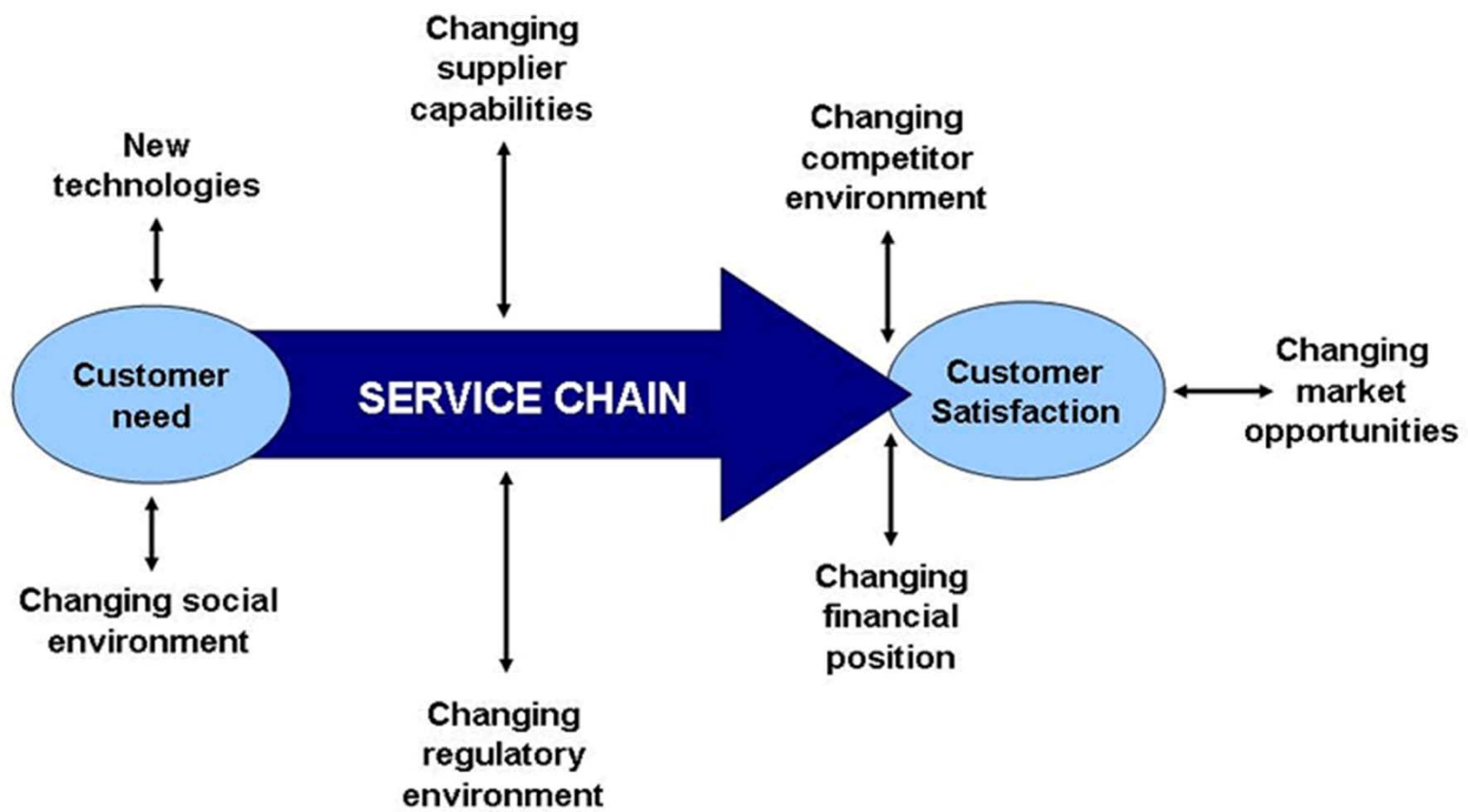# ORGANIZATION DEVELOPMENT

Myat Wunna Soe

Organization Development

Organization development (OD) is a planned, organization-wide effort to increase an organization's effectiveness and viability

~the process through which an organization develops the internal capacity to be the most effective

~it can be in its mission work and to sustain itself over the long term

Generic Strategies

Vertical Diversification (y-axis) — New Products / Core Products

Core Markets / New Markets (x-axis)

	Core Markets	New Markets
New Products	New Product Development (3)	New Business Development (4)
Core Products	Core Business Development (1)	New Market Development (2)

Organizational Development   MWS
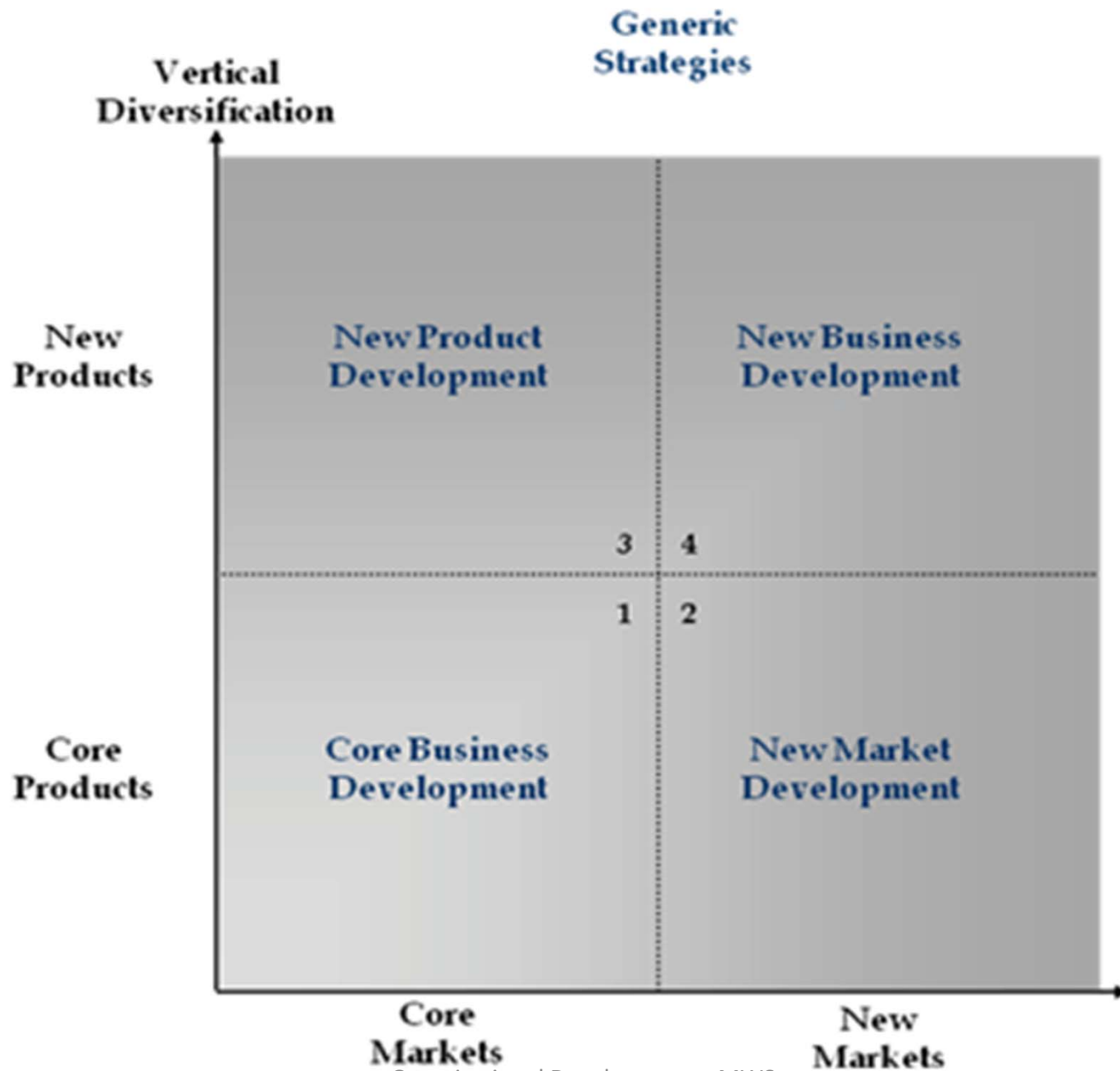
CLASSISIFICATION OF INTERVENTIONS

1. DIAGNOSTIC Activities
2. TEAMBUILDING Activities
3. INTERGROUP Activities
4. SURVEY FEEDBACK Activities
5. EDUCATION and TRAINING Activities
6. TECHNOSTRUCTURAL or STRUCTURAL Activities
7. PROCESS CONSULTATION Activities
8. GRID ORGANIZATION DEVELOPMENT Activities
9. THIRD-PARTY PEACEMAKING Activities
10. COACHING and COUNSELING Activities
11. LIFE and CAREER-PLANNING Activities
12. PLANNING and GOAL-SETTING Activities
13. STRATEGIC MANAGEMENT Activities
14. ORGANIZATIONAL TRANSFORMATION Activities

core components of effective organizations

- Vision, Values and Mission

- Governance

- Strategic Thinking and Planning

- Program Development and Implementation

- Evaluation, Learning and Accountability

- Human Resource Management

- Organizational Culture

- Management Systems and Structures

- Legal Compliance, Fiscal Management and Public Accountability

- Resource Development

- Constituent Relationships

- Collaboration

Organizational Development   MWS

- **Defining Creativity**
- there are six common traits present in creative people:
1. *Strong commitment* to personal aesthetics
2. *Ability to excel* in finding solutions
3. Mental mobility
4. Willingness to take *risks* (and the ability to accept failure)
5. Objectivity
6. *Inner motivation*

Organizational Change and Development
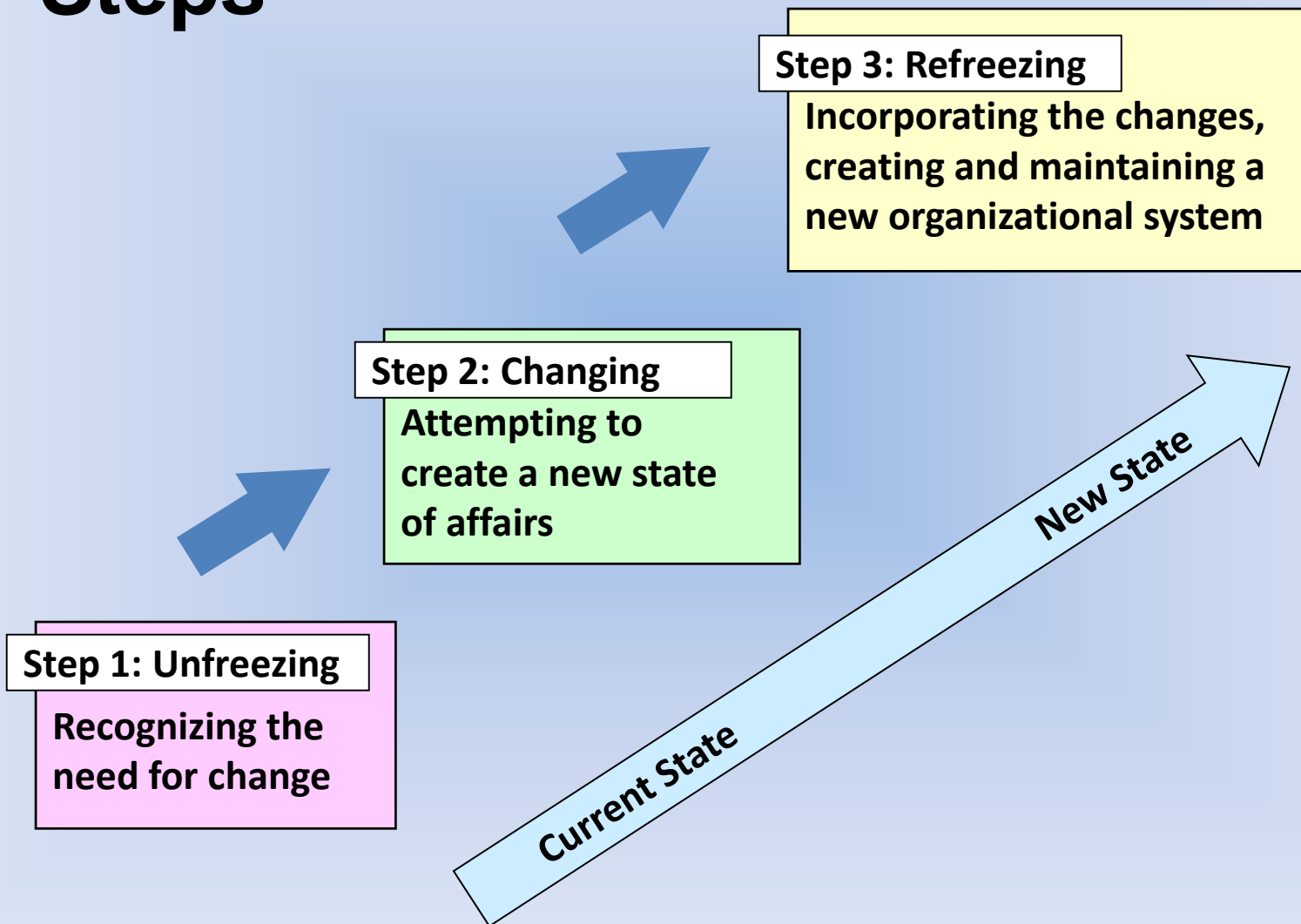
Continuous Change at Nokia

Nokia has continually adapted to its changing environment. The Finnish company began as a pulp and paper mill in 1865, then moved
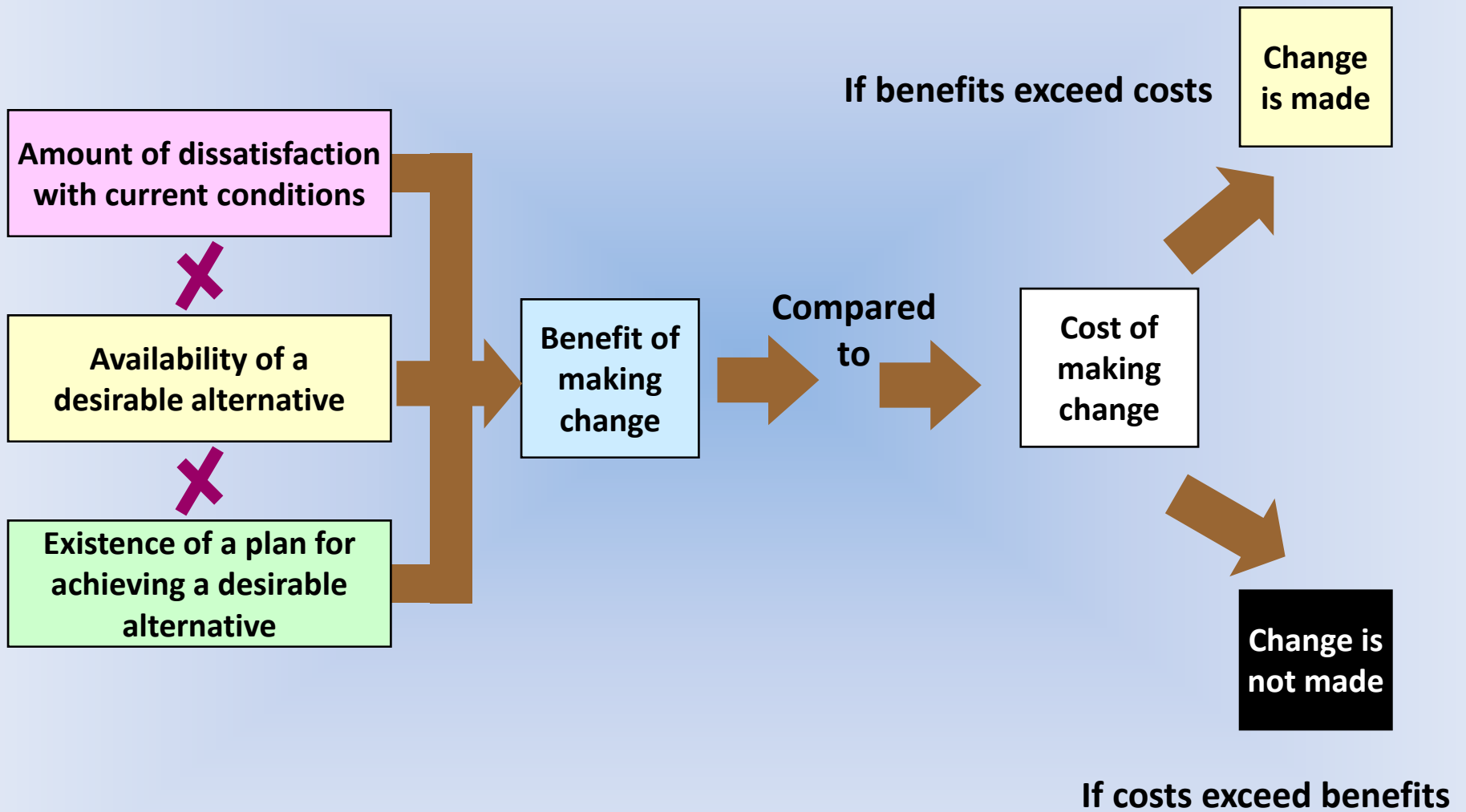

Courtesy National Board of Antiquities, Finland

into rubber, cable wiring, and computer monitors. In the 1980s, Nokia executives sensed an emerging market for wireless communication. Today, Nokia is a world leader in cellular telephones.

Changing People: Some Basic Steps

Step 3: Refreezing

Incorporating the changes, creating and maintaining a new organizational system

Step 2: Changing

Attempting to create a new state of affairs

Step 1: Unfreezing

Recognizing the need for change

New State

Current State

Amount of dissatisfaction with current conditions

✗

Availability of a desirable alternative

✗

Existence of a plan for achieving a desirable alternative

Benefit of making change

Compared to

Cost of making change

If benefits exceed costs

Change is made

Change is not made

If costs exceed benefits

Organizational Development   MWS

Force Field Analysis

Desired
Conditions

Current
Conditions

**Restraining
Forces**

**Driving
Forces**

Restraining
Forces

**Driving
Forces**

**Restraining
Forces**

**Driving
Forces**

Before
Change

During
Change

After
Change

Organizational Development   MWS

Resistance to Change

Forces for Change

Direct Costs

Saving Face

Fear of the Unknown

Breaking Routines

Incongruent Systems

Incongruent Team Dynamics
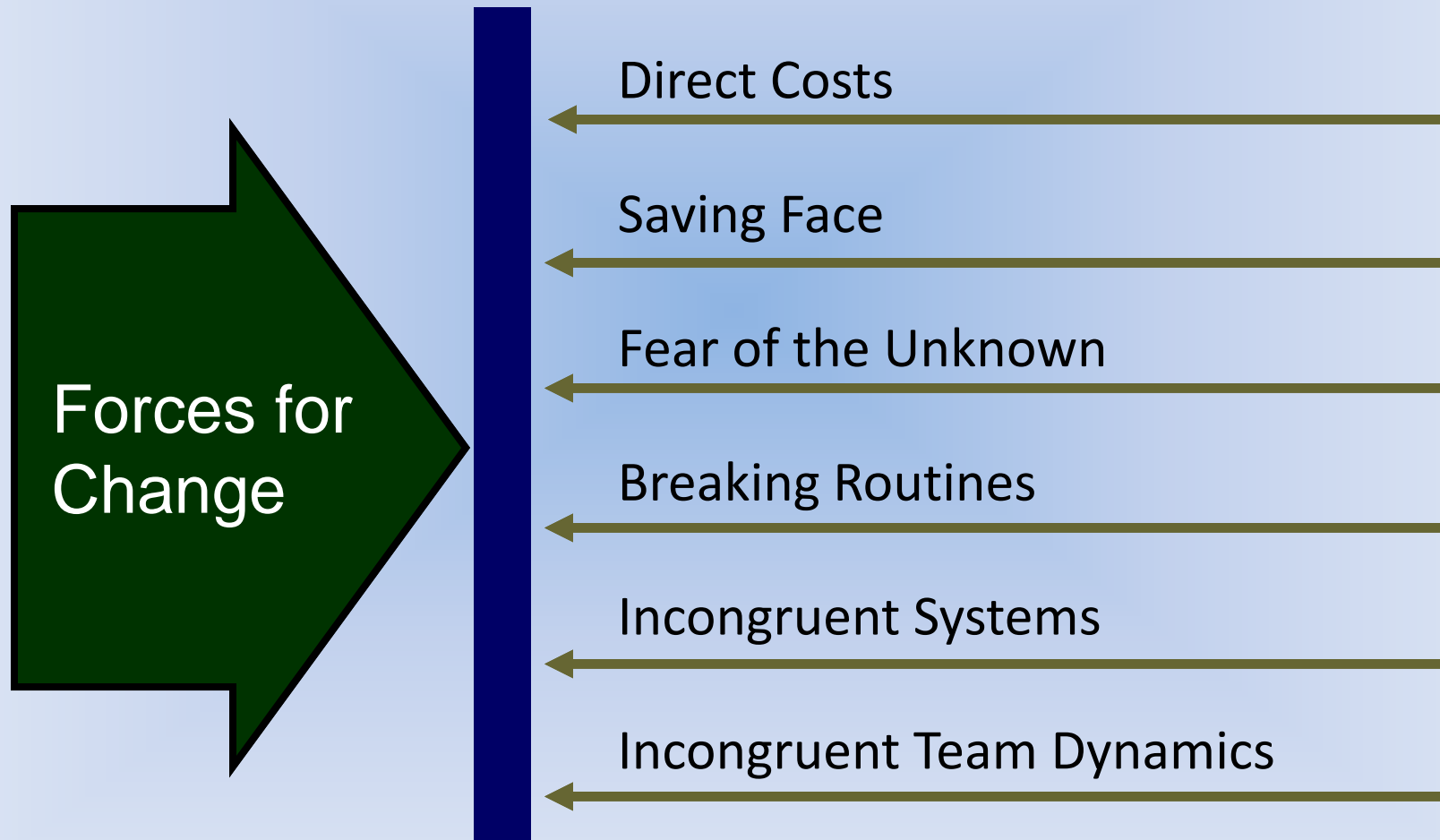
Creating an Urgency for Change

- Need to motivate employees to change

- Most difficult when organisation is doing well

- Must be real, not contrived

- Customer-driven change

  – Adverse consequences for firm

  – Human element energizes employees

Minimizing Resistance to Change

Communication

Coercion

Training

Minimizing Resistance to Change

Negotiation

Employee Involvement

Stress Management
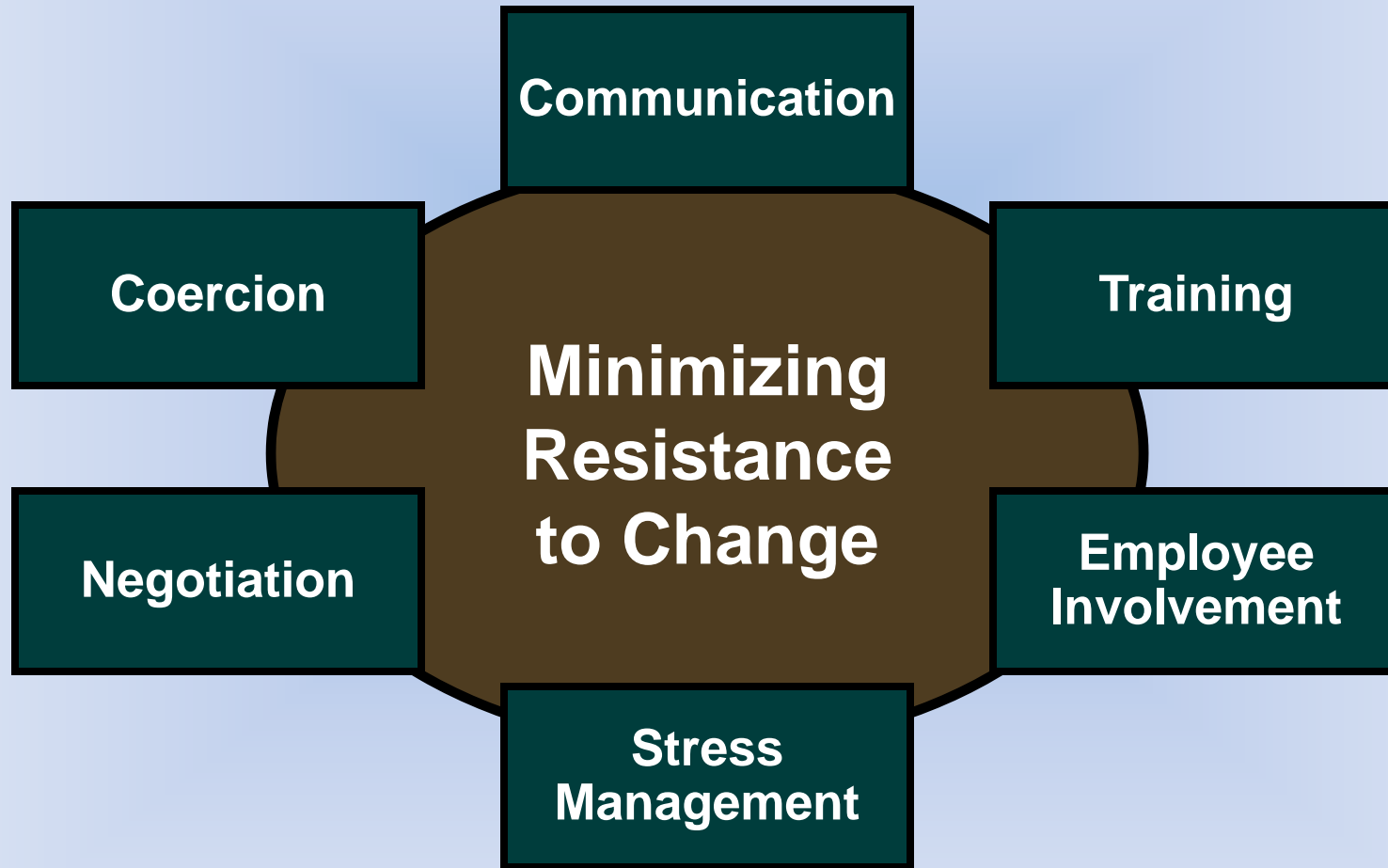
Change Agents

Courtesy of CHC Helicopter Corp.

- Anyone who possesses enough knowledge and power to guide and facilitate the change effort

- Change agents apply transformational leadership
    - Help develop a vision
    - Communicate the vision
    - Act consistently with the vision
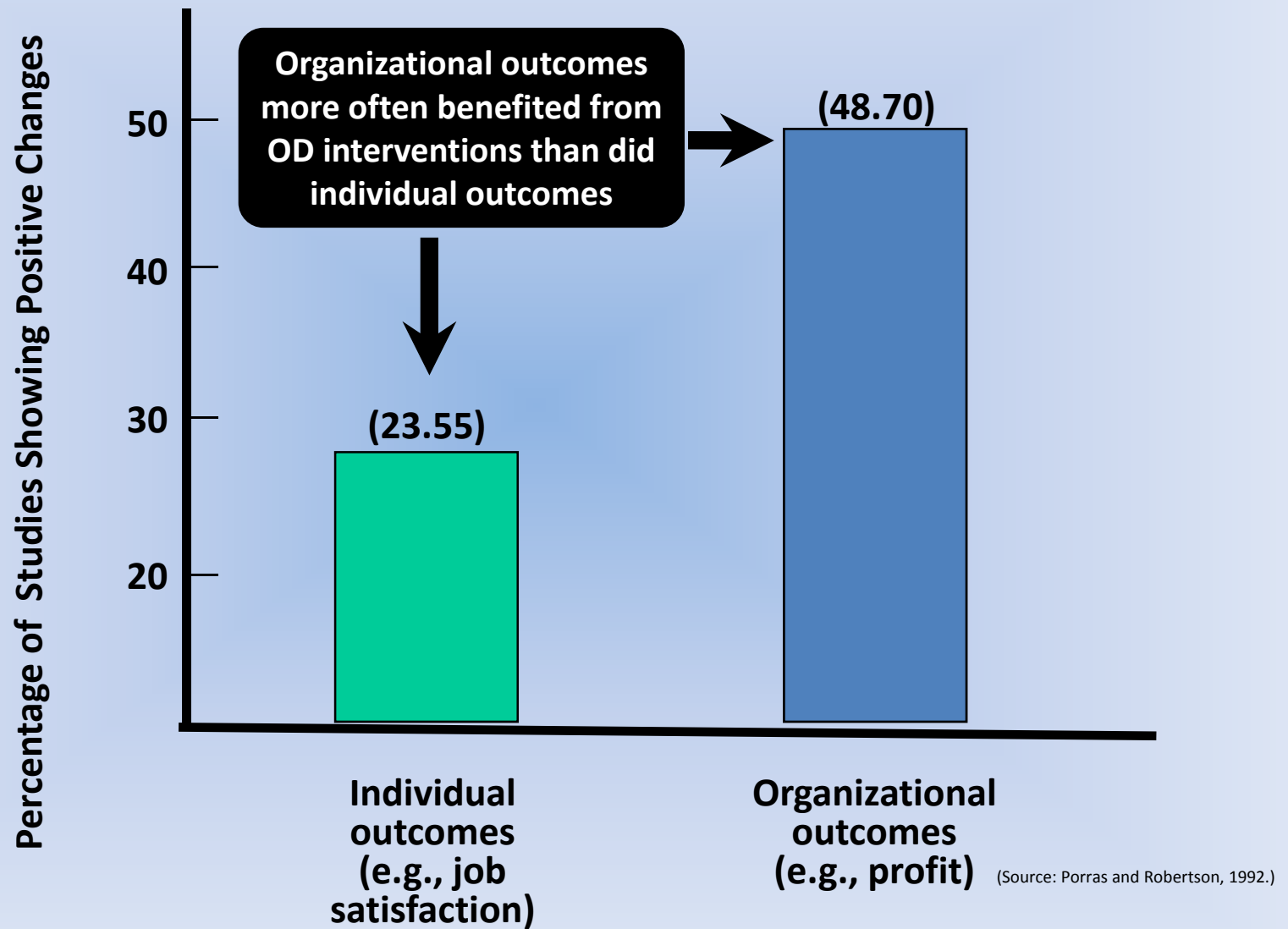   - Build commitment to the vision

Successfully Diffusing Change

Courtesy of CHC Helicopter Corp.

- Successful pilot study
- Favourable publicity
- Top management support
- Labour union involvement
- Diffusion strategy described well
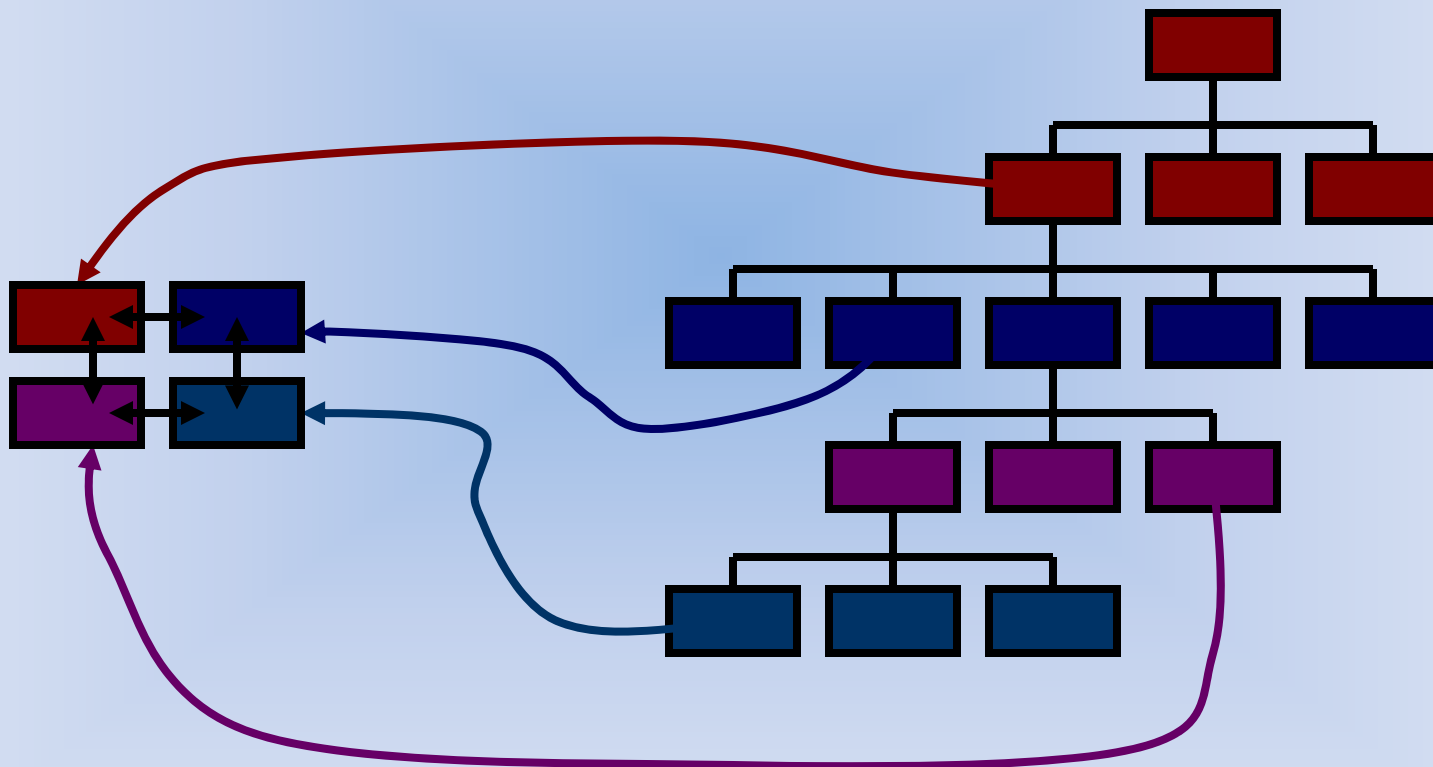- Pilot program people moved around
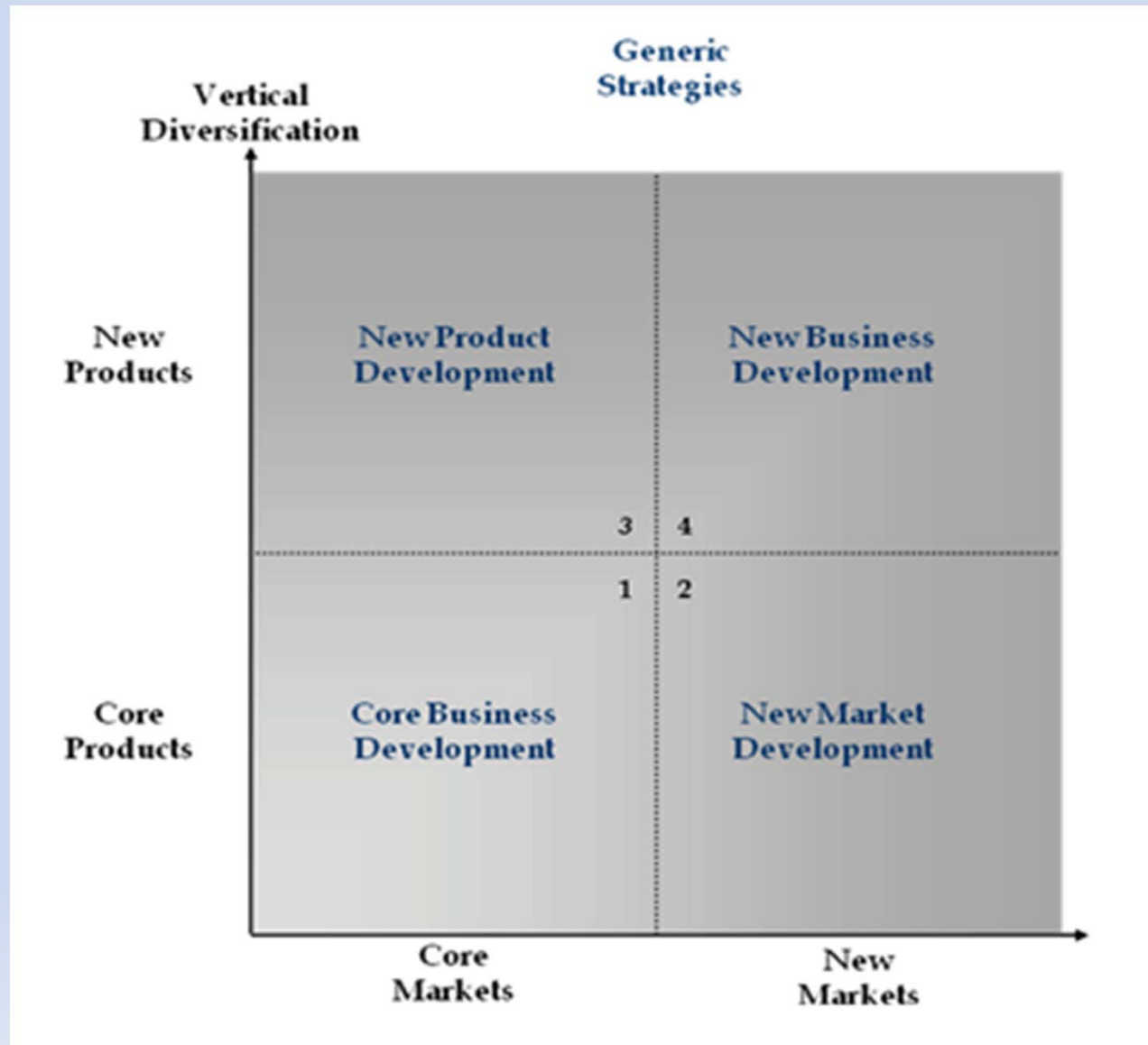
Organizational Development: How Effective Is It?

Percentage of Studies Showing Positive Changes

Organizational outcomes more often benefited from OD interventions than did individual outcomes

(48.70)

(23.55)

Individual outcomes (e.g., job satisfaction)

Organizational outcomes (e.g., profit)

(Source: Porras and Robertson, 1992.)

Organizational Development   MWS

Parallel Structures

Blue Ocean Strategy

Blue Ocean Strategy

- **red and blue oceans** describes the market universe

- *Red Oceans* are all the industries in existence today – the known market space. industry boundaries are defined and accepted, and the competitive rules of the game are known.

- *Blue oceans*, in contrast, denote all the industries not in existence today – the unknown market space, untainted by competition. In blue oceans, demand is created rather than fought over.

- The cornerstone of Blue Ocean Strategy is 'Value Innovation'.

- Eg. Of BOS – cell phone, internet, MRT, Budget Airline

Health Sector Reform

- It is an Organizational Development activity in Health Sector.

- In Less developed countries, HSR include

    - Defining priorities

    - Refining policies

    - Reforming and restructuring of Organization

Table 1. The health system: key institutional components. Source: Cassels (1994a).

The state:
> government institutions responsible for the *financing, regulation, purchasing and provision of health care.*

Service providers:
> in the public, private, NGO and traditional sector. Most work in some kind of institutional setting such as a hospital, health centre or GP practice. Services include clinical care as well as support services.

Resource institutions:
> *produce the human and material resources for health care*—concerned with basic and in-service training of health personnel and health-related research and development (these will include universities, medical schools, schools of public health, R & D departments of private companies, foundations etc).

Institutional purchasers:
> organizations such as insurance funds, district health authorities or health maintenance organisations which *define health needs for discrete populations and purchase clinical and support services from providers* using a variety of contractual mechanisms

Other sectoral agencies:
> *produce health benefits indirectly* as result of the goods or services they provide (e.g. agriculture, education, housing, employment, communications, water supply).

Populations:
> people acting individually or as households can *produce health benefits through individual or collective action,* lifestyle or behaviour; *they are recipients of health care;* they can *purchase health care,* and *can be employed to provide services.* Individuals form or join a variety of different organisations which *aim to influence the form, content, cost or quality of services* (e.g.: trade unions, political parties, user groups, village health committees, community health councils and so forth).

Table 2. Components of health sector reform programmes.

Area 1: *Improving the performance of the civil service*	Reducing staff numbers, new pay and grading schemes (including performance related incentives and salary decompression), better job descriptions and appraisal systems, improved financial disbursement and accounting, establishing executive agencies.
Area 2 *Decentralisation*	Decentralizing responsibility for the management and/or provision of health care to local government or to agencies within the health sector. Establishing self-governing hospitals or autonomous district boards.
Area 3: *Improving the functioning of national ministries of health*	Through organizational restructuring, improving human and financial resource management, strengthening policy and planning functions, setting standards for health care provision and developing systems for monitoring performance, defining national disease priorities and cost-effective clinical and public health interventions.
Area 4: *Broadening health financing options*	Through the introduction of user fees, community finance, voucher systems, social insurance schemes and private insurance.
Area 5: *Introducing managed competition*	Promoting competition between providers of clinical care and/or support services through single or multiple purchasers.
Area 6: *Working with the private sector*	Establishing systems for regulating, contracting with or franchising providers in the private sector including NGOs and for-profit organizations.

THE END