restructuring or realigning organizational systems and processes to support the organization's strategic objectives better.
12. **Improve Employee Retention and Reduce Turnover:** By addressing factors contributing to employee dissatisfaction, OD can help improve retention rates and reduce turnover, saving the organization recruitment and training costs.
13. **Enhance Customer Satisfaction:** Improved organizational performance, employee engagement, and collaboration often lead to higher customer satisfaction and loyalty.

## **CHARACTERISTICS/NATURE OF ORGANISATIONAL DEVELOPMENT**

1. **Holistic Approach:** Organizational Development takes a holistic view of the organization, considering all its components, including its people, structure, processes, culture, and systems. It recognizes that these elements are interconnected and influence each other.
2. **Continuous Process:** OD is an ongoing and continuous process. It is not a one-time event or a quick fix. Instead, it involves a series of interventions and activities designed to foster positive change and development over time.
3. **Focus on Human Factor:** OD places a strong emphasis on the human aspect of organizations. It recognizes that people are the most critical asset and seeks to improve their skills, attitudes, and commitment to the organization.
4. **Collaborative and Participative:** Successful OD initiatives involve the active participation of employees at all levels of the organization. It encourages collaboration, open communication, and involvement in decision-making processes.

5. **Systemic Change:** OD aims to bring about systemic change within the organization. This means that it addresses the underlying issues and root causes of problems, rather than just treating the symptoms.
6. **Data-Driven and Evidence-Based:** OD relies on data and evidence to identify areas for improvement and evaluate the effectiveness of interventions. This data-driven approach helps in making informed decisions and measuring the impact of change efforts.
7. **Flexibility and Adaptability:** Organizations operate in dynamic environments, and OD recognizes the need for flexibility and adaptability. It equips organizations with the capacity to respond to external challenges and opportunities effectively.
8. **Leadership Commitment:** Successful OD initiatives require strong leadership commitment and support. Leaders play a crucial role in driving change, setting the vision, and promoting a positive organizational culture.
9. **Focus on Organizational Culture:** OD often targets the organizational culture, as it significantly influences how employees behave, interact, and perform. A healthy and constructive culture can foster innovation, collaboration, and employee engagement.
10. **Conflict Resolution:** OD helps address conflicts and challenges within the organization constructively. It promotes open communication, conflict resolution strategies, and the development of strong interpersonal relationships.
11. **Capacity Building:** OD aims to build the organization's capacity to manage change effectively in the future. It focuses on enhancing leadership skills, teamwork, and adaptability.
12. **Ethical and Sustainable Approach:** OD interventions must align with ethical principles and promote sustainable practices. This means considering the impact of changes on various stakeholders, society, and the environment.

## TECHNIQUES OF ORGANISATIONAL DEVELOPMENT

### 1. SENSITIVITY TRAINING

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

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

- To provide the participants with increased awareness of their own behaviour
- How others perceive the, greater sensitivity to the behaviour of others

- Increased understanding of group processes.

## 2. ROLE PLAYING

- [Role playing](#) may be described as a technique of **creating a life situation**, usually one involving conflict between people, and then having persons in group play the parts or roles of specific personalities.
- It is used primarily as a technique of or modifying attitudes and interpersonal skills.
- For instance, two trainees may play the roles of a superior and a subordinate to discuss the latter's grievances.
- The **purpose** of role playing is to aid trainees to **understand certain business problems** and to **enable observers to evaluate reactions to them**.

## 3. Management by Objectives (MBO)

- [Managing by objectives](#) It is a method of achieving organizational objectives and a technique of evaluation and review of performance. Under this method objectives of the organisation are fixed and responsibility to achieve them lie on the managers and results are expected from them.
- **Management by objectives (MBO) is a technique designed to**
- Increase the precision of the planning process at the organisational level.
- Reduce the gap between employee and organisational goals.

## 4. GRID DEVELOPMENT

- [Grid organisational development](#) is based on Blake and Mouton's model of leadership called the managerial Grid. Their model depicts two prevailing concerns found in all organisations-concern for productivity and concern for people.
- Some managers are high in concern for productivity but low in concern for people; others are high in concern for people but low in concern for productivity.
- In grid OD, change agents use a questionnaire to determine the existing styles of managers, help them to re-examine their own styles and work towards maximum effectiveness.

## 5. SURVEY FEEDBACK

[Survey feedback](#) is one of the most popular and widely used intervention techniques, in the field of OD.

**It involves two basic activities:**

- The managers use the information collected through survey for making decisions. The wide range of data is collected regarding working conditions, quality of work, working hours, wages and salaries, attitude of employees relating to above.
- These data are then analyzed by the team of managers. They find out the problem, evaluate the results and find out solutions. Information is collected from all the members of the organisation. Managers conduct meetings with their subordinates and discuss the information, allow subordinates to interpret the data. After this plans are prepared for making necessary changes.

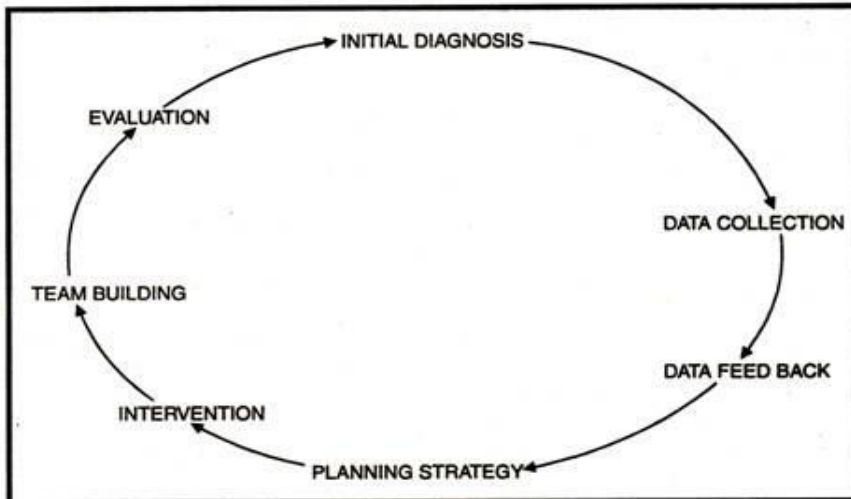
## 6. TEAM BUILDING

- [Team building](#) is a process of **diagnosing and improving the effectiveness of a work group** with particular attention to work procedures and inter-personal relationship, especially the role of the leader in relation to other group members.
- Both the group's task procedures and its human interactions are the subjects of study in team building.

## 7. QUALITY CIRCLES:

- Under this system a group of 5 to 12 come together at their own free will during working hours once in a week and discuss out the problems and suggests solution to the management for implementation.
- The supervisors remain present during the meeting.
- Quality Circles have their origin in Japan in nineteen sixties which improved the quality, reduced cost and heightened the morale of the workers.

## PROCESS OF ORGANISATIONAL DEVELOPMENT



### **1. Initial Diagnosis of the Problem:**

- In the first step, the management should try to find out an overall view of the situation to find the real problem.
- Top management brings the consultants and the experts to determine the type of programme that is needed.

### **2. Data Collection:**

In this stage, the consultant will make the surveys to determine the climate of the organisation and the behavioral problems of the employees.

### **3. Data Feedback and Confrontation:**

The data which has been collected in the second step will be given to the work groups, who will be assigned the job of reviewing the data. Any areas of disagreement will be mediated among themselves only and priorities will be established for change.

### **4. Planning Strategy for Change:**

In this stage, the consultant will suggest the strategy for change.

And will attempt to transform diagnosis of the problem into a proper action plan involving the overall goals for change, determination of basic approach for attaining these goals and the sequence of detailed scheme for implementing the approach.

### **5. Intervening in the System:**

- Intervening in the system refers to the planned programmed activities during the course of an OD programme. These planned activities bring certain changes in the system, which is the basic objective of OD.

#### **6. Team Building:**

- During the entire process, the consultant encourages the groups to examine how they work together. The consultant will educate them about the value of free communication and trust as essentials for group functioning.

#### **7. Evaluation:**

- OD is a very long process. So there is a great need for careful monitoring to get precise feedback regarding what is going on after the OD programme starts. This will help in making suitable modifications whenever necessary.

### **CLASSIFICATION OF ORGANISATIONAL DEVELOPMENT**

**1. Diagnostic activities:** These are fact-finding activities designed to find the current state of a client system.

**2. Team building activities:** These are designed to enhance the effective operation of teams.

**3. Intergroup activities:** these are the activities designed to improve the effectiveness of interdependent groups.

**4. Survey feedback activities:** These activities rely on gathering the information that is used in understanding problems or opportunities.

**5. Education and training activities:** – Activities designed to improve individual's skills abilities and knowledge.

**6. Techno structural or structural activities:** Activities designed to improve the effectiveness of organizational structure & Job design.

**7. Process consultation activities:** The activities that are designed in consultation to help the client to perceive understand and act upon events that occur in the client's environment.

**8. Grid organisation development activities:** These activities are developed by Robert Blake and Mouton which constitutes of six phase model involving the total organisation.

**9. Third party peacemaking activities:** Activities designed and conducted by a skilled consultant to manage interpersonal conflict in the process of organizational change.

**10.Coaching & Counseling activities:** Activities that help the individual to define learning goals, to understand others behaviour & to see how others see their behaviour.

**11.Life & Career planning activities:** Activities that enable individuals to focus on their life and career objectives & way to achieve them.

**12. Force Field Analysis** • It provides a framework for looking at the factors (forces) that influence a situation, originally social situations. It looks at forces that are either driving movement toward a goal (helping forces) or blocking movement toward a goal (hindering forces).

### **TEAM INTERVENTION IN OD**

**Intervention** :To intervene is to enter into an ongoing system of relationships, to come between or among persons, groups, or objects for the purpose of helping them.

- The purpose of this team is to help Employees / Members of the team that are struggling in some way. This usually refers to performance but can include emotional/behavioral/social concerns.

**This Intervention can be used effectively to:**

- Engage and align individuals, or cross-teams, to collaborate effectively
- Bring in high energy and charge up the team to achieve stretched goals.
- Set up a high performance climate in the organisation

### **TYPES OF TEAM INTERVENTIONS IN OD INCLUDE:**

#### **Team Building:**

Team building interventions focus on improving team dynamics, enhancing communication, trust-building, and fostering a sense of camaraderie among team members. These interventions often involve **team-building activities, workshops, and exercises designed to promote teamwork and collaboration.**

#### **Conflict Resolution:**

Team intervention can address and resolve conflicts within the team. The OD practitioner helps team members identify the sources of conflict and facilitates discussions to find mutually acceptable solutions.

#### **Goal Setting and Alignment:**

Team interventions can help teams clarify and align their goals with the organization's objectives. This involves ensuring that team members understand their roles, responsibilities and how their efforts contribute to the broader organizational goals.

### **Role Clarity:**

In some cases, team intervention may involve clarifying roles and responsibilities within the team to reduce ambiguity and increase accountability.

### **Performance Improvement:**

Team interventions can be aimed at identifying and addressing performance issues within the team. This may involve setting performance targets, providing feedback, and implementing performance management systems.

### **Skill Development:**

Sometimes, team intervention includes skill development workshops or training to enhance specific skills required for effective teamwork and problem-solving.

### **Process Improvement**

Team interventions can focus on improving team processes and workflows to make them more efficient and effective.

### **Change Management**

When teams face significant changes, such as restructuring or process changes, team intervention can help them adapt to the changes and navigate the transition effectively

## **INTERPERSONAL INTERVENTIONS**

Interpersonal interventions in an OD program are designed to enhance individual skills, knowledge, and effectiveness.

This type of program utilizes group dynamics by gathering individuals together in loosely structured meetings.

Interpersonal interventions include those designed to improve the performance review process, create better training programs, help workers identify their true wants and set complementary career goals, and resolve conflict.

## **GROUP INTERVENTIONS**

- OD group interventions are designed to help teams and groups within organizations become more effective. Such interventions usually assume that the most effective groups communicate well, facilitate a healthy balance between both personal and group needs, and function by consensus as opposed to autocracy or majority rule.
- Group diagnostic interventions are simply meetings wherein members of a team analyze their unit's performance, ask questions about what the team needs to do to improve, and discuss potential solutions to problems.
- The benefit of such interventions is that members often communicate problems of which their co-workers were unaware. Ideally, such communication will spur problem-solving and improved group dynamics.

## **INTER-GROUP INTERVENTIONS**

- Inter-group interventions are integrated into OD programs to facilitate cooperation and efficiency between different groups within an organization. For instance, departmental interaction often deteriorates in larger organizations as different units battle for limited resources or become detached from the needs of other units.
- Conflict resolution meetings are one common inter-group intervention. First, different group leaders are brought together to secure their commitment to the intervention. Next, the teams meet separately to make a list of their feelings about the other group(s). Then the groups meet and share their lists. Finally, the teams meet to discuss the problems and to try to develop solutions that will help both parties. This type of intervention, say supporters, helps to gradually diffuse tension between groups that has arisen because of faulty communication.

## **CRISIS MANAGEMENT**

- Crisis management is the application of strategies designed to help an organization deal with a sudden and significant negative event.
- Crisis management is the process by which an organization deals with a disruptive and unexpected event that threatens to harm the organization or its stakeholders .

# **UNIT-4**

## **OD INTERVENTIONS**

### **I.COMPREHENSIVE INTERVENTIONS**

#### **1. SEARCH CONFERENCES**

The Search Conference is a participative planning method that enables people to create a plan for the most desirable future of their community or organisation, a plan they take responsibility for carrying out themselves.

In a Search Conference, people (citizens, community leaders, managers, workers) become a planning community. Together they create a plan for the future, based on shared human ideals, that they can live for and work to implement.

The Search Conference makes it possible for any kind of system, whether community or workplace, to thrive in the face of uncertain, turbulent times.

#### **2. FUTURE SEARCH CONFERENCES**

Future Search is a principle-based PLANNING MEETING that helps people transform their capability for action very quickly. The meeting is task-focused. It brings together 60 to 100 people in one room or hundreds in parallel rooms.

Future Search brings people from all walks of life into the same conversation – those with authority, resources, expertise, information and need. They meet for 20 hours spread across three days. People tell stories about their past, present and desired future. Through dialogue they discover their common ground. Only then do they make concrete action plans.

#### **3. BECKHARDS CONFRONTATION MEETING**

The confrontation meeting was developed by Richard Backhard. According to this meeting, the management team will generate the information about the major problems and underlying causes.

The different steps of these confrontation meetings are

- Climate setting
- Information collecting, sharing the information
- Priority setting

- Planning the goal or actions
- Immediate follow up by the top management team
- Generate progress reports.

#### 4. STREAM ANALYSIS

Developed by Jerry Porras is a valuable model for thinking about change and for managing change.

It is a system for graphically displaying the problems of an organization, examining the interconnections between the problems, identifying core problems and graphically tracking the corrective actions taken to solve the problems.

Porras categorized organization work in four classes-

- a) Organizing arrangements- goals, structure, policies etc.
- b) Social factors- Culture, mgt style, interaction process etc.
- c) Technology- tools, equipment, job design, technical systems.
- d) Physical Setting- space configuration, physical ambience, interior design etc.

A thorough diagnosis of the organization's problems and barriers to effectiveness is performed via brainstorming sessions, interviews, questionnaires and other methods. Each problem is categorized in one stream.

#### 5. MANAGERIAL GRID-

A diagnostic tool developed by organizational consultants Robert Blake and Jane Mouton, which allows managers to assess their leadership style. Thus, grid training is related to the leadership styles. ... The managerial grid focuses on the observations of behaviour in exercises specifically related to work.

The five resulting leadership styles are as follows:

1. **Impoverished Management (1, 1):** Managers with this approach are low on both the dimensions and exercise minimum effort to get the work done from subordinates. The leader has low concern for employee satisfaction and work deadlines and as a result disharmony and disorganization prevail within the organization. The leaders are termed ineffective wherein their action is merely aimed at preserving job and seniority.
2. **Task management (9, 1):** Also called dictatorial or perish style. Here leaders are more concerned about production and have less concern for people. The style is based on theory X of McGregor. The employees' needs are not taken care of and they are simply a means to an end. The leader believes that efficiency can result only through proper organization of work systems and through elimination of people wherever possible. Such a style can definitely increase the output of organization in

short run but due to the strict policies and procedures, high labour turnover is inevitable.

3. **Middle-of-the-Road (5, 5):** This is basically a compromising style wherein the leader tries to maintain a balance between goals of company and the needs of people. The leader does not push the boundaries of achievement resulting in average performance for organization. Here neither employee nor production needs are fully met.
4. **Country Club (1, 9):** This is a collegial style characterized by low task and high people orientation where the leader gives thoughtful attention to the needs of people thus providing them with a friendly and comfortable environment. The leader feels that such a treatment with employees will lead to self-motivation and will find people working hard on their own. However, a low focus on tasks can hamper production and lead to questionable results.
5. **Team Management (9, 9):** Characterized by high people and task focus, the style is based on the theory Y of McGregor and has been termed as most effective style according to Blake and Mouton. The leader feels that empowerment, commitment, trust, and respect are the key elements in creating a team atmosphere which will automatically result in high employee satisfaction and production.

## II. STRUCTURAL INTERVENTIONS

Structural interventions in organizational development (OD) refer to planned and deliberate changes made to the fundamental components, systems, processes, and elements within an organization. These interventions are aimed at improving overall effectiveness, efficiency, and adaptability of the organization. Structural interventions can involve changes to the organization's hierarchy, processes, workflows, communication channels, roles, and more. Here are some common types of structural interventions in OD:

**Reorganization:** This involves changing the organizational structure, such as modifying reporting relationships, creating new departments, merging or splitting existing departments, and redesigning the hierarchy. The goal is often to improve communication, decision-making, and collaboration within the organization.

**Process Redesign:** Organizations often engage in process improvement and reengineering efforts to streamline workflows and eliminate inefficiencies. This might involve mapping out existing processes, identifying bottlenecks, and designing new processes that are more efficient and effective.

**Job Redesign:** This intervention focuses on redefining job roles and responsibilities to align with organizational goals and employee skills. Job enrichment, job enlargement, and job rotation are some techniques used to make jobs more engaging and meaningful.

**Workflow Optimization:** This involves examining the flow of work across different functions and departments and making adjustments to enhance coordination and reduce delays. It might also involve implementing technology solutions to automate certain tasks.

**Team Restructuring:** Sometimes, teams need to be reconfigured to improve collaboration and productivity. This could involve creating cross-functional teams, adjusting team sizes, or changing team leaders to better match skills with tasks.

**Communication Enhancements:** Improving communication channels and practices can be crucial for successful structural interventions. This might involve implementing regular feedback mechanisms, ensuring open-door policies, and encouraging transparent communication throughout the organization.

**Information Technology Integration:** Organizations might adopt new technology platforms or integrate existing ones to better support their operations. This could involve implementing new software for project management, customer relationship management (CRM), enterprise resource planning (ERP), and more.

**Decentralization or Centralization:** Depending on the organization's needs and context, it might be appropriate to decentralize decision-making authority to empower front-line employees or centralize certain functions for consistency and control.

**Cultural Changes:** While not a typical structural intervention, changes in organizational culture can influence structural aspects. A shift towards a more collaborative, innovative, or customer-focused culture might necessitate structural changes to support these values.

**Merger or Acquisition Integration:** In cases of mergers or acquisitions, structural interventions are often needed to integrate the two organizations effectively. This might involve aligning processes, systems, and structures to create a cohesive entity.

## **JOB ENRICHMENT**

Job enrichment is a method for redesigning jobs, a motivation technique that aims at making work more interesting and challenging for the employees. It mainly consists of giving more responsibility than what originally applied to the job, creating opportunities for professional growth and recognition.

## **MANAGEMENT BY OBJECTIVES (MBO)**

The process of setting objectives in the organization to give a sense of direction to the employees is called as Management by Objectives.

It refers to the process of setting goals for the employees so that they know what they are supposed to do at the workplace.

Management by Objectives defines roles and responsibilities for the employees and help them chalk out their future course of action in the organization.

**The MBO process consists of five steps:**

1. Set company objectives
2. Explaining the objectives to employees
3. Monitor
4. Evaluate performance
5. Reward performance

**BENEFITS OF MANAGEMENT BY OBJECTIVES**

- Management by objectives helps employees appreciate their on-the-job roles and responsibilities.
- The Key Result Areas (KRAs) planned are specific to each employee, depending on their interest, educational qualification, and specialization.
- The MBO approach usually results in better teamwork and communication.
- It provides the employees with a clear understanding of what is expected of them. The supervisors set goals for every member of the team, and every employee is provided with a list of unique tasks.
- Every employee is assigned unique goals. Hence, each employee feels indispensable to the organization and eventually develops a sense of loyalty to the organization.
- Managers help ensure that subordinates' goals are related to the objectives of the organization.

**CONDITIONS OF SUCCESSFUL ORGANISATION DEVELOPMENT**

The organisation development programmes are long-term programmes and a lot of time, money and materials are tied up in these programmes. It is, therefore, necessary that the following conditions must be followed so that an OD programme can be effectively implemented.

To achieve optimal success in implementing OD initiatives, several conditions should be considered:

1. **Strong Leadership Support:** Leadership commitment is crucial for the success of any OD effort. Top-level leaders need to champion the initiative, allocate necessary resources, and actively participate in the process.
2. **Clear Vision and Goals:** A clear and compelling vision for the desired future state of the organization, along with specific goals and objectives, provides a roadmap for the OD process. These goals should be aligned with the organization's overall strategy.
3. **Employee Involvement and Participation:** Employees at all levels should be involved in the OD process. Their input and insights are valuable for identifying problems, generating solutions, and fostering a sense of ownership and buy-in.
4. **Open Communication:** Transparent and effective communication is essential. Clear communication helps manage expectations, address concerns, and build trust among employees and stakeholders.
5. **Data-Driven Approach:** OD initiatives should be based on thorough data analysis. Data can be gathered through surveys, assessments, and feedback mechanisms. This data-driven approach ensures that interventions are targeted and aligned with actual organizational needs.
6. **Collaborative Approach:** OD is most successful when it involves collaboration across departments and functions. Silos should be broken down to promote cross-functional teamwork and a holistic perspective.
7. **Flexibility and Adaptability:** Organizations are dynamic, and change is constant. A successful OD effort should be adaptable to changes in the external environment and internal dynamics. Flexibility allows for adjustments to the intervention strategy as needed.
8. **Sustainable Pace of Change:** Implementing too many changes at once can overwhelm the organization and its employees. It's important to pace the changes in a way that allows employees to adapt and learn without feeling overly stressed.
9. **Training and Development:** As the organization evolves, employees should receive training and development to acquire the skills and competencies required for the new processes and practices.
10. **Celebration of Successes:** Recognizing and celebrating milestones and successes achieved through the OD process helps boost morale and reinforces the positive impact of the changes.
11. **Continuous Monitoring and Evaluation:** Regularly assess the progress of the OD initiatives through metrics and key performance indicators. This enables you to make informed decisions about the effectiveness of the interventions and make adjustments if necessary.
12. **External Expertise:** While internal knowledge is valuable, external consultants or experts can provide fresh perspectives, best practices, and additional resources to support the OD process

## UNIT-5

### CREATIVITY AND INNOVATION

#### CREATIVITY & INNOVATION

**INNOVATION** is the process of turning a new concept into commercial success or widespread use. An innovation is an idea that has been transformed into practical reality. For a business, this is a product, process, or business concept, or combinations that have been activated in the marketplace and produce new profits and growth for the organization. Invention is the creation of a new idea or concept.

**CREATIVITY** is the act of turning new and imaginative ideas into reality. Creativity is characterized by the ability to perceive the world in new ways, to find hidden patterns, to make connections between seemingly unrelated phenomena, and to generate solutions.

#### COMPONENTS OF CREATIVITY

##### 1) Originality

The method or idea must be new and unique. It should not be the extension of something, which already exists. However, one can take inspiration from the already existent methods and ideas to fabricate something new and unique.

##### 2) Functionality

Another important component of creativity is its functionality. A creative idea must work and produce results, otherwise, the whole effort will be in vain.

#### COMPONENTS OF INNOVATION

Innovation management is basically defined as the procedure of designing and introducing a new concept to develop the business. The simplest way to understand this term can be possible by focusing on its key elements, and they are:

- **Collaboration:** Collaboration is an essential term, and it holds maximum weightage in Innovation Management. Collaboration involves a group activity that leads to community development. In this competitive world, it is important to come up with various solutions for a problem to solve problem in an efficient manner.
- **Ideation:** Coming up with unique and fresh ideas is a highly important feature of innovation management because it helps an organization to stand apart from ordinary companies.

- **Implementation:** In an Organization, intelligent people must be present who can implement the ideas to make the company's progress move forward. Implementation is an important part of thinking innovation which mostly helps in the emergency times for an organization to make the right decision at that time.
- **Value Creation:** If the organization's products are not receiving the value they deserve, then innovation is highly missing in that company. To bring value to the services, it is highly important for an organization to propose innovation and new ideas to add values to their creations.

### **FACTORS INFLUENCING CREATIVITY**

The factors which can influence the creativity can be categorized into two factors such as Individual and Organization Influences.

#### **Individual influence:**

Cognitive process of influence is one important factor for the Individual influence which means the individual's ability to generate several potential solutions to a problem. Personality characteristics such as intellectual and artistic values, high energy, breadth of interests, concerned with achievement, freedom of judgement, self-confidence, creative self image, a desire for recognition , tolerance for ambiguity, risk taking, intrinsic motivation are associated with creativity.

#### **Organizational influence:**

The organizational factor can either support creativity or obstruct it. The organizational characteristics include feeling of autonomy, being part of a team with diverse skill and having creative supervisors and examines. Hence having the high quality skilled supervisors enable the organizations to more effective and also make them to take decisions making related to improve creativity. Thus focusing on how work is going to be executed, being closely monitored while one is working. Comparing with other people may result solve risk situations, harsh criticism of new ideas, destructive internal problems and neglect of risk obstructs creativity

### **FACTORS INFLUENCING OF INNOVATION**

- Management style and leadership
- Resources
- Organisational structure
- Technology

- Knowledge management
- Corporate strategy
- Employees, and the innovation process.

## PROCESS OF CREATIVITY

### The 5 Stages of the Creative Process

1. **Preparation stage:** As you begin the creative journey, the first stage involves prep work and idea generation. This is when you gather materials and conduct research that could spark an interesting idea. Brainstorm and let your mind wander, or write in a journal to foster divergent thinking; this will help you consider all possible approaches to building out your idea. In this first part of the process, your brain is using its memory bank to draw on knowledge and past experiences to generate original ideas.
2. **Incubation stage:** When you have finished actively thinking about your idea, the second stage is where you let it go. Part of creative thinking is taking a step away from your idea before you sit down to flesh it out. You might work on another project or take a break from the creative process altogether—regardless, you are not consciously trying to work on your idea. Walking away from your idea might seem counterproductive, but it’s an important stage of the process. During this time, your story or song or problem is incubating in the back of your mind.
3. **Illumination stage:** Sometimes called the insight stage, illumination is when the “aha” moment happens. The light bulb clicks on as spontaneous new connections are formed and all of that material you’ve gathered comes together to present the solution to your problem. In this third stage, the answer to your creative quest strikes you. For example, you overcome writer’s block by figuring out the ending to your story. It can take you by surprise but after the incubation stage, an idea has emerged.
4. **Evaluation stage:** During this stage, you consider the validity of your idea and weigh it against alternatives. This is also a time of reflection when you look back at your initial concept or problem to see if your solution aligns with your initial vision. Business professionals might do market research to test the viability of the idea. During this phase, you might go back to the drawing board or you might forge on, confident in what you’ve come up with.
5. **Verification stage:** This is the final stage of the creative process. It’s when the hard work happens. Your creative product might be a physical object, an advertising campaign, a song, a novel, an architectural design—any item or object that you set out to create, propelled by that initial idea that popped into your head. Now, you finalize your design, bring your idea to life, and share it with the world.

## **STEPS OF INNOVATION PROCESS**

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

New ideas are created during idea generation. Successful idea generation should involve the pressure to compete and the freedom to explore. Mobilization occurs when the idea is moved to a different logical or physical location.

**Step 2: Advocacy And Screening** – Advocacy and screening help to evaluate the feasibility of a business idea with its potential problems and benefits. Hence, a decision can be made about an idea's future. Companies looking to develop a culture can establish a few best practices.

**Step 3: Experimentation** – The experimentation stage tests the sustainability of ideas for an organization at a specific time. Experimentation generates new ideas with the information that is gathered on the results and feasibility of the original idea.

**Step 4: Commercialization** – Commercialization develops market value for an idea by focusing on its impact. An important part is establishing the specifications of any given idea. Commercialization is the stage that involves the change of focus developments to persuasion. After the idea is clarified and a business plan is developed, it will be ready for diffusion and implementation.

**Step 5: Diffusion And Implementation** –Diffusion is the company-wide acceptance of an innovative idea, and implementation sets up everything needed to develop the innovation. Diffusion and implementation allow the organization to determine the next set of needs for customers. Receiving feedback, indicators for success metrics and other benchmarks enable the organization to stimulate the innovation process.

## **FEATURES OF INNOVATIVE ORGANISATION**

Without innovation leadership, it is difficult for modern organizations to survive in the dynamic marketplace. The following are the key characteristics of innovation leadership.

### **1. Risk tolerance**

Innovation is synonymous with creativity. And free-flowing creativity involves a great deal of risk. An innovation leader has high risk tolerance, and has the uncanny knack to consider all possible eventualities to make well-calculated bets that often pay off.

### **2. Domain expertise**

Innovation leaders are typically required in technology oriented industries that advance rapidly. They must have the required domain expertise to communicate effectively with their team, convey a unified vision, understand the inherent risks and advantages of a creative idea, and also to command respect from the team.

### **3. Openness**

When team members come up with a new idea, innovation leaders are receptive and are completely open to exploring the idea. This openness to new ideas, even radical ones, significantly contributes to the creation of a highly innovative climate in the organization.

### **4. Low anxiety**

A person who is chronically stressed and feels anxious about every little thing will not succeed in a creative and innovative environment. Anxiety is contagious, especially if it comes from a leader. Innovation leaders are typically low on anxiety. This helps them create an environment where people feel comfortable and secure, rather than anxious and threatened.

### **5. Emotional stability**

An innovation leader is grounded and has their emotions under control. Huge swings from an elated mood to depression, and then back to elation is not conducive to a workplace that is bustling with ideas. Ideally, an innovation leader is wired to be happy and positive, so they will do what is required to maintain a similar stable environment in the workplace.

### **6. Confidence**

In swiftly changing fields, the job comes with the requirement of constantly exploring the

unknown. It is only natural to feel anxious about stepping into new and unknown territories. But it is necessary to explore the unknown to identify new opportunities. An innovation leader has the confidence in their ability to succeed, and holds the belief that the outcomes are likely to be positive even in the face of unknown risks.

### **7. Action oriented**

Effective innovation leaders have the inclination to jump into the fray of action and actively participate. They feel energized by the action, and enjoy the exhilaration of leading change that leads to improvement and innovation.

### **8. Collaborative inquiry**

Innovations are not always made by lone geniuses. Creative insights that come from intelligent and non-judgmental sharing of ideas can give rise to continual innovation that propels the organization to greater heights. An innovation leader facilitates the process of collaborative enquiry, and encourages open dialogue between people who are involved in the situation.

### **9. Serious play**

All work and no play makes Jack a dull boy, and dullness rarely sparks innovation. These leaders understand that routine work and traditional way of thinking can become rigid and put people in a rut. Innovation requires having fun, and bending rules. Innovation leaders seek to generate insight and knowledge through non-traditional ways such as experimentation, free exploration, improvisation, and rapid prototyping.

### **10. Paying attention**

Paying attention means being a keen observer, looking deeply at the situation, and perceiving new patterns and details. The ability to notice things that may have gone unnoticed will help innovation leaders make accurate assessments and figure out the best solution to a problem.

## **STIMULATING ORGANISATIONAL CREATIVITY**

1. Make creativity one of the key skills you look for in potential employees.
2. Provide a creative working environment. E.g. a wall decorated by employees, interactive lunches or team building events, flexible project teams.
3. Induce collaboration. Enable people with diverse backgrounds to meet and share their perspectives and ideas.
4. Organize workshops introducing lean, agile, design thinking, kanban, gamification, 6Sigma, 6Thinking Hats, random words and other creativity-enhancing methods or tools that people can build into their own processes.

5. Use an innovation management tool with features that enhance creativity and keep the team inspired to come up with surprising solutions instead of generic ones.

## **STIMULATING ORGANISATIONAL INNOVATION**

**1. Embolden the practice of intrapreneurship.** Encourage intrapreneurship among your workforce so that all employees can bring their ideas directly to the company instead of leaving and starting their own business. Set up an innovation team that can work with employees to refine their ideas and act as a sounding board.

**2. Reward innovative habits.** Create an atmosphere where daydreaming and experimenting is valued. Be sure to recognize and reward employees for trying something new—even celebrate failure so they're not afraid to make mistakes.

**3. Offer something different.** To get employees thinking differently, try assigning them to new projects that are outside their usual scope of duties or activities.

**4. Minimize bureaucracy and red tape.** Employees want to share ideas and feel like they are doing meaningful work. Make sure you break down the barriers and encourage two-way discussions between managers and staff. Streamline processes that are getting in the way of good ideas

**5. Maintain work/life balance.** Modern professionals value work/life balance and it's an important aspect of keeping your workforce feeling energized and refreshed. "When people feel overworked, their last priority is trying to be creative; they just want to get through what must be done at the moment."

**6. Model and promote innovative behaviors.** Make continuous improvement one of your company's core values and embrace it at every level of the organization. Encourage executives and managers to lead by example.

**7. Create and nurture a collaborative work environment.** Make your organization a safe place to brainstorm. Support team unity and encourage good manager/employee relationships. A supportive culture not only leads to increased productivity and innovation, but also higher levels of engagement and retention.

## **ORGANIZATIONAL CONSTRAINTS AGAINST INNOVATION**

1. Fear
2. Poor leadership and commitment to innovation
3. Bureaucratic policies and red tape

4. Pressure to produce immediate results
5. Personal biases: beliefs, attitudes and values
6. Lack of facility for pilot testing.
7. Unclear norms on linking innovations with career growth.
8. Inadequacy of rewards and recognition.
9. Poor handling of change management.
10. Informal team formation.

## **ORGANIZATIONAL CONSTRAINTS AGAINST CREATIVITY**

Individual Constraint

Group Constraint

Organizational Constraint

Industry Constraint

Societal Constraint

Technological Constraint

## **OVERCOMING CONSTRAINTS**

1. Goals should be set for innovative achievement.
2. Managers should be encouraged to take a long term perspective.
3. Successful innovation should be consistently rewarded.
4. Failures are accepted as a part of the innovation process.
5. Engineers and researchers in organizations should be encouraged to meet the customers of the organization.

