

**OD In Organizations – An Exploratory Survey In Andhra Pradesh**

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by

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## **OD in Organizations – An Exploratory Survey in Andhra Pradesh**

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It has been proved that change is inevitable and part and parcel of the progress of mankind. The people right from the earlier times toiled hard in the process of change to transform the society and put it on the path of progress. This has been a global phenomenon, more so in the context of organizational survival and sustenance. It is also true that people resist change due to its displacing effect over time, but quickly accept because of the consequence of *no change* reality. Management of change and the dynamics involved in the change process assume significance in an organizational context. Managing the process of change requires a planned, organizationwide effort to make the interventions effective leading to the organizational growth. Termed as Organizational Development (OD) in HR parlance, organizations are trying to manage the process of change in a planned way.

### **The Context**

It is often said that change is the only reality, rest is subject to change. It is indeed at the very heart of life – at the individual level, organizational level, national and global level. The pace might change along the continuum but one thing is certain and that it involves change. The work methods, hours, careers, employment patterns changed affecting the individual whereas technology, methods, external market forces, social and political environment changed, impacting the organizations. Thus change has implications for both individual and business. It is in this context that the management of change and OD assumes significance to understand the relationships and the organizational life cycles. OD as a concept comes in handy for organizations to manage change.

### **OD – The Concept**

As a concept, OD has been introduced to organizational literature long ago. Beckhard (1969) defines Organization Development (OD) as "an effort, planned, organization-wide, and managed from the top, to increase organization effectiveness and health through planned interventions in the organization's processes, using behavioral-science knowledge."

According to Warren Bennis (1969), organization development (OD) is a complex strategy intended to change the beliefs, attitudes, values, and structure of organizations so that they can better adapt to new technologies, markets, and challenges.

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Warner Burke (1992) emphasizes that OD is not just "anything done to better an organization"; it is a particular kind of change process designed to bring about a particular kind of end result. OD involves organizational reflection, system improvement, planning, and self-analysis.

According to Mary Eggers and Allan Church, 'Organization Development is a dynamic values-based approach to systems change in organizations and communities; it strives to build the capacity to achieve and sustain a new desired state that benefits the organization or community and the world around them'. Based on the Values and Advocacy Initiative of the OD Network, Mary Eggers and Allan Church initiated a discussion with a diverse set of practitioners and leaders. From this they prepared a draft statement on the Principles of Practice of OD. The practice of OD is grounded in a distinctive set of core values and principles that guide behavior and actions.

Perhaps a more broad-based definition, capturing some of the flexibility of approach and method that OD later acquired, is that given by Pareek (1986), when he said- 'OD is a planned effort, initiated by process specialists to help an organisation develop its diagnostic skills, coping capabilities, and linkage strategies in the form of temporary and semi-permanent systems, and a culture of mutuality'.

While the preceding definitions appear to give prominence to the process aspect of OD – what and how it functions, other definitions focus on what it does or what facts of the organisation OD attempts to deal with. According to McLagan, OD focuses on healthy inter and intra unit relationships and helping groups initiate and manage change. OD's primary emphasis is on relationships and processes between and among individuals and groups. Its primary interventions is influence on the relationship of individuals and groups to effect an impact on the organization as a system'.

Another definition that would communicate a large part of the flavour that OD has acquired to day refers to the top management approach of initiating change. OD is a top-management supported long-range effort to improve an organisation's problem solving and renewal processes, particularly through a more effective and collaborative diagnosis and management of organisation culture with special emphases on formal work teams, temporary work teams and intergroup culture with the assistance of a consultant facilitator and the use of the theory and technology of applied behavioural science, including action research.

## **OD – Evolution**

The term 'organisation development' appears to have emerged in the 1960s most probably as an offshoot of activities being undertaken by behavioural scientists such as Robert Blake and Jane Mouton, Herbert Shepard, and Douglas McGregor, in different organisations around the same time. The label was used to distinguish the efforts of applied behavioural scientists from other approaches to working with organizations.

The origins of OD, however, can be traced further back to certain contextual factors and events in the early part of the 20<sup>th</sup> century. The principles of scientific management based on the ideas of Frederick Taylor (1947) and others, were being applied in the early decades of the century to improve work efficiency and employee productivity. Their applications first illustrated the possibilities of external experts examining and intervening in the work

processes of organisations. Such approaches, however, focused mainly on the technical efficiency of work. It fell to the thought of the human relations school of social scientists to highlight the importance of the social and psychological aspects of the work context. The Hawthorne experiments were the first landmark in this direction. Industrial psychology – related studies and research particularly those on leadership and employee satisfaction in the 1940s and early 1950s, such as the work of Fleishman revealed the possibilities of increasing organisational effectiveness by modifying human behaviour and capabilities. But the importance of also focusing on the work context and culture of the organisation emerged with the realisation soon after that the long-term utility of behavioural science based leadership and supervisory development training programmes was strongly related to the culture and climate of the department or organisation where the trainees worked.

As knowledge of human behaviour – and the techniques of modifying it continued to grow, another critical trend was taking place in the early half of the 20<sup>th</sup> century. This is what was described by Bennis (1969) as the emergence of an activist role of the behavioural scientists, and the replacement of their ‘contemplative standard point’ with the ‘manipulative standpoint’. The shift took place on account of the increasing disillusionment with the traditional moral neutrality of the scientist, the increasing awareness of the possible applications of behavioural science knowledge, and the increasing dissatisfaction with existing practices of managing people and organisations. The theory X (McGregor 1960) approach to dealing with people, and the bureaucratic mode of designing and managing work organisations fell out of favour, and there was a desire to find alternatives that could integrate individual well-being and growth with organisational effectiveness.

These factors describe an understanding of the ground in which OD took root. But OD itself is the outcome of three different traditions or “stems” that intertwined to form the trunk of OD (French and Bell 1991). They are the action research, survey research and laboratory training traditions, which spread to other parts of the world.

### **The Spread of OD**

By the mid – 1960s and the early 1970s, OD technology spread to other countries, largely due to the programmes of NTL at Bethel, Maine, founded by Kenneth Benne and other early pioneers of the laboratory training. Following a number of training and accreditation programmes in laboratory training and group dynamics, other similar institutions came up in the US and other countries.

The advent of OD in India is an offshoot of the introduction of laboratory education by Udai Pareek, Rolf Lynton and other professionals at National SIET Institute at Hyderabad, which offered the first OD Laboratory. In 1971, ISABS, was established in Hyderabad. ISABS instituted various professional training and accreditation programmes, fostering the growth of the first OD professionals in India. When management education institutes like IIMs came up soon after in the 1960s, they offered post – graduate and doctoral level programmes with specializations in organizational behaviour or behavioural sciences. Other factors that have contributed to the growth of the OD profession in India are: setting up of other professional associations, notably ISISD and the National Human Resource Development Network, each of which offered relevant professional development training programmes; wide proliferation of behavioural science – based training programmes in the corporate sector; setting up of specialized departments for organisation development and human resource development in many business and non-business organisations; and in general heightened awareness about

behavioural science applications through research, publications and professional conferences / seminars. Yet this is a field which is grappling with problems and looking at solutions to manage change in the context of various factors that has made management of change a complex phenomenon. Over the years, OD has had many different definitions and conceptualisations (Jamieson and Worley, 2006) yet most share the most commonalities and only seem to differ on the scope of change targets and the ultimate intention of change. These differences on the scope of change and intention of change makes it all the more complex to study and examine the management of change in organizations. This paper is an attempt in this direction and seeks to understand the status of OD in organizations.

## The Study

Broadly, the study aimed at an understanding of the status of OD in an organizational context. More specifically, the study attempted to get insights into the prevailing scenario of OD at Hyderabad, an emerging hub of IT / ITES, Biotech, Telecom, Finance and Banking etc. The study is of an exploratory nature at the micro level, a list of 50 companies across various sectors was chosen. Data was collected through a structured questionnaire which included the list of interventions, the tools and techniques, the people involved etc, from 37 companies who responded to the survey (out of 50 contacted) with a response rate of 74%. Data was content analysed in a descriptive way using pictorial representation, wherever found appropriate, to draw inferences on the status of OD in organizations

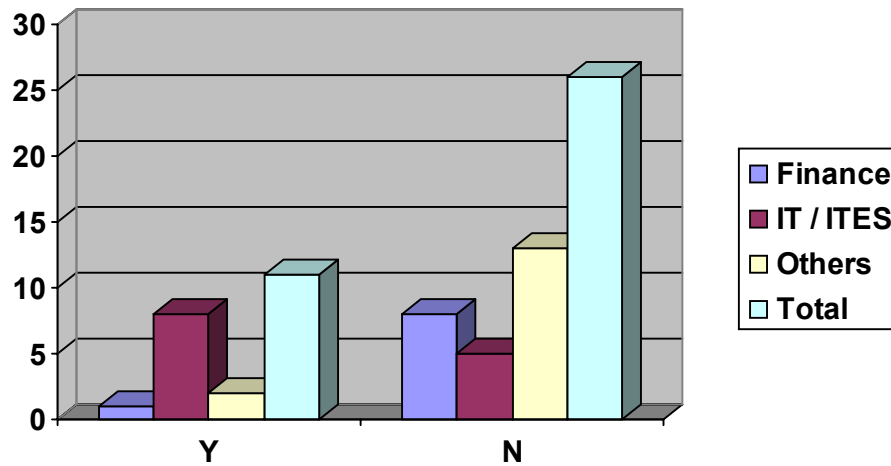
## Results and Discussions

Change has become an inevitable part of the organizational life cycle. Organizations that do not change when needed or not sensitive for change do not survive long. With this in view, the existence of an OD Team was looked at in the study. It is found that out of a sample of 37 companies belonging to different sectors only 29.7% of the companies have a formal OD department or a team to carry out OD Interventions, which is considerably less. Of these, a majority of the IT / ITES sector accounted for the OD team (Table - I). It is rather discouraging to learn that a majority of the companies across sectors, which comprised the emerging and *sunrise* sectors did not have an OD department / team (70.2%). This is an issue of concern as it relates to the structure and processes which make functioning flexible and less bureauracatic, decentralizing, but at the same time strengthening accountability; building bridges among different groups, functions and divisions; reorienting people and roles to make them more adaptive; and creating a small-group atmosphere within a large organization.

Table - I  
Existence of an OD Team (N = 37)

| SECTOR    | YES (Y) | NO (N) |
|-----------|---------|--------|
| Finance   | 1       | 8      |
| IT / ITES | 8       | 5      |
| Others    | 2       | 13     |
| Total     | 11      | 26     |

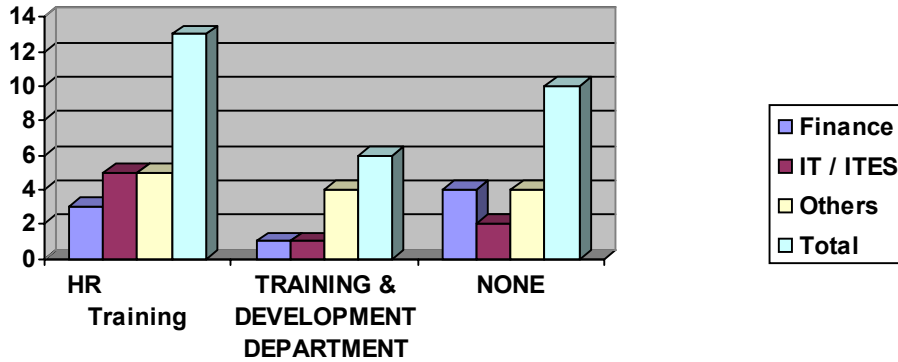
Existence of an OD Team (N = 37)



As Indian culture is strongly hierarchy based, an OD facilitator must first explain the need for change, what is to be changed and how it is going to benefit the target group. Such persuasion on the part of the change agent is bound to yield positive results. The study examined the role of OD facilitation in the sampled organization. A majority of the organizations appointed the HR Manager as the OD facilitator (35.1%). Some of them facilitated OD through the training and development department (16.2%), while a good number of them did not have any OD facilitation (27.0%). The rest of them did not respond highlighting the fact that no arrangement has been made in the direction. OD facilitation concerns the role of leadership, particularly the visioning process and sharing vision; establishing and articulating purposes; developing change initiatives and programmes to guide implementation; communicating with and listening to people, dealing with questions and frustrations: and generating the feeling of empowerment in organizational members during times of significant change (Table - II).

Table – II  
OD Interventions (N = 37)

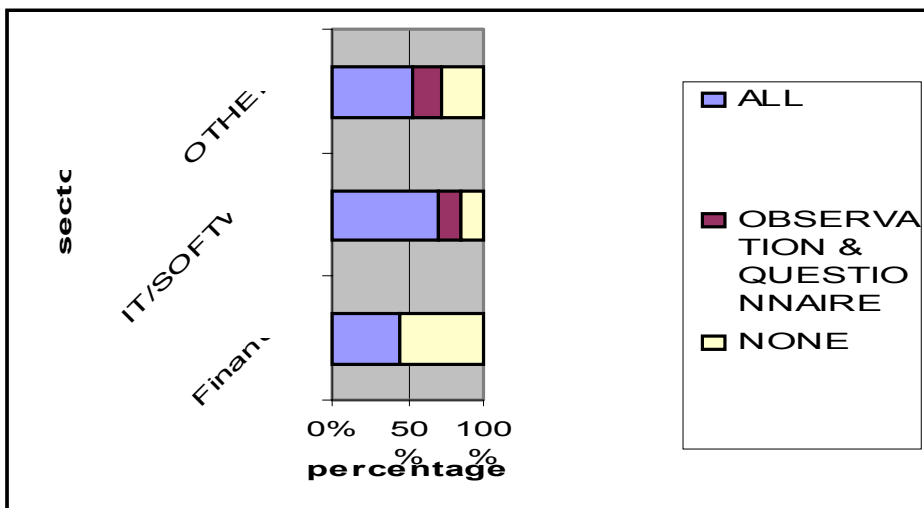
| SECTOR    | HR MANAGER | TRAINING & DEVELOPMENT DEPARTMENT | NONE |
|-----------|------------|-----------------------------------|------|
| Finance   | 3          | 1                                 | 4    |
| IT / ITES | 5          | 1                                 | 2    |
| Others    | 5          | 4                                 | 4    |
| Total     | 13         | 6                                 | 10   |



A number of methods are used to manage change. The study found out that observation and questionnaire (13.5%) was the method used in some organizations, a good number of them (56.7%) used a combination of methods. None of the established methods were used in some organizations (29.7%). (Table - III). The same trend continued with the IT / ITES sectors using a choice of methods to manage change. since training is a widely used intervention, it is important to link it in terms of learning how to work together better; solve problems more effectively and improve the learning processes in organizations, much more strongly to solving of actual problems in real time in organizations.

Table – III  
OD Methods

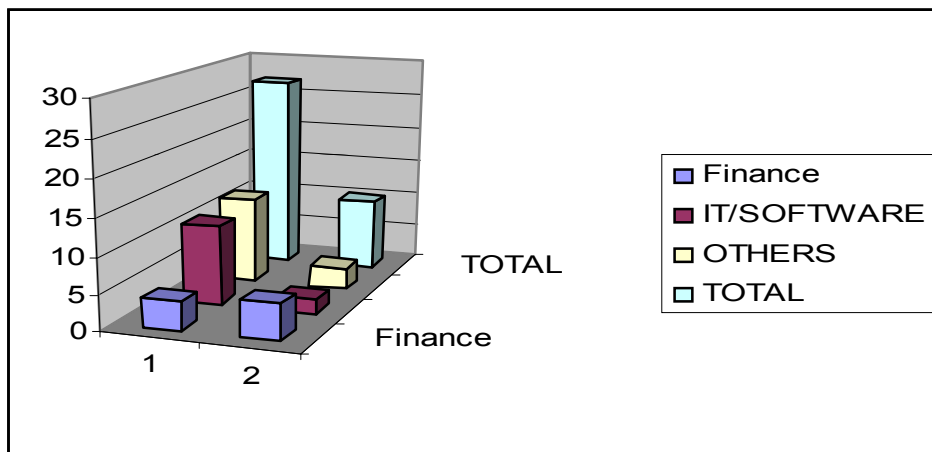
| SECTOR/ METHODS | ALL | OBSERVATION & QUESTIONNAIRE | NONE | TOTAL     |
|-----------------|-----|-----------------------------|------|-----------|
| Finance         | 4   | 0                           | 5    | 9         |
| IT/SOFTWARE     | 9   | 2                           | 2    | 13        |
| OTHERS          | 8   | 3                           | 4    | 15        |
| <b>TOTAL</b>    | 21  | 5                           | 11   | <b>37</b> |



Any change initiation requires the unanimity on the purpose and methodology of change management. The study examine the unanimity of opinion between OD team on the other actors in the process. IT was encouraging to note that a majority of them (72.8%) agreed on the goals of change management and the rest differed (27.2%). The unanimity was again between the IT / ITES sector and other sectors equally distributed (Table - IV).

Table – IV  
Unanimity between OD / Organization on goals

| SECTOR/ METHODS | YES       | NO        | TOTAL     |
|-----------------|-----------|-----------|-----------|
| Finance         | 4         | 5         | 9         |
| IT/SOFTWARE     | 11        | 2         | 13        |
| OTHERS          | 12        | 3         | 15        |
| <b>TOTAL</b>    | <b>27</b> | <b>10</b> | <b>37</b> |



In summary, it could be concluded that it is the IT / ITES sector which was sensitive to change and change management in terms of structure, process and goals. It is surprising to note the lack of the need for change in the other sectors even in the prevailing competitive scenario. The study has strong implications for the future as change is the order of the day and organizations have to leverage on their change initiatives for success and the competitive edge that the organizations are battling for. All the same since the study is aimed at an understanding of the status of OD in the organizations based at Hyderabad, it does not venture into large scale generalisation on the issue of management of change and OD. Yet it provides a picture of the prevailing scenario of OD in Indian organizations and contributes to the furthering of research in the field of OD.

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[www.odinstitute.org](http://www.odinstitute.org)

[www.theodcompany.com](http://www.theodcompany.com)

[www.orgdct.com](http://www.orgdct.com)

## **Annexure 1**

### **QUESTIONNAIRE**

Name of the organization :

Branch Office :

Head Office :

Sector/s :

Name of the OD practitioner :

Telephone No :

Email No :

Qualification/ Certificates :

Experience Profile :

#### OD - List of Interventions:

-Institution-building

-Corporate team building

-Organizational learning and Renewal

-Others:

- Feedback Mechanisms
- Awareness of changing norms
- Increased interaction
- Confrontation
- Education

1) Does your organization have an OD Team?  
Yes ( ) No ( )

2) A. Who is part of the OD Team?

2) B. If No, who is handling interventions that resemble OD?

3) What are the Intervention/s followed?

4) How did you arrive at which intervention to use?

4 A.) How is information collected - to understand the organization and its problem areas and methods used to obtain necessary diagnostic information?

- Interviews
- Questionnaires
- Observation
- Previous performance
- All

5) OD interventions are driven by:

- a. Top Management (Chairman/ MD/ CEO)
- b. Senior Management (VP/GM/DGM/ Sr. Mgr)
- c. OD Team/ HR Team
- d. Line/ Business Unit
- e. Others \_\_\_\_\_

6) Is there a sufficient clarity on what kind of financial and time commitments are required to be made, and who should be involved in OD or related activity?  
Yes ( ) No ( )

7) Do the key actors in the organization and the OD practitioner / HR Manager have similar views and feelings on the goals to be achieved and the path ways for getting there?  
Yes ( ) No ( )

8) The organization has internal expertise in

- 1. Identifying Needs/ Diagnosis ( )
- 2. Designing Intervention ( )
- 3. Intervention Implementation ( )
- 3. Intervention Impact Assessment ( )

9) The organization uses external expertise in

- |                                     |                                       |
|-------------------------------------|---------------------------------------|
| 1. Identifying Needs/ Diagnosis ( ) | 2. Designing Intervention ( )         |
| 3. Intervention Implementation ( )  | 3. Intervention Impact Assessment ( ) |

10) External Consultants used in

Phase:

Consultant Name:

1. Identifying Needs/ Diagnosis

2. Designing Intervention

3. Intervention Implementation

4. Intervention Impact Assessment

## Annexure 2

### **COMPANIES APPROACHED FOR PRIMARY DATA COLLECTION**

| <b>SECTOR AND COMPANIES APPROACHED:</b> |                                     |                            |                              |                                 |
|---|-------------------------------------|----------------------------|------------------------------|---------------------------------|
| <b>BPO/ITES</b>                         | <b>BANKING / FINANCIAL SERVICES</b> | <b>LOGISTICS</b>           | <b>HEALTH CARE</b>           | <b>MEDIA</b>                    |
| IVY COMTECH                             | CITI FINANCIAL                      | AFL                        | YASHODA HOSPITAL             | DECCAN CHRONICLE                |
| GENPACT                                 | WAY 2 WEALTH                        | BALMER LAWRIE & CO. LTD.   |                              | TIMES OF INDIA                  |
|   | LKPSHARES & SECURITY LTD.           |                            |                              |                                 |
|   | SHAREKAHAN                          |                            |                              |                                 |
|   | SCOTIA BANK                         |                            |                              |                                 |
|   | KARVY                               |                            |                              |                                 |
|   | GE MONEY                            |                            |                              |                                 |
|   | HDFC                                |                            |                              |                                 |
|   | GREEN FLDS FIN LTD                  |                            |                              |                                 |
|   | ING VYSYA                           |                            |                              |                                 |
| <b>PHARMA AND BIOTECH</b>               | <b>RETAIL</b>                       | <b>OTHERS</b>              | <b>IT/TELE COMMUNICATION</b> | <b>IT/TELE COMMUNICATION</b>    |
| BIOLOGICAL.E. LIMITED                   | SHOPPERS STOP                       | PKL LTD                    | CORDYS R&D INDIA             | HCL INFO SYSTEMS LTD            |
| DR REDDY LABS                           | SPENCERS                            | KLR INDUSTRIES LTD.        | CONVERGYS                    | HONEY WELL TECHNOLOGY SOLUTIONS |
|   |                                     | ITC IBD (AGRI-BUSINESS)    | TCS                          | SEIRA ATLANTIC                  |
|   |                                     | ITW SIGNODE                | INFOTECH                     | ORACLE                          |
|   |                                     | FERGUSON & CO (CONSULTING) | ISPACE                       | SPECK SYSTEMS                   |
|   |                                     |                            | MENTOR GRAPHICS              | SINDHU SYNERGY                  |
|   |                                     |                            | AAKIT TECHNOLOGIES PVT. LTD. |                                 |
|   |                                     |                            | HUTCH                        |                                 |

**Annexure 3**  
**List of Respondents for Primary data:**

| <b>Name of the Company</b>      | <b>Sector</b> | <b>Name of the Company</b> | <b>Sector</b>       |
|---------------------------------|---------------|----------------------------|---------------------|
| IVY COMTECH                     | BPO/ITES      | DISHNET                    | COMMUNICATION       |
| CITI FINANCIAL                  | FINANCE       | HUTCH                      | TELECOMMUNICATION   |
| WAY 2 WEALTH                    | FINANCE       | ITC IBD                    | FMCG                |
| LKPSHARES & SECURITY LTD.       | FINANCE       | KLR INDUSTRIES LTD         | MANUFACTURING       |
| SHAREKHAN                       | FINANCE       | HDFC                       | FINANCE             |
| SCOTIA BANK                     | FINANCE       | PKL LTD                    | LOGISTICS           |
| HCL INFO SYSTEMS LTD            | IT            | SPENCER'S                  | RETAIL              |
| HONEY WELL TECHNOLOGY SOLUTIONS | IT            | SHOPPERS STOP              | RETAIL              |
| SINDHU SYNERGY LTD              | IT            | DR REDDY LABS              | PHARMA              |
| SPECK                           | IT            | BIOLOGICAL.E. LIMITED      | BIOTECH             |
| ORACLE                          | IT            | TIMES OF INDIA             | PRINT MEDIA         |
| SEIRA ATLANTIC                  | IT            | YASHODA HOSPITAL           | HEALTH              |
| MENTOR GRAPHICS                 | IT            | BALMER LAWRIE & CO. LTD.   | LOGISTICS           |
| ISPACE                          | IT            | AFL                        | LOGISTICS           |
| INFOTECH                        | IT            | GREEN FLDS FIN LTD         | FINANCE             |
| TCS                             | IT            | ING VYSYA                  | FINANCE             |
| CONVERGES                       | SOFTWARE      | GE MONEY                   | FINANCE             |
| AAKIT TECHNOLOGIES PVT. LTD.    | SOFT WARE     | KARVY                      | INVESTEMENT ADVISOR |
| CHORDYS                         | IT            |                            |                     |