

Organizational Design Change and Transformation
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Module - 12

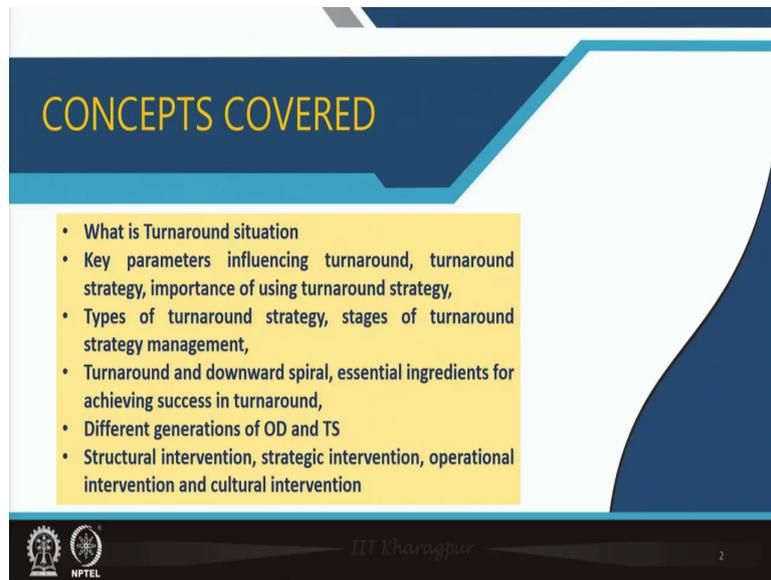
Lecture - 57

Turnaround Situation: Strategic, Operational and Cultural

Welcome to the course on Organizational Design, Change and Transformation. We are on Week 12 now. Here in this week, we are going to discuss on the Turnaround Situation – the Strategic, Operational and Cultural issues of turnaround situation. This is the first lecture of the Module 12. This lecture will be followed by different interventions. Some of the interventions we will be discussing over here.

This lecture will be followed by some interventions, which is technological interventions, HR interventions, cultural interventions and then we are going to discuss as the future of transformation in organizations. So, this will be the spread of the lecture throughout this week. So, let us begin with the Turnaround situations. Let us see what is there in the concepts covered today.

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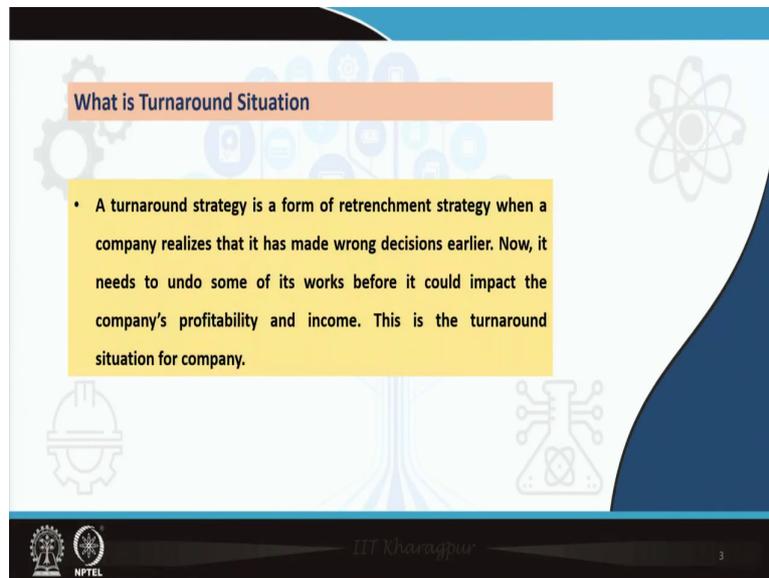
CONCEPTS COVERED

- What is Turnaround situation
- Key parameters influencing turnaround, turnaround strategy, importance of using turnaround strategy,
- Types of turnaround strategy, stages of turnaround strategy management,
- Turnaround and downward spiral, essential ingredients for achieving success in turnaround,
- Different generations of OD and TS
- Structural intervention, strategic intervention, operational intervention and cultural intervention

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The concepts covered today is what is turnaround situation. Key parameters influencing turnaround, turnaround strategy, importance of using turnaround strategy, types of turnaround strategy, stages of turnaround strategy management, turnaround and downwards spiral, essential ingredients for achieving success in turnaround, different generations of OD and like transformations, structural interventions, strategic interventions and operational interventions and cultural interventions.

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The slide features a title 'What is Turnaround Situation' in an orange box. Below it, a yellow box contains a bullet point defining a turnaround strategy as a form of retrenchment strategy. The slide is decorated with various icons: gears, a hard hat, a circuit board, and a molecular structure. At the bottom, there are logos for IIT Kharagpur and NPTEL, along with the text 'IIT Kharagpur' and a page number '3'.

What is Turnaround Situation

- A turnaround strategy is a form of retrenchment strategy when a company realizes that it has made wrong decisions earlier. Now, it needs to undo some of its works before it could impact the company's profitability and income. This is the turnaround situation for company.

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Now, what is a turnaround situation and what we understand by a turnaround strategy? A turnaround strategy is a form of retrenchment strategy when a company realizes that it has done many wrong earlier decisions taken which are wrong. Now, it needs to undo some of its work before it could impact the company's profitability and income. This is the turnaround situation for the company.

So, to achieve this turnaround situation, the strategy taken is the turnaround strategy. Here we will be discussing on some of the organizational development techniques and design interventions which will help the organization to achieve this turnaround situation.

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Key Parameters Influencing Turnaround Situation

Key parameters influencing the turnaround situation include the following:

- The ownership structure of the troubled company.
- The urgency of the crisis as reflected in cash-flow projections, but also in the attitudes displayed by different stakeholders, including banks and key suppliers.
- Whether the company must be radically cost-reduced, or if other valid and realistic alternatives exist.
- The management team presently in place. (Its professional quality and attitudes to change. Its responsibility for the present crisis and its remaining degree of credibility-internally as well as externally)

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The key parameters influencing the turnaround situation include the following. The ownership structure of the troubled company; the urgency of the crisis as reflected in cash flow projections, but also in the attitudes displayed by different stakeholders including banks and key suppliers; whether the company must be radically cost reduced or if other valid and realistic alternatives exist.

The management team presently in place its professional quality and attitudes to change, its responsibility for the present crisis and its remaining degree of credibility internally as well as externally. These are some of the key parameters which are influencing the turnaround situation.

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Key Parameters Influencing Turnaround Situation

- Whether the new turnaround manager is supposed to move in as a long-term CEO, or as a temporary CEO, for example during a 12-24month turnaround period.
- Whether he operates as a lone wolf or is assisted, for example by a senior consultant with massive previous experience of turnarounds.

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Also, whether the new turnaround manager is supposed to move in as long as a long-term CEO or a temporary CEO, for example, during a 12 to 24 month turnaround period. Whether he operates as a lone wolf or is assisted, for example by a senior consultant with massive previous experience of turnarounds. So, these are some of the key parameters which are influencing turnaround situation.

So, like whether this turnaround manager is again from within the organization or a new person is brought in so that he can look into the company from a new perspective and suggest some changes. These are also like some of the aspects of change management when we are talking of turnaround situations.

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Turnaround Strategy

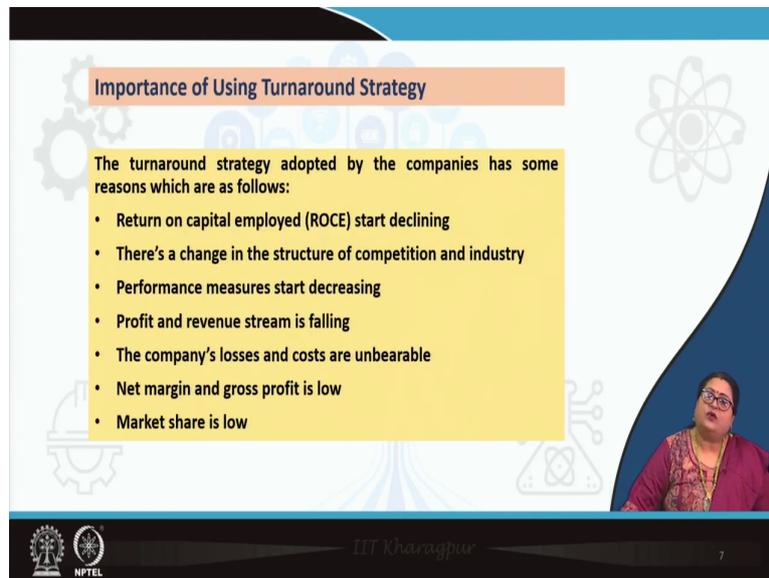
- The strategy set for a company a company to retreat and back from the earlier made wrong decision, and transform the company's position from loss to profitability.
- It becomes necessary for the company to follow the turnaround strategy because of the changes in the external environment, Like government policies, the demand of the product in the market, threat of the substitute product, change in the preferences of customers, and the external environment

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Now, what is a turnaround strategy? As we have discussed it earlier also like when we are discussing turnaround situation, it is a retrenchment strategy which is taken by the company to retreat back from the originally made wrong decision. So, the strategy is set by for a company to retreat and back from the earlier made wrong decisions and transform the company's position from loss to profitability.

It becomes necessary for the company to follow the turnaround strategy because of the changes in the external environment like government policies, the demand of the product in the market, threat of the substitute product, change in preferences of customers and the external environment.

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Importance of Using Turnaround Strategy

The turnaround strategy adopted by the companies has some reasons which are as follows:

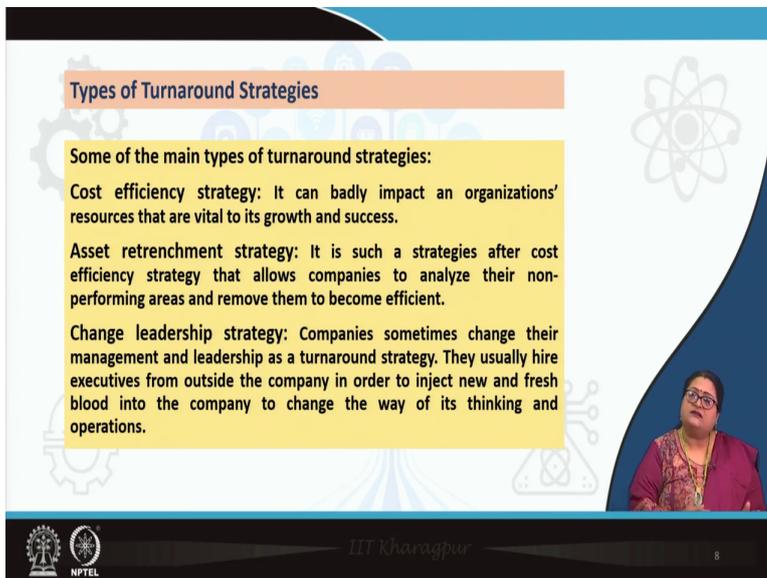
- Return on capital employed (ROCE) start declining
- There's a change in the structure of competition and industry
- Performance measures start decreasing
- Profit and revenue stream is falling
- The company's losses and costs are unbearable
- Net margin and gross profit is low
- Market share is low

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Now, what is the importance of using a turnaround strategy? The turnaround strategy adopted by the companies has some reasons which are as follows. Return and capital employed start declining. There is a change in the structure of competition and industry.

Performance measures start decreasing. Profit and revenue stream is falling. The company's losses and costs are unbearable. The net margin and gross profit is low and market share is low. So, these are again some of the reasons where you find these things are happening. These are the preconditions happening where people go for turnaround strategy.

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Types of Turnaround Strategies

Some of the main types of turnaround strategies:

- Cost efficiency strategy:** It can badly impact an organizations' resources that are vital to its growth and success.
- Asset retrenchment strategy:** It is such a strategies after cost efficiency strategy that allows companies to analyze their non-performing areas and remove them to become efficient.
- Change leadership strategy:** Companies sometimes change their management and leadership as a turnaround strategy. They usually hire executives from outside the company in order to inject new and fresh blood into the company to change the way of its thinking and operations.

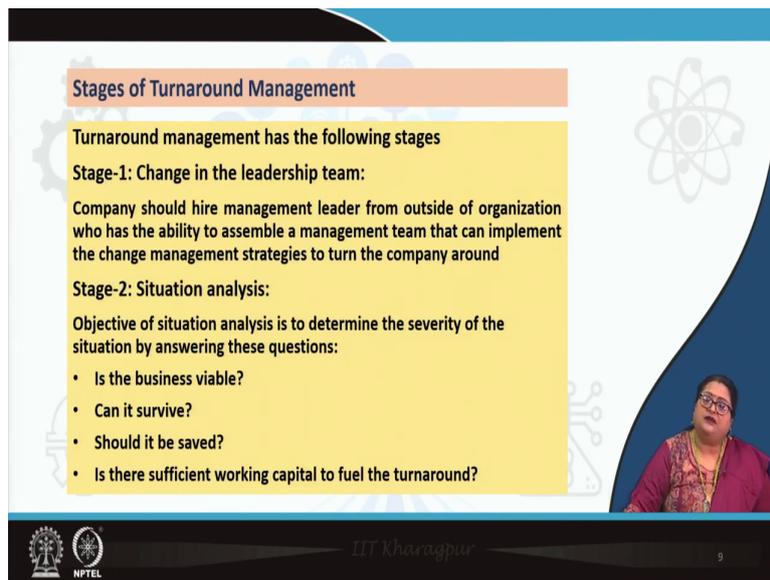
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Now, to answer to these kinds of situations when the these things are happening with the organization and organization goes for a turnaround strategy, then turnaround strategy is going to answer the problems as stated just now. So, to answer to those problems, the strategy are like whenever there is a you are finding the cost is increasing, maybe cost efficiency strategy, then wherever you find the profit is decreasing, you will go for like again maybe asset retrenchment.

So, let us see like how what are the strategies that are focused towards each of answering these problems. Some of the main types of turnaround strategies are cost efficiency strategy. It can badly impact an organization's resources that are vital to its growth and success. Asset retrenchment strategy: It is such strategies after cost efficiency strategy that allows companies to analyze their non performing areas and remove them to become efficient.

Change leadership strategies: Companies sometimes change their management and leadership as a turnaround strategy. They usually hire executives from outside the company in order to inject new and fresh blood into the company to change the way of its thinking and operations the thing that I was just mentioning before while I was discussing the strategy.

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Stages of Turnaround Management

Turnaround management has the following stages

Stage-1: Change in the leadership team:
Company should hire management leader from outside of organization who has the ability to assemble a management team that can implement the change management strategies to turn the company around

Stage-2: Situation analysis:
Objective of situation analysis is to determine the severity of the situation by answering these questions:

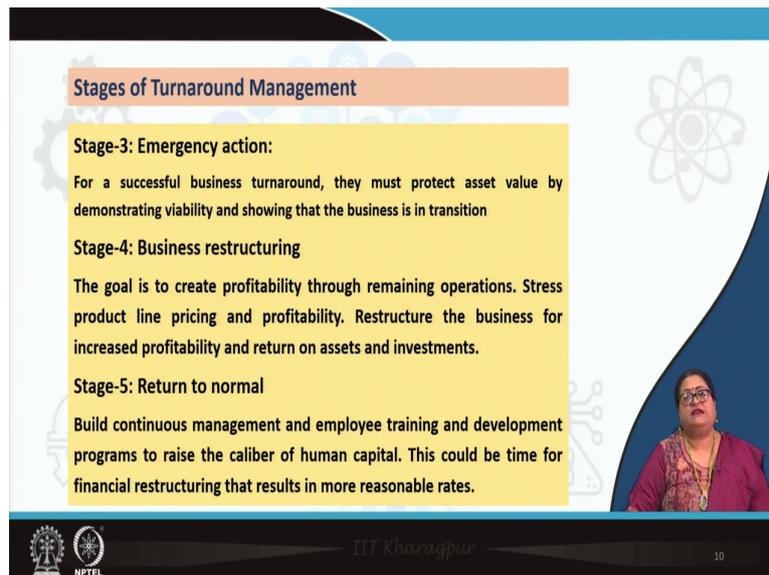
- Is the business viable?
- Can it survive?
- Should it be saved?
- Is there sufficient working capital to fuel the turnaround?

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Now, here we are going to discuss on the stages of turnaround management. It has the following stages like Stage 1 is change in the leadership team. Company should hire a management leader from outside of the organization who has the ability to assemble a management team that can implement the change management strategies to turn the company around.

Stage 2 is situation analysis. Objective of situation analysis is to determine the severity of the situation by answering the following questions. Is the business viable? Can it survive? Should it be saved? Is there sufficient working capital to fuel the turnaround?

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Stages of Turnaround Management

Stage-3: Emergency action:
For a successful business turnaround, they must protect asset value by demonstrating viability and showing that the business is in transition

Stage-4: Business restructuring
The goal is to create profitability through remaining operations. Stress product line pricing and profitability. Restructure the business for increased profitability and return on assets and investments.

Stage-5: Return to normal
Build continuous management and employee training and development programs to raise the caliber of human capital. This could be time for financial restructuring that results in more reasonable rates.

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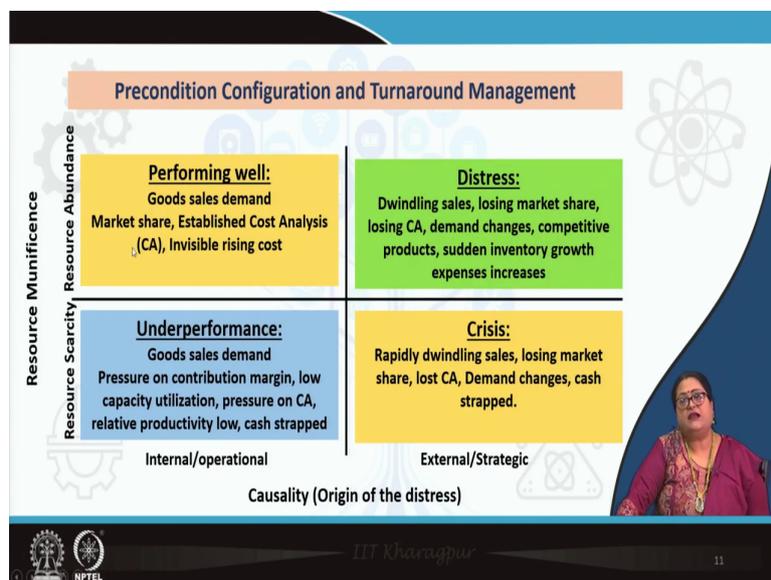
The next stage is that of emergency action. For a successful business turnaround, they must protect asset value by demonstrating viability and showing that the business is in transition. Stage 4 is business restructuring: The goal to create the profitability through remaining operations stress, product line pricing and profitability. Restructure the business for increased profitability and return on assets and investments.

Stage 5 is again return to normal. Build continuous management and employee training and development programs to caliber of human capital. It could take time for financial restructuring that results in more reasonable rates. So, what we understand after the

turnaround has taken place, after the business restructuring has taken place again people may or the organization may need to come back to the normal state of functioning.

So, for this continuous training and development programs to develop human competencies, to develop their like belief in themselves like they will be adjust to new kind of situations needs to be developed. So, it this could be also time for financial restructuring. So, that will result in looking into the way that the maybe rewards are distributed and resources are distributed also.

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The precondition configuration and turnaround management. So, here we will look into the resource, munificence and the causality. You will find two situations whenever you are talking of the generosity of the resources whether it is resource abundance and resource

scarcity. The causality or the origin of the distress could be internal or could be external, internal like operation, internal operational or the external or strategic.

On the left hand side top corner we have a performing well situation when the goods and sales are in demand. There is a market share established cost analysis and done, but again there is a signal of invisible rising cost. So, from there you can get into two situations where you find like the resource abundance is there, but you are not able to read the environment properly or you are not able to take proper strategic decisions to find out like why this invisible rising cost is there.

It can lead to a situation of distress where you find like there could be dwindling sales because you are not able to do an environment analysis properly. You are losing your market share then losing the cost analysis, the demands are also changing because there could be changes in consumer preferences and competitive products are coming in and sudden inventory growth and your expenses are also increasing.

Or else it could lead to underperformance if you find there are in a certain situations in the internal environment of the organization or due to the operational factors happening like operational climate of the organization which can lead to underperformance where goods and sales are in demand, but pressure and contribution margin low capacity utilization pressures on cost analysis relative productivity is low and your cash get strapped.

Now, both this distress situation on the under performance of the organization may lead to a crisis situation where you find there is a rapidly dwindling sales, there is losing your organization is losing market share, there is lost of cost analysis, the demands are changing, cash gets strapped, cash is getting strapped because of this under performance you are going through a dwindling sales and losing market share.

Because you have not been able to read the external environment properly or take a strategic decision properly to understand like how to remain competitive in the market you have not done a competitor survey properly, then all these things will lead to a stage of crisis where if you are not able to answer to this crisis through your turnaround strategies and you are able to

manage for the factors leading to this crisis then it may lead to organizational decline ultimately leading to organizational death.

So, at this stage bouncing back in terms of organizational resilience as we have discussed earlier and taking certain turnaround strategies to going through a self search to find where our earlier decisions went wrong needs to be done at this crisis stage. So, that we can or the organization can bounce back from the crisis. If the signals like when this is a signal is given like it is invisible rising cost and then if you like your like the cash is getting strapped or productivity is becoming low.

These are all or sudden inventory growth these are all signals which is telling something is going wrong. So, the as a learner as a learner the organization needs to like detect these signals of which is showing like the organization maybe has started on the decline phase to work on it and bounce back.

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The slide features a title 'Turnaround and Downward Spirals' in a blue box. Below it, a yellow box contains the text: 'McKinley, W, Latham, Scott and Braun, M.(2014). Have identified four panels of turnarounds and downward Spirals. Such as-'. This is followed by a bulleted list of four panels: 'Panel-1: turnaround through innovations', 'Panel-2: Downwards spirals through innovation', 'Panel-3: Downward spiral through rigidity', and 'Panel-4: Turnaround through risk avoidance'. Below the list, it says 'The discussion in brief is as per following directions:'. On the right side, there is a video feed of a woman in a purple top. The slide also includes logos for IIT Kharagpur and NPTEL at the bottom left, and the number '12' at the bottom right.

Turnaround and Downward Spirals

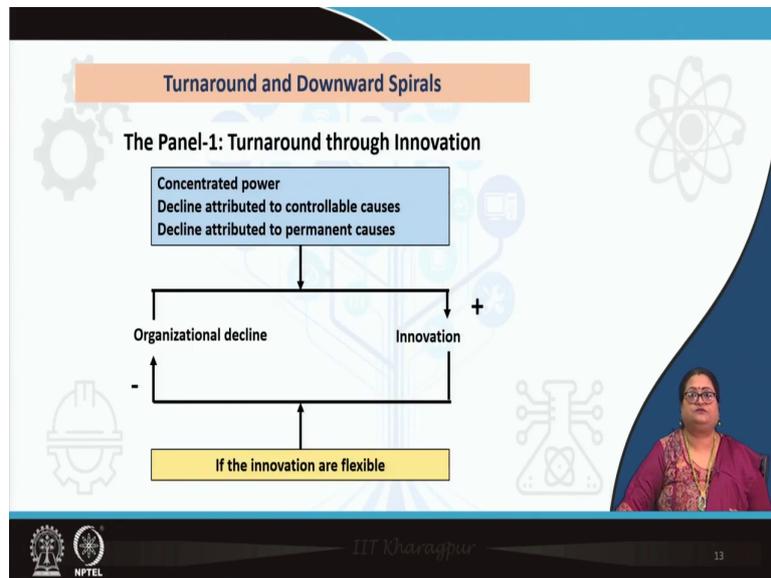
McKinley, W, Latham, Scott and Braun, M.(2014). Have identified four panels of turnarounds and downward Spirals. Such as-

- Panel-1: turnaround through innovations
- Panel-2: Downwards spirals through innovation
- Panel-3: Downward spiral through rigidity
- Panel-4: Turnaround through risk avoidance

The discussion in brief is as per following directions:

So, here now we are going to discuss on turnaround and the downward spirals. McKinley, Latham, Scott and Braun in 2014 have identified four panels of turnarounds and downward spirals such as Panel-1: turn around through innovations; Panel-2: downward spirals through innovation; Panel-3 which is downward spiral through rigidity and Panel-4 which is turn around through risk avoidance. The discussion we will do in brief as per the following directions.

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Panel-1 which is turn around through innovation. Here we see concentrated power decline attributed to controllable causes; decline which are attributed to permanent causes. So, if the innovation is flexible, then you will find your increase in innovation will result in decrease of organizational decline.

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Panel-1: Turnaround Through Innovation

In the panel-1, it is to note that our proposition does not eliminate the possibility that turnaround may sometimes be achieved through inflexible innovations. The logic underlying Proposition 1 is probabilistic, claiming only that turnaround through innovation is more likely if the innovations involved are flexible than if they are inflexible.

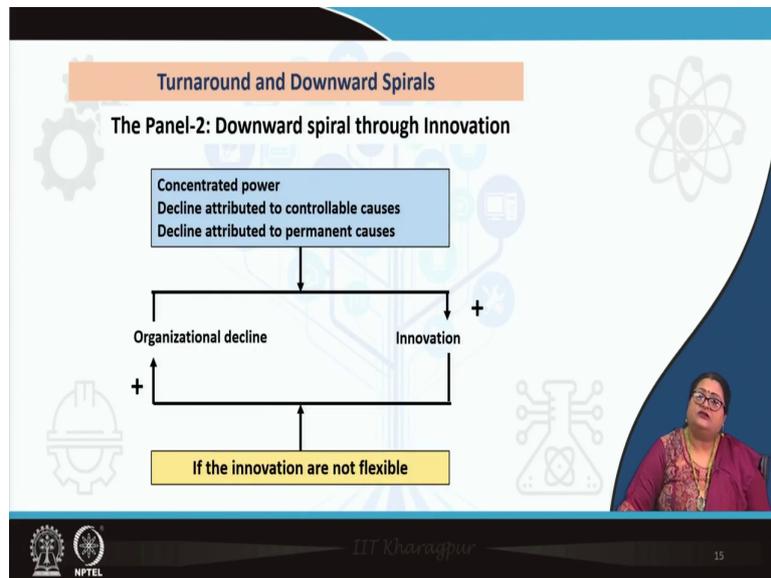
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So, what we see in this panel-1 is it is to note that the proposition does not eliminate the possibility that turnaround may sometimes be achieved through inflexible innovation. The logic underlying Proposition 1 is probabilistic claiming only that turn around through innovation is more likely if the innovations involved are flexible than if they are inflexible.

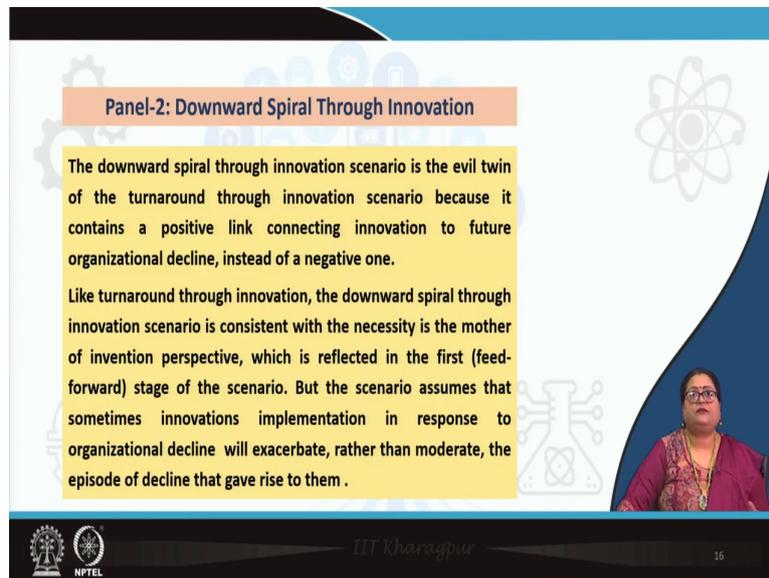
So, if it is able to adjust to the signals received from the environment as we have seen like when the organization in a stage of distress then if the innovations are flexible to accommodate for that distress, then the organizational decline will be lowered.

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Panel-2 is downward spiral through innovation where the power is again concentrated power; decline is attributable to control controllable causes and decline is attributed to permanent causes. So, if you see the innovations done are not flexible in nature, they are not able to adjust themselves to accommodate for the changing demands, then increase in innovation may lead to increase in organizational decline.

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Panel-2: Downward Spiral Through Innovation

The downward spiral through innovation scenario is the evil twin of the turnaround through innovation scenario because it contains a positive link connecting innovation to future organizational decline, instead of a negative one.

Like turnaround through innovation, the downward spiral through innovation scenario is consistent with the necessity is the mother of invention perspective, which is reflected in the first (feed-forward) stage of the scenario. But the scenario assumes that sometimes innovations implementation in response to organizational decline will exacerbate, rather than moderate, the episode of decline that gave rise to them .

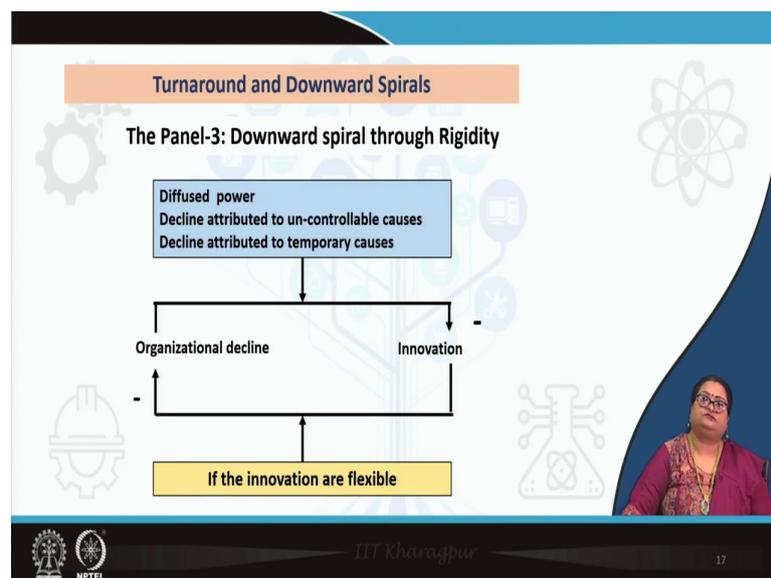
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The downward spiral through innovation scenario is the evil twin of the turnaround through innovation scenario because it contains a positive link connecting innovation to future organizational decline instead of a negative one, because you are going for certain innovations, but the organization may not be already prepared for like assimilating it or understanding it.

Like turn around through innovation the downward spiral through innovation scenario is consistent with the necessity is the mother of invention perspective which is reflected in the first feed forward stage of the scenario. But the scenario it also assumes that sometimes innovations implementation is in response to organizational decline will exacerbate instead of moderating the episode of decline that gave rise to them.

So, if cognitively attitude wise, culture wise, HR perspective wise the organization is not ready to go with the innovation that certain innovation which is done without considering the situations to answer for a state of decline because the organization is not ready for it, they give rise to further decline scenarios.

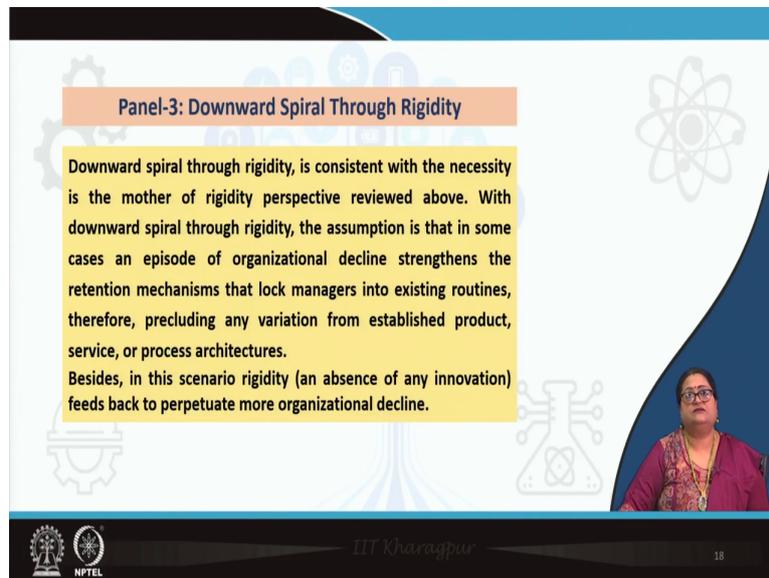
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Turn around the downward spirals in the third panel is the downward spiral through rigidity. Here the power is diffused, then the decline can be attributed to uncontrollable causes which could be there in the environment also and decline is attributable to the temporary causes.

So, if the innovations are flexible in nature, then if innovation does not take place at that time to answer to the demands of the situation, then it may lead to the organization decline and it is going to have a negative impact on it.

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Panel-3: Downward Spiral Through Rigidity

Downward spiral through rigidity, is consistent with the necessity is the mother of rigidity perspective reviewed above. With downward spiral through rigidity, the assumption is that in some cases an episode of organizational decline strengthens the retention mechanisms that lock managers into existing routines, therefore, precluding any variation from established product, service, or process architectures.

Besides, in this scenario rigidity (an absence of any innovation) feeds back to perpetuate more organizational decline.

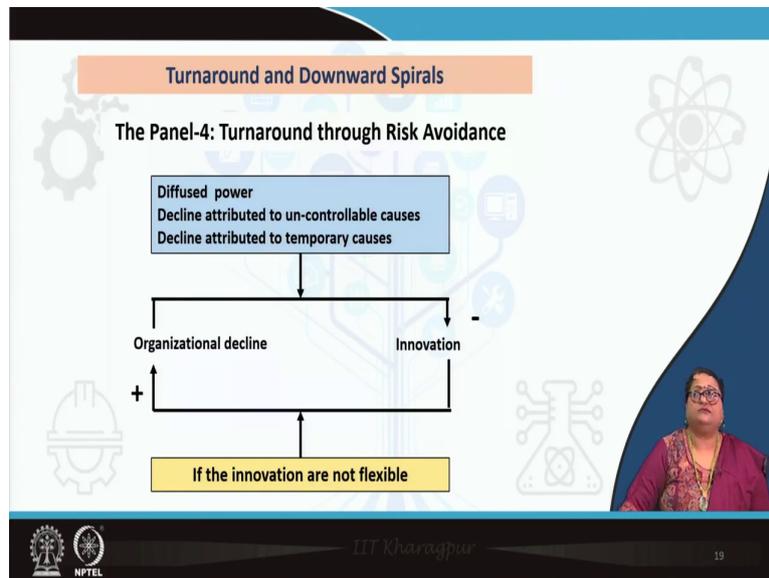
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So, this is called the downward spiral through rigidity, is consistent with the necessity is the mother of rigidity perspective view which was reviewed. With downward spiral through rigidity, the assumption is that in some cases an episode of organizational decline strengthens the you know like retention mechanism that locks the managers into existing routines, therefore, precluding any variation from established product, services or process architecture.

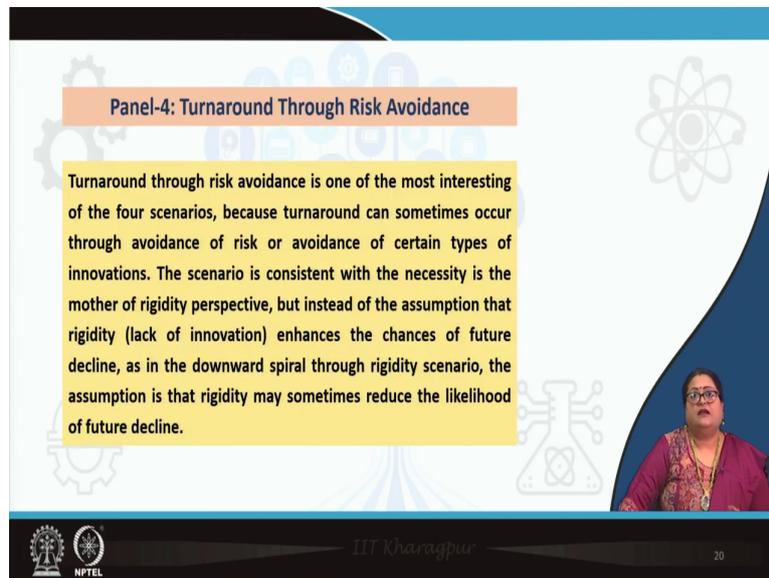
Besides, in this scenario rigidity or the absence of any innovation feels back to perpetuate more organizational decline.

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Panel-4, which is turnaround through risk avoidance: Here again the power is diffused decline is attributable to uncontrollable causes decline is attributable to temporary causes.

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Panel-4: Turnaround Through Risk Avoidance

Turnaround through risk avoidance is one of the most interesting of the four scenarios, because turnaround can sometimes occur through avoidance of risk or avoidance of certain types of innovations. The scenario is consistent with the necessity is the mother of rigidity perspective, but instead of the assumption that rigidity (lack of innovation) enhances the chances of future decline, as in the downward spiral through rigidity scenario, the assumption is that rigidity may sometimes reduce the likelihood of future decline.

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It is one of the most interesting of the four scenarios because turnaround can sometimes occur through avoidance of risk or avoidance of certain types of innovations. The scenario is consistent with the necessity is the mother of rigidity perspective, but instead assumption that rigidity or the lack of innovation enhances the chances of future decline, as in the downward spiral through rigidity scenario the assumption is that rigidity may sometimes reduce the likelihood of future decline.

So, you get a combinations of different situations where the innovation is flexible in nature or not flexible in nature and whether the situations is under control or not under control, and accordingly whether the organization has been rigid or flexible to answer to the demands of the situation as given and whether they were risk takers or not risk takers gives a combination

where, innovation and the nature of innovation will lead to the increase or decrease of organizational decline.

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Essential Ingredients for Achieving Successful Turnaround

Scholars have developed an approach for achieving a successful business turnaround or recovery plan whose seven essential ingredients were:

- i. Crisis stabilization
- ii. New leadership
- iii. Stakeholder management
- iv. Strategic focus
- v. Critical process improvements
- vi. Organizational change
- vii. Financial restructuring

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The essential ingredients for achieving successful turnaround: Scholars have developed an approach for achieving successful business turnaround or recovery plan whose seven essential ingredients were: crisis stabilization, new leadership, stakeholder management, strategic focus, critical process improvements, organizational change and financial restructuring.

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Different Generations of OD and Turnaround Situation

Organizational transformation has been continued to be evolved in three waves which we can say the generations:

- First Generation OD refers to traditional Organization Development practice in which a formal investigation is conducted so that objective data are collected and analyzed to make a diagnosis and to make recommendations for problem-solving.

Diagnostic OD methodologies, for example, are the classic action research and survey feedback processes and any approach grounded in the Kurt Lewin model of change: unfreeze-change-refreeze.

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Organizational transformation here we are going to discuss like the different generations of OD and turnaround situations. Organizational transformations have been continued to be evolved in three waves which we can say in generation. The first generation OD refers to traditional organizational development practice in which a formal investigation is conducted so that objective data are collected and analyzed to make a diagnosis and to make recommendations for problem solving.

Diagnostic OD methodologies, for example, are the classic action research and survey feedback processes and any approach grounded in the Kurt Lewin model of change of unfreeze-change and refreeze.

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Different Generations of OD and Turnaround Situation

- Second Generation OD refers to the developmental methodologies that built on action research in Organization Development's first wave to create action science and learning organizations. The core tenet of second-generation methodologies is to work with observable data to identify discrepancies between desired and actual behaviors and outcomes.

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Second generation OD refers to the developmental methodologies that built an action research in organization development's first wave to create action science and learning organizations. The core tenet of the second-generation methodologies is to work with observable data to identify discrepancies between desired and actual behaviors and outcomes.

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Third Generations of OD and Turnaround Situation

- Third Generation OD or the dialogic organization development refers to OD practices and mindset, anchored in an understanding of human systems as socially constructed; every interaction and conversation is part and parcel of creating the change.
- Here the Dialogic Organization Development Mindset is the orientation from which an individual, practitioner, or leader holds Dialogic OD assumptions and worldviews as their primary mental model for engaging with others. This mindset is present regardless of the methodology being used.

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The third generation OD or the dialogic organization development refers to OD practices and mindset, anchored in an understanding of human systems as a socially constructed; every interaction and conversation is part and parcel of creating change.

Here the dialogic organizational development mindset is the orientation from which individual practitioner or leader holds a dialogic OD assumptions and worldviews as their primary mental model for engaging with others. This mindset is present regardless of the methodology being used.

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Third Generations of OD

Third Generation OD or the dialogic organization development methodologies include-

- Appreciative inquiry
- Liberating structure
- Human Systems Dynamics Methodologies
- World Café Technologies

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Third generation OD or the dialogic organization development methodologies include – appreciative inquiry, liberating structure, human system dynamics methodologies, world cafe technologies.

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The slide features a title bar 'Third Generations of OD' in an orange box. Below it, a yellow box contains the text: '• Appreciative inquiry' followed by a definition: 'Appreciative Inquiry is an asset-based approach to organizational and social engagement that utilizes questions and dialogue to help participants uncover existing strengths, advantages, or opportunities in their communities, organizations, or teams for a positive change.' The slide is decorated with icons of a gear, an atom, a hard hat, and a circuit board. A video feed of a woman in a purple top is in the bottom right corner. The footer includes the IIT Kharagpur and NPTEL logos, the text 'IIT Kharagpur', and the number '26'.

Appreciative inquiry, appreciative inquiry is an asset-based approach to organizational and social engagement that utilizes questions and dialogues to help as participants uncover existing strengths, advantages or opportunities in their communities, organizations or teams for a positive change.

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Third Generations of OD

- **Liberating Structures**

These structures start with something so simple and essential as not to seem worth doing and end with something so powerful and profound that it hardly seems possible. It is used routinely make it possible to build the kind of organization that everybody wants. They are designed to include everyone in shaping next steps. It quickly fosters lively participation in groups of any size, making it possible to truly include and unleash everyone.

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Liberating structures, these structures start with something so simple and essential as not to seem worth doing and end with something so powerful and profound that it hardly seems possible. It is used routinely to make it possible to build the kind of organization that everybody wants.

They are designed to include everyone in the shaping next steps. It quickly fosters lively participation in groups of any size, making it possible to truly include and unleash everyone.

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Third Generations of OD

- **Human Systems Dynamics Methodologies**
Human Systems Dynamics methods is a complexity-informed approach that inspires action for intentional change at any scale and in any context of human interaction. It focuses on robust scientific principles and ongoing research and practice with the real wicked problems faced by real actors in a wide range of real environments.

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Human system dynamics methodologies: Human system dynamics methods is a complexity-informed approach that inspires actions for intentional change at any scale and in any context of human interaction. It focuses on robust scientific principles and ongoing research and practice with the real wicked problems faced by real actors in a wide range of real environment.

So, whatever we are it is a blend of theory and practice whatever we are learning theoretically we are trying to map it with the real life problem and trying to find solutions for it.

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The slide features a blue header with the title "Third Generations of OD" in white text. Below the title is a yellow text box containing the following text:

- **World Cafe Technologies**
the World Café is a powerful social technology for engaging people in conversations that matter, offering an effective antidote to the fast-paced fragmentation and lack of connection in today's world. Based on the understanding that conversation is the core process that drives personal, business, and organizational life, the World Café is more than a method, a process, or technique – it's a way of thinking and being together sourced in a philosophy of conversational leadership

The slide also includes a small video inset of a woman in a purple top in the bottom right corner. At the bottom of the slide, there are logos for IIT Kharagpur and NPTEL, along with the text "IIT Kharagpur" and the number "29".

World Cafe Technologies – the World Cafe is a powerful social technology for engaging people in conversations that matter, offering an effective antidote to the fast-paced fragmentation and lack of connection in today's world. Based on the understanding that conversation is the core process that drives personal, business, and organizational life, the World Cafe is more than a method, a process or technique – it is a way of thinking and being together sourced in a philosophy of conversational leadership.

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Structural Interventions

Structure, is an integral component of the organisation. Structural interventions are those that are aimed at changes in task, structural and technological subsystems of organisations. It provides guideline to organizations on:

- Division of work into activities;
- Linkage between different functions;
- Hierarchy;
- Authority structure;
- Authority relationships; and
- Coordination with the environment.

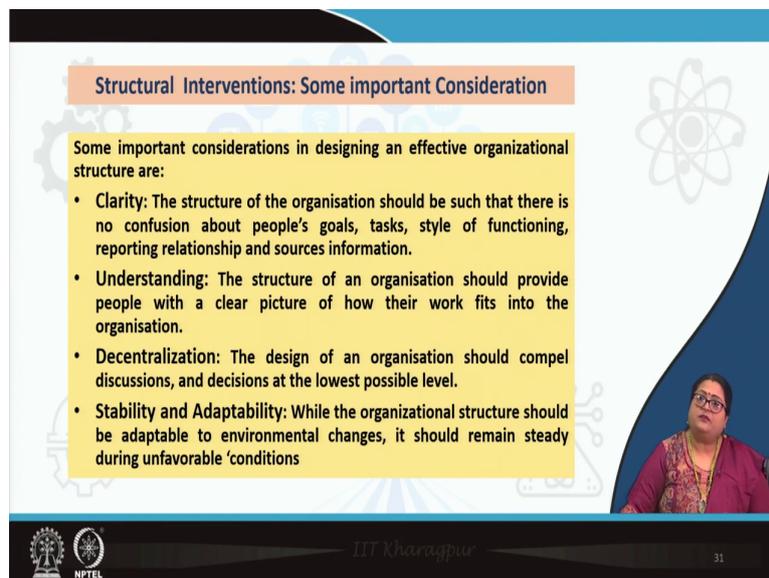
The slide features a blue and white background with a gear and atom icon. A video inset in the bottom right shows a woman in a purple top speaking. The footer includes the IIT Kharagpur and NPTEL logos, the text 'IIT Kharagpur', and the number '30'.

Now, based on these organizational development philosophies that we have understood and we have understood the turnaround situations, we have understood the distress and the crisis phase and signals, which talks about organizational development interventions to be taken, so that we can address the issues, we can bounce back with resilience and we can come out of the inertia like on the left hand side when we were talking of internal and operational issues for organization.

Like trying to move into the stages of decline it was happening due to the inertia phase and like whenever we are talking of external environment, it is how good we are in developing resilience. So, for these things certain interventions are required and we will look into some of these interventions now and in the next lectures to come up.

The Structural Interventions: structural is an integral component of the organization. Structural interventions are those that are aimed at changes in task, structural and technological sub systems of organizations. It provides guideline to organizations on division of working to activities, linkage between different functions, hierarchy, authority structure, authority relationship and coordination with the environment.

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Structural Interventions: Some important Consideration

Some important considerations in designing an effective organizational structure are:

- **Clarity:** The structure of the organisation should be such that there is no confusion about people's goals, tasks, style of functioning, reporting relationship and sources information.
- **Understanding:** The structure of an organisation should provide people with a clear picture of how their work fits into the organisation.
- **Decentralization:** The design of an organisation should compel discussions, and decisions at the lowest possible level.
- **Stability and Adaptability:** While the organizational structure should be adaptable to environmental changes, it should remain steady during unfavorable 'conditions

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Some of the important considerations in designing an effective organizational structure are, clarity: the structure of the organization should be such that there is no confusion about people's goals, tasks, styles of functioning, reporting relationship and sources of information.

Understanding: the structure of an organization should provide people with a clear picture of how their work fits into the organization. Decentralization – the design of an organization should compel discussions and decisions at the lowest possible level. Stability and

adaptability – while the organizational structure should be adaptable to environmental change, it should remain steady during unfavorable conditions.

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The slide is titled "Strategic Interventions: Steps" and is presented by a woman in a purple top. The content is as follows:

Strategic Interventions: Steps

These interventions are integrated and consist of the following steps:

- Analyzing current strategy and organization design. Managers and other employees utilize models such as SWOT matrix to analyze the firm's current strategy, as well as its organization design.
- Choosing a desired strategy and organization design. Based on the OD consultant- assigned analysis, senior management formulates a strategic vision, strategic objectives, a strategic plan, and an organization structure for implementing them.

The slide footer includes the IIT Kharagpur logo, the NPTEL logo, the text "IIT Kharagpur", and the number "32".

Now, along with structural interventions which are more focusing to the internal environment and the operational issues, we need a strategic intervention also as we see like whether external issues, strategic interventions are required. These interventions are integrated and consist of the following steps.

Analyzing the current strategy and organization design managers and other employees utilize models such as SWOT matrix to analyze the firm's current strategy as well as its organization's design. Choosing a desired strategy and organizational design. Based on the OD consultant-assigned analysis, senior management, formulate the strategic vision, strategic objective, strategic plan and an organization structure for implementing them.

(Refer Slide Time: 36:04)

The slide is titled "Strategic Interventions: Steps" and contains two bullet points. The first bullet point describes the process of designing a strategic change plan, and the second describes the process of implementing it. A video feed of a presenter is visible in the bottom right corner of the slide.

Strategic Interventions: Steps

- **Designing a strategic change plan.** The group designs a strategic change plan, which is an action plan for moving the organization from its current strategy and design to the desired future strategy and design
- **Implementing a strategic change plan.** The final step involves actually implementing the strategic change plan and measuring and reviewing the results of the change activities to ensure that the process is proceeding as planned.

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Design a strategic change plan. The group designs a strategic change plan which is an action plan for moving the organization from its current strategy and design to the desired future strategy and design.

Implementing a strategic change plan: The final step involves actually implementing the strategic change plan and measuring and reviewing the results of the change activities to ensure that the process is proceeding as planned.

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Application of Strategic Interventions

These interventions are applied mainly in

- **Integrated strategic change:** It is comprehensive OD intervention describing how planned change can make a value added contribution to strategic management.
- **Organizational design:** It addresses the organization's architecture or the extent to which structure, work design, HR Practices, MIS are aligned and supported to each.
- **Cultural Change :** It helps organization develop cultures appropriate to their strategies and environments.

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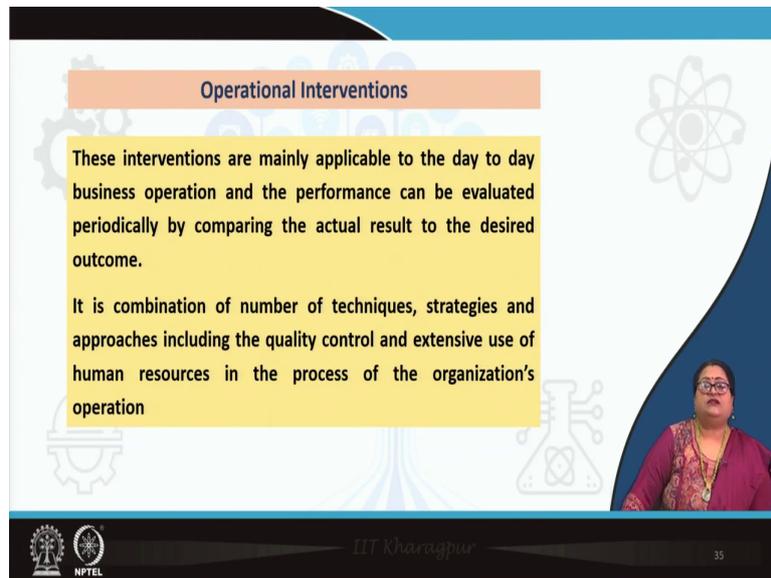
Now, what are the applications of strategic interventions? These interventions are applied mainly in integrated strategic change. It is a comprehensive OD intervention which describes how planned change can make an value added contribution to the strategic management.

Organizational design: It addresses the organization's architecture or the extent to which structure, work design, HR practices, MIS are aligned and supported to each. So, you can understand if there is an external signal from the environment that the organization needs to redesign itself in order to be more aligned with the demands of the environment in order to compete well, then the strategic decision will have it has to be very holistic and it is not only the structure.

But, again the work design, the HR practices, the information system needs to be well aligned with each other because just introducing change in one of the aspects may not bring the

comprehensive result. And of course, important is cultural change. It helps the organization to develop cultures appropriate to their strategies and environments.

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The slide features a title 'Operational Interventions' in a blue box. Below it, a yellow box contains two paragraphs of text. The first paragraph states that interventions are applicable to daily business operations and performance is evaluated by comparing actual results to desired outcomes. The second paragraph describes these interventions as a combination of techniques, strategies, and approaches, including quality control and human resources. A small video inset in the bottom right shows a woman in a purple top. The slide footer includes the IIT Kharagpur and NPTEL logos, the text 'IIT Kharagpur', and the number '35'.

Operational Interventions

These interventions are mainly applicable to the day to day business operation and the performance can be evaluated periodically by comparing the actual result to the desired outcome.

It is combination of number of techniques, strategies and approaches including the quality control and extensive use of human resources in the process of the organization's operation

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Operational interventions are required when we are talking of the internal environment and how it is contributing towards the organizational growth or organizational decline. These interventions are mainly applicable to the day to day business operations and the performance can be evaluated periodically by comparing the actual result to the desired outcome.

Like where we were seeing in that precondition matrix, when the performance is declining, under performance is happening, then operational interventions are required. It is a combination of number of techniques, strategies and approaches including the quality control and extensive use of human resources in the process of organizations operations.

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Cultural Interventions

Scholars have identified three categories of cultural interventions in organizational development, such as –

Controlling intervention: Deals with re/establish structure, managing stakeholders, managing expectations, minimizing discussions.

Connecting intervention: Deals with connecting people, creating a shared vision, managing relationships.

Actuating interventions: Deals with encouraging ownership, learning by sharing, innovative thinking, bringing problem into table.

The slide features a yellow text box on a light blue background with faint gear and atom icons. A video inset in the bottom right shows a woman in a purple top. The footer includes the IIT Kharagpur and NPTEL logos, the text 'IIT Kharagpur', and the number '36'.

Cultural interventions, scholars have identified three categories of cultural interventions in organizational development, which is controlling interventions deals with re-establishing structure, managing stakeholders, managing expectations and minimizing discussions.

Connecting interventions, which deals with connecting people, creating a shared vision and managing relationships and actuating interventions, which deals with encouraging the ownership, learning by sharing innovative thinking and bringing the problem to table. We will be discussing in details about cultural intervention in the upcoming lectures.

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So, we will now look into the references that have been used over here.

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CONCLUSION

This lecture session has covered details about turnaround situation including its concept, key parameters influencing turnaround, turnaround strategy, importance of using turnaround strategy, types of turnaround strategy, stages of turnaround strategy management, turnaround and downward spiral, essential ingredients for achieving success in turnaround, structural intervention, strategic intervention, operational intervention and cultural intervention. Hope, learners have enjoyed the learning.

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In conclusion, we can say this lecture session has covered details about turnaround situation, including its concept, key parameters influencing turnaround strategy, importance of using turnaround strategy, types of turnaround strategy, stages of turnaround strategy management, turnaround and downwards spiral, essential ingredients for achieving success in turnaround, structural intervention, strategic interventions, operational interventions and cultural interventions.

We hope the learners have enjoyed the learning. In the next lectures, we are going to discuss in depth about technological interventions, HR interventions and also again have a real look into the cultural interventions because culture is the main base, the environment, the context, which gives a facilitating, holding environment for all other types of interventions to like flourish properly.

And the organization come, like to overcome the inertia and bounce back with resilience so that it can emerge as a organization with a newer identity and be a transformed organization and both from inside and outside. And after that, we are going to look into the future of transformations.

Till then, bye bye.