

**ORGANIZATION DEVELOPMENT
FOR
SMALL AND MEDIUM ENTERPRISES**

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1. Executive Brief

This paper focuses on a variety of OD interventions practiced in the SME in India. The paper uses the Case Study approach for the interpretation of some ODI concepts. As we all recognize, the Case study method is a comprehensive directive to drive a strong concept through and can be an extensive method for learning and introspection. This paper reflects on the practical approach to various ODI's used by the author. All these interventions were used in a combination of internal (intra organization task forces) and external change agents (consultant- the author)

2. In this paper

This paper focuses on certain available OD tools and concepts which were used real life in three SME's by the author.

3. Key words

Organization development intervention (ODI), Small and Medium Enterprise (SME), OD Tool, Ethics, Person centric and process/ Systemic ODI

4. SME Definition

The author chose to restrict the definition of SME's wrt people numbers. In that aspect, a small enterprise would mean a team size of 20-99 employees and a size of 100- 499 employees would mean a medium sized enterprise. (Ref: This is also a part definition provided by Organization for Economic Cooperation and Development (OECD))

5. Industry verticals – Current scenario

Three industry verticals are considered – construction, precision tool manufacturing and manufacture of specialized insulation wires. All the three sectors are very unique when we consider them from a specialization point of view wrt products. Each organization mentioned in this paper has its specific share of problems on people and people practices. The common thread among the three sectors is a clear Talent war for people. This is evident at all levels in the construction segment while talent crunch is seen in mid and senior levels in the niche manufacturing segments. In conjunction to talent war, internal parity in compensation/ role/ recognition as other issues leads to forced ODI in all the three segments. These industries have lesser focus on structured approaches to people problems and adopt a reactive approach to people issues. Lack of well defined policies also act as a trigger to many OD interventions

6. People Practice constraints

According to CII, Indian SME's are characterized by a smaller work force, predominantly non – professionals, systems are driven by their biggest customer, and they constantly face difficulty in retaining people

Due to the above mentioned realities, the focus in SME's has primarily been on struggle for survival, cost and running operations effectively. Since people-focus is secondary at most times, small and large OD interventions have become an imperative when the organization moves over to a rapid growth phase approaching maturity

What needs to be realized is that a consolidated approach of business and people becomes essential beyond a point of time

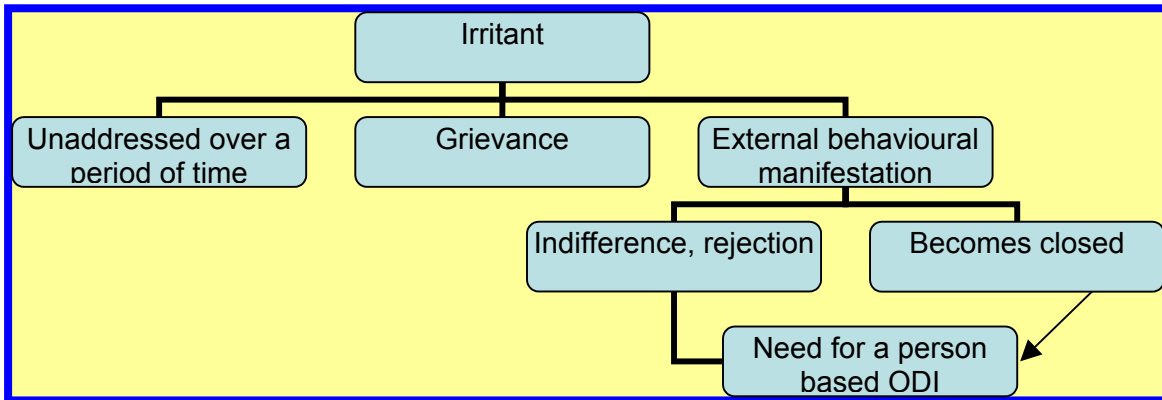
7. Why OD in SME's

The following are a few observations by the author that pertains to the prevalent need for ODI in the SME's

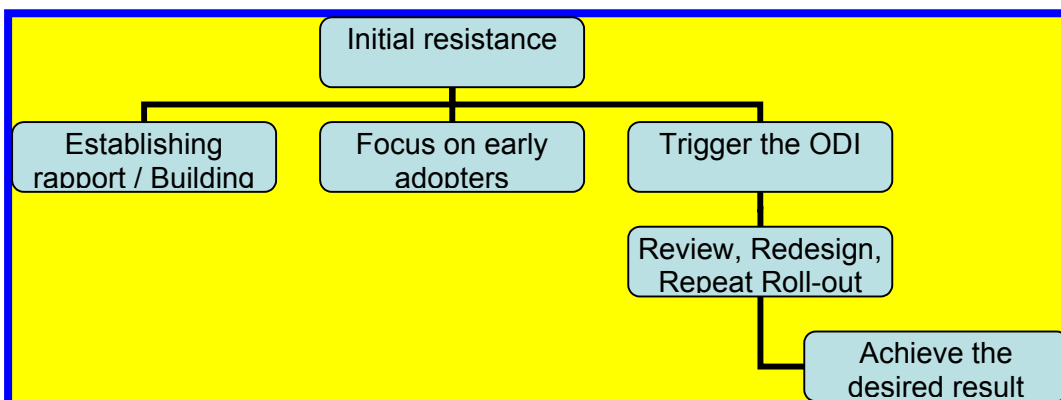
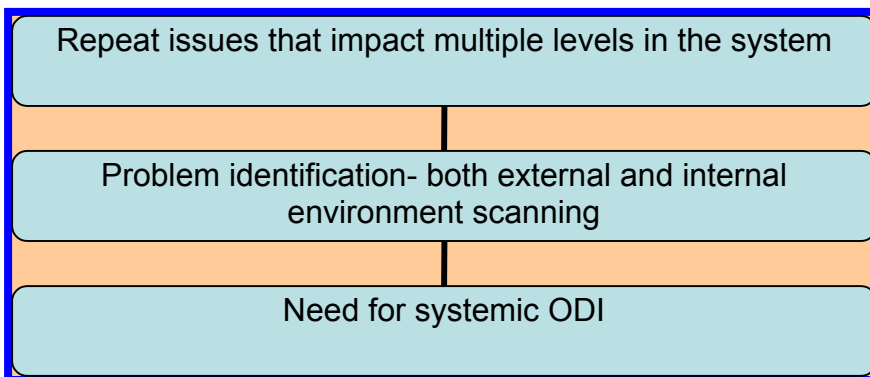
- Concentration of functions as one/two member teams- typically a one man army in HR/ complete absence of HR function
- Lack of empathy or professionalism in dealing with people issues
- Nascent stage of people practice/ Labor intense people practices
- Autocratic/ bureaucratic organizational design
- Reactive methods to solve people issues

8. OD Approaches

➤ Person based



➤ Systemic/ process based



9. OD Tools

- Focus groups
- Personal interviews with key members in the organization
- Questionnaires
- Cross team interviews

10. Critical Success factors

Some of the CSF are comprehensively listed below:

- “Buy in” of the Management and employees
- Ability to identify and sieve the core issue from the ancillary issues
- Application of the right OD tool
- Overcoming internal resistance and rapport building
- Having a both short and long term strategy for each of the initiative
- Metrics wherever possible
- Data to back up all conclusions
- Appropriate timing for the roll out of any large scale intervention
- Focus on early adopters
- Post ODI communication

11. A formula for succeeding in an ODI

Discontent * Vision for transformation * total commitment (consultant, employees, Senior Management) * emotional maturity of concerned parties > change resistance

12. Suggested steps in an OD intervention

- Initial probing with the client that helps unravel/interlink various problem areas
- Determining readiness of the organization for any ODI
- Lock and Key fit as an approach
- Comprehension of key issues and ancillary issues
- Macro level strategy for ODI that includes across the table in-depth discussions and reviews with the client for freezing on the core issues
- Workshops for key change drivers in the system
- Driving home the criticality of truthful and accurate communication during ODI
- Charter for probable solutions with time frames and accountability charts
- Implementation of the solutions one step at a time encompassing the people friendly approach to these initiatives
- Review of the solutions provided at fixed intervals
- Informal T Groups
- Cooperative Conflict Resolution

❖ Real time OD Applications

Case 1 corresponds to an Engineering organization, Case 2 to a Construction organization and Case 3 to a Small manufacturing organization

A. Initial probing

In all the organizations, this initial, first step has been crucial for an overview of the possible issue at hand. In two out of three occasions, after an indepth data analysis the initial problem brief has always been very different from the actual problem. This leads us automatically to the belief and conclusion that a lot of expertise is essential of the practitioner to sieve the perceived problem from an actual reality. Most often assumptions form the base of an issue and with minimal ODI, the problem can be corrected vis a vis an approach where an extensive intervention is warranted. It has also been observed that data has not been given due importance during the problem formation phase in most instances

Case1 This step has proved to be a strong base in the author's experience in an engineering firm. In the beginning of the assignment, during the initial conversation and data collection, the author was briefed that people were closed, there was not much professionalism in the system

Case 2 This was in a construction firm. The author was briefed about the disturbances brewing in specific departments. The author was also advised to exercise caution while dealing with employees as they were closed and unapproachable for implementing solutions

Case 3 This was a small manufacturing organization. The organization was family run and practices were aged and not in sync with the current industry needs. The author was briefed that a huge transformation in the mindset of the employees was required. It was also told that there were severe conflicts between departments and no consensus to any idea

Anti-hypotheses

In all the above cases, when the author met a cross section of the Senior Management team and employees, it was observed that problems were over stated. The magnitude of issues was not as large and compound. After a root cause analysis problems could be segregated as follows

- One on ones with staff revealed that issues arose due to a lack of two-way communication and pre-conceived perceptions ruled most of the times.
- Actual collation of relevant data revealed that issues were not people-centric as was described but were process related and were to do with levels of authority in the system. Autocracy was evident in most organizations
- Lack of transparency in the system and an absence of need based communication also complicated the issues in the system
- Lack of empathy to actual problems and callousness to employee needs precipitated and worked as a trigger for discontent

Conclusion Most often, the real cause and the perceived problem are contradictory and issues must not be taken at face value before gathering of relevant data

B. Determining readiness

A variety of templates have been used, most of which focuses on practices, people, structure and the maturity of the organization to accept the proposed ODI's

A range of SME's have been observed, some which are at an infancy stage in terms of people practice while there are others who act as pioneers in implementing certain high end concepts like Balanced Score Card

The author has observed that this step has to be planned, reviewed with the management and with key people within the organization, well studied and only then can be rolled out

Case 1 In the engineering firm, the top management was extremely committed to several ODI and looked to an overall transformation of the organization into a professional one through appropriate interventions. The readiness quotient was very high and hence several interventions were successful and could be percolated with ease

Case 2 In the construction engineering firm, the middle management was most excited while the senior management was skeptical about the entire exercise. Earlier unsuccessful initiatives had brought in skepticism and cynicism to the interventions. Hence the readiness quotient was moderate

Case 3 In the small manufacturing set up, resistance was evident at all levels and therefore the readiness quotient was rated low

Conclusion In all the three cases it became imperative to carefully adopt positioning the intervention, branding the exercise in certain instances and closely following up to push for desired results

C. Lock and Key fit

Borrowing a theory from Enzymology, the lock and Key approach to ODI has proved beneficial while running ODI's across organizations. There is a perfect fit that has to happen between the problem and the solution and no one key suits all locks. If this is mapped to an ODI, specific solutions have to be chosen for specific problems and no single solution can solve a host of issues in an organisation. The values, culture, norms, and people are important for ODI's to be effective within organizations. Selection and application of the right tool is of prominence in ODI's

Case 1 In the engineering firm, the ODI tools used were Invisioning, Team alignment to values before the onset of ODI's, conscious trust building for almost more than a quarter of a year, allaying apprehensions, inter group problem solving methods. These included brain storming, norming and freezing methods of probable interventions

Case 2 In the construction firm, task forces, RCA to problems, coaching, employee surveys, and feedback mechanisms were used extensively

Case 3 Change management through objective setting, accountability charts, Inter department task forces as change drivers, positive feedback sessions among employees were used to bring in transformation

Conclusion In the above cases, there were different approaches to different problems but the overall lock and key concept proved beneficial

D. Comprehension of key issues and ancillary issues

The capacity to isolate key issues from ancillary issues can also help arrive at the solution faster. Many underlying issues are a fall out of the key issue on hand. They are branches to the main stem and the ideal approach would be to prevent the stem from damaging while implementing ODI's. Making a list of key problem areas can also help the OD practitioner to narrow down on the practicality of any intervention proposed. Problem structuring, banding problems in levels of complexity, using a decision tree approach to probable solutions, Root Cause Analysis of every problem can help bring clarity in problem solving

Case The core issue was resistance to change in all the three organizations. Ancillary issues included apprehension, lack of clarity about the need for such intervention, lack of trust in the author initially and resistance to buy-in of ideas. Once these barriers were overcome, the interventions could be carried out effectively

Conclusion Ability to sift core and micro issues, hard and soft needs are mandatory for any successful ODI

E. Macro level strategy

Before the start of any ODI, it is mandatory to air the proposed solutions to the core team. This helps bring varied perspectives to the probable solutions, gives an overview of the acceptance at this level and aids the practitioner in getting a macro view of the thought process of the core team. Based on these observations, the author proposes a macro level implementation plan be drawn up with target dates of completion

Case In all the organizations, the first step to the post data analysis and problem framing was to get a buy in from key members for the ODI wherever applicable. When the intervention was organization wide, buy-in proved critical and when the intervention was person centric, it was appropriate to brief the individual in a fair and transparent manner the need to coach him/her.

Conclusion Post the author's in-depth research within the organization for all probable causes of issues, an overall guideline document was prepared that contained in depth comprehension of the scenario in the organization and was run always with the management for freezing on core issues

F. Workshops for key change drivers

In any ODI, the buy-in of relevant employees becomes crucial in the implementation of the intervention. Targeted work shops that helps orient the employees of the organization if the ODI has change involved has helped the author in allaying fear in the minds of employees during a change management process. Striking a balance between the current systems and the probable changes to be introduced is mandatory. A slow decrease in the resistance to change or an increase in the acceptance to change can be observed during organization wide change management. It has been observed by the author that focus on increase in acceptance can be a better approach than the reverse.

Case1 In the engineering firm, work shops paved the way for group acceptance. The team was large and a person by person recount of the ODI would be catastrophic.

Case 2 In the construction firm, workshops helped in bringing departments together. Cross functional bonding was a fall out of the main intention of change acceptance

Case 3 In the small manufacturing organization, workshops were almost a first time event leading to a high level of enthusiasm among members. It also gave the first hand feel of what could be anticipated and the participative approach led to the ODI's success

Conclusion Workshops can be an appropriate jump start for interventions across teams and the entire organization

G. Criticality of truthful and transparent communication

During an ODI, communication is the key. Leaving employees wondering can have a negative impact on the ODI as also can lead to resistance to the intervention. The right communication, top-down preferably with intermittent informal communication among teams can help break barriers to ODI. In one particular organization, communication was not transparent even after discussions and interventions which led to a less effective result

Case 1 Communication had been formal and top down always in the engineering firm. It was also only on a need basis and reactive. Communication almost invariably never reached the lowest rung of members in the team thereby causing a huge gap over the years between the different layers of the teams within the organization

Case 2 Grapevine communication occupied a predominant part in the construction firm. There were no formal communication channels between teams and were evident within projects only.

Case 3 In the small manufacturing firm, autocracy ruled the roost and communication was almost close to nil. Trust in any communication was nil

Conclusion In all the above organizations, the commonality was the lack of communication which itself to a large extent that had resulted in a need for ODI. In certain cases, communication was forced and one-way that had resulted in a lack of trust, feeling of a lack of comfortable work environ and in one case, a thorough dislike for the management. In all the above cases, truthful and transparent communication over a period of time consistently brought in trust and openness in the system. Employees bonded better after one quarter of the year in most cases post the author's intervention. Contribution to ideas and the feel of oneness spiraled in most cases

H. Charter for probable solutions with time frames and accountability charts

For any ODI to be successful, time frames and accountability charts prove to be beneficial. Else it is observed that some ODI can run to months without an end result and can result in ambiguity for all parties concerned. An accountability chart helps clarify the level of involvement of many employees across the organization. It can also drive structure into the ODI. While providing a solution all aspects of people, structure and strategy must be in alignment for an ODI to succeed

Case and conclusion A common observation in all the studied cases was the acceptability to interventions but a consistent lack of accountability by team members. Individual members were resistant to commit to a timeframe for instilling change among junior staff which led the author to persuasively bring in accountability sheets with timeframe for the ODI to be rolled out

I. Solution Implementation

A Big Bang approach to ODI's can prove to be counter productive. No organization, in whatever stage of maturity is ready for a radical change. All ODI must be phased out, relatively slow and should be implemented one step at a time. Constant monitoring of the initiatives proposed through team meetings and capturing the essence of the transition is vital

Case In all the cases studied, a push of all interventions in one go would never have worked. ODI's had to be prioritized before the roll out. Those that were gentler and individual based were rolled out first and then group interventions were targeted. In the case of the manufacturing firm, simultaneous individual and group interventions were considered

J. Periodic Progress Review

This is usually the most neglected area in any ODI. In reality however, it should be the most crucial area during an ODI. Re-alignment of the overall strategy to ensure ODI success is important always

Case 1 In the engineering firm, review was done internally on a fortnightly basis and the author was involved on a monthly basis

Case 2 In the construction firm, reviews were on a need basis, sometimes even bi-weekly

Case 3 In the small manufacturing firm, reviews were done weekly since the ODI focused on bringing in accountability of members across the organization

Conclusion Reviews depend extensively on the commitment of the top management and the members in the team. If the organization is mature in processes, then reviews are taken and received well. However, the author faced resistance in Case 1 and 3 where reviews were viewed as being checks on the person and the holistic perspective of reviews sunk very late into people and the system

13. Summary of OD Interventions and its applications

SI No	Tool		Advantage/ Use	Pitfalls	Precautions
1	Purposeful Goal Setting in TEAMS	1a	When goals are set using teams, the overall acceptance to targets becomes higher	If teams are already well bonded, overall team resistance can be observed during the process of goal setting	Vital for the practitioner to keep the goal very clear and precise before the exercise is initiated
		1b	A Holistic Organizational view is achieved		
		1c	Flow of goals becomes easier		
2	Invisioning	2a	Executorial excellence	A tendency to overspell each division's achievements during an assessment of executorial excellence is observed frequently	Reality checks are an imperative
3	Task forces	3a	Intergroup problem solving	Hypothetical problems/ assumptional problems have to be tackled often Resistant groups can mislead the idea among team members	
				A downplay and pressure to accept numbers can be seen	
				Buy in from the top management in some organizations is difficult. There is a drastic value misalignment of the leadership team and the employees	
		3b	Change Management		change must be a seeping one, radical changes must be introduced with care
		3c	Team alignment to values		Values' lucidity is critical for any ODI
		3d	Buy – in to ideas, targets		
		3e	Increases bonding among senior employees		
		3f	Enhances trust		
		3g	Inculcates a transparent environment		
		3h	Increases ability to accept and correct inter-divisional conflicts		
		3i	Helps in assessing the core cause of any problem		
		3j	Enables the organization to take a macro view of the overall problem		
		3k	Inculcates an open environ within the organization		
3l	Acceptance of mistakes/ process enhancements/ increases emotional maturity of employees over a period of time				
3m	Reduces resistance to change drastically				
3n	Helps in bringing teams together to drive the change process top-down and laterally			Type of change to be introduced has to be assessed in advance	
4	Root cause analysis to structural problems	4a	Overall organizational effectiveness is achieved	Multiple causes that can mislead can be a stumbling block unless identification is done correctly	Thorough analysis with data to back up all conclusions becomes critical
5	Feedback mechanisms within organizations	5a	Positive culture	Feedback if not formulated appropriately and if delivered with less care can boomerang	

14. Modified T Group

Deviating from a formal T Group has helped conceive positive vibes in organizations during ODI's

Case T Groups were modified slightly by the author for specific interventions. In the manufacturing and the niche engineering firm, there was a lot of negativity in the system and the people that it was important for the author to break negativity to bring people closer and work towards a common purpose. Informal T Groups here means that the author used only positive reinforcement and strokes and encouraged the group to use the same for a specified period of a month. Post the stipulated time frame, the author measured the level of positivism through the impact on work in the team and found it that the team had bonded well due to this attempt and meetings chaired thereon were full of life and zest with maximum participation from members. This was a key transformation journey in the two organizations

Conclusion A Positive element added to an intervention could go a long way in transformation and acceptance to change

15. Cooperative Conflict resolution (CCR)

This approach has helped the author overcome barriers of acceptance to the specific ODI across organizations. Teams in cooperation have significantly contributed to conflict resolution in all organizations that the author has worked with.

Case CCR as a technique was used by the author extensively in resolving conflicts during many interventions. Cooperative inputs from teams to resolve issues proved to be a far more effective technique for conflict resolution than independent and individual suggestions for conflict management

16. OD Results

Below are listed some key benefits of OD interventions:

- Higher levels of motivation and increased performance
- People and process acceptance
- Positivism in the system
- Better organizational design
- Increase in value creation skills like emotional maturity, openness to receive feedback, “perception – prevention”, data relevance
- Socialization skills in employees

17. Data Power

Relevant data has the power to drive an absolutely different solution across the organization. With the subjective eliminated through data, objectives become clearer and visible. In all the cases where the author has intervened to carry out an ODI, data has been the base for framing the problem as also the solution. Qualitative data was used in change management while quantitative data was used for certain interventions like objective setting. Certain metrics were also derived while driving these ODI's

18. OD and culture

Culture plays a significant role in an ODI. In traditional organizations the approach to ODI is very different from the new-gen organization. It has been observed that ODI penetration is slightly easier in IT sectors where the flat hierarchy acts as an enabler to roll out interventions, big or small

19. OD Ethics

As an OD practitioner, integrity and ethics play a major role in the success of any intervention within the organization. A high level of discernment on problems, communication, and contextual information sharing and planning coupled with ethics is an imperative in OD practitioners. Ethics builds mutual trust and in practicality helps the client in sharing deep organizational/ people concerns that help the practitioner comprehend issues in a better way. In the author's experience, this has gone a long way in translating apparent subjective into more objective results

20. Symbiotic partnership

All ODI's can see success only when there is a symbiotic partnership between the client and the practitioner.

21. Success from interventions

This can be divided into people and process successes

People The intervention led to the creation of charged task forces that focused on continual improvement within the organization. It created a stimulated environment for ideas to be openly discussed which triggered many initiatives that were driven by the team over a period of time. The need for an external consultant itself was brought down and self efficacy was the output. Communication among team members increased significantly. A gradual transformation in the approach to certain first step initiatives

were accepted over a period of time. The organization was benefited when people transformation led to acceptance of many process improvements

Processes This was a long drawn intervention with multiple steps mostly. Concentration on basic systems led to the development of well defined process documents in many instances. In one organization, this led to competency development as a focal point. Talent reviews, succession planning, internal compensation parity study, Behavioural training need assessments, structured performance appraisal processes, documentation of a variety of tasks are some of the process changes/improvements that resulted as a result of some ODI's . What this ultimately resulted in is an overall clarity of systems and subsystems within an organization, increased control over people through the uniformity that resulted from the process definitions and improvements. Greater objectivity in a host of people/process aspects

22. Conclusion

All OD interventions must be practical, relevant and objective. It is imperative to understand if there is a genuine need for an ODI before an intervention is carried out. A Lock and Key approach is beneficial to any ODI. The **3E's namely Experience, empathy, emotional maturity is the key to overall success** in an Organizational Development Intervention