Chapter Two

REVIEW OF RELATED LITERATURE

About Organizational Development
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About Organizational Development

Organization Development (OD) applies behavioural-science knowledge and practices to help organizations change to achieve greater effectiveness. It seeks to improve how organizations relate to their external environments and function internally to attain high performance and high quality of work life. OD emphasizes change in organizations that is planned and implemented deliberately. It is both an applied field of social practice and a domain of scientific inquiry. Practitioners, such as managers, staff experts, and consultants, apply relevant knowledge and methods to organization change processes, while researchers study those processes to derive new knowledge that can subsequently be applied elsewhere. In practice, this distinction between application and knowledge generation is not straightforward as OD practitioners and researchers often work closely together to jointly apply knowledge and learn from those experiences (Lawler et al., 1985). Thus, OD is an ‘action science’ where knowledge is developed in the context of applying it and learning from the consequences (Argyris et al., 1985).

OD encompasses a diversity of concepts and methods for changing organizations. Although several definitions of OD have been presented by different philosophers like Beckhard, (1969); Bennis, (1966); French, (1969); Burke, (1982); Micheal Beer, (1980);, French and
Bell,(1990); Schein, (1992); Luthans,(1998); Robbins, (2003); Ogundele, (2005); Armstrong, (2006), etc., yet enormous growth of new approaches and techniques has blurred the boundaries of the field and made it increasingly difficult to describe.

Leavitt (1962) suggested that organizations could be developed or changed by altering one or more of three major variables—people, structure and technology. Peters and Waterman (1982) widened the range of variables in their adoption of a seven-item framework in their analysis of “excellence” in major American companies contained in their book “In Search of Excellence”. This is known as Mckinsey 7-s framework which comprised of the following elements of organizations, like System, Strategy, Staff, Structure, Style, Shared Values as discussed first chapter.

Argyris, (1964) expanded T-groups rapidly with the formation of the National Training Laboratories whose members increasingly applied these methods to helping organizations improve social processes. In the 1950s, this included ground-breaking work by Douglas McGregor at Union Carbide, Herbert Shepard and Robert Blake Esso Standard Oil, and McGregor and Richard Beckhard at General Mills (French, 1985). These early applications of T-group methods to business spawned the term ‘organization development’. This led to an impressive array of interventions for improving social processes in organizations, such as
team building (Patten, 1981; Dyer, 1987), process consultation (Schein, 1969, 1987, 1998), organization confrontation meeting (Beckhard, 1967), and, more recently, large-group interventions such as search conferences and open-space meetings (Bunker & Alban, 1997).

Action research started in the 1940s with applied studies by Collier (1945), Lewin (1946) and his colleagues, and Whyte and Hamilton (1964) showed that research could be used in the service of organization improvement if it was closely tied to action.

Based on the work of Rensis Likert, Floyd Mann, and their colleagues, survey feedback resulted in a variety of instruments for assessing member attitudes towards organizations (Seashore, 1987). It showed how feeding back that information to members can motivate and guide them to create meaningful change (Mann, 1962). This initial work in survey feedback also directed attention to how organizations were managed. It provided evidence that participative systems of management were more effective than traditional authoritative or benevolent systems (Likert, 1967). This encouraged the growth of participative management in organizations, which today has evolved into popular interventions for enhancing employee involvement or empowerment at the workplace (Lawler, 1986; Spreitzer, 1996).

OD sought remedies for these problems in new work designs that were more geared to employee needs and aspirations than to traditional
designs. These interventions were based on the work of Eric Trist (1963) and his colleagues in socio-technical systems and of Frederick Herzberg and his colleagues in job enrichment (Herzberg et al., 1959; Trist et al., 1963).

Cummings & Srivastava (1977) studied work designs that enhance both productivity and employee satisfaction. Socio-technical systems also showed that when tasks are highly interdependent and require significant decision-making, teams comprised of multi-skilled members who can make relevant decisions are the most effective work design.

Ford (1969) has studied job enrichment and the success it has yielded in prominent companies as AT&T, which has led to rapid diffusion of this OD intervention to work redesign in business, government, and the military.

Based on the work of Lawler (1981), OD examined how rewards affect the organization performance, and this led to interventions aimed at making rewards more contingent on performance. One method that has grown in popularity over the past two decades is called ‘gain sharing’. It involves paying organization members a bonus based on measurable gains in performance over some baseline standard. Gain sharing typically covers all members of a particular business unit and includes only performance measures that members can control. To achieve gains
in performance, members are given the freedom to innovate and to discover more effective ways of working.

The most recent applications of OD involve structuring organizations so they are better aligned with their strategy and environment. Such large-scale change has become more prevalent in the past two decades as organizations have increasingly faced complex, rapidly changing environments that often demand radical changes in how they compete and design themselves (Mohram et al., 1989).

OD has expanded its focus to the total organization and its competitive environment. Drawing on a variety of perspectives in corporate strategy (Miles & Snow, 1978; Porter, 1980; Hamel & Prahalad, 1994; Grant, 1998), OD has created interventions for assessing an organization’s competitive situation and making relevant changes in strategy if necessary. This typically includes a so-called ‘SWOT analysis’ where the organization’s strengths and weakness are compared to opportunities and threats in its competitive environment. Then, a strategy is created to build on the strengths and to take advantage of the opportunities, while accounting for the weaknesses and threats.

OD has also generated applications for designing the various features of an organization so they promote and reinforce strategy. Based on a growing literature in organization design (Galbraith, 1977; Nadler et al., 1992; Galbraith & Lawler, 1993), OD has created new structures that fit
better to today’s situations than traditional bureaucratic designs. These include: ‘high-involvement organizations’ that push decision-making, information and knowledge, and rewards downward to the lowest levels of the organization (Lawler, 1986); ‘boundary less organizations’ that seek to eliminate unnecessary borders between hierarchical levels, functional departments, and suppliers and customers (Ashkenas et al., 1995); and ‘virtual organizations’ that focus on the organization’s core competence while outsourcing most other functions to other organizations who do them better (Davidow & Malone, 1992). All these structures are extremely lean and flexible; they enable organizations to respond rapidly to changing conditions. Consistent with these new structures, OD has applied recent work on organization learning and knowledge management to organization change (Senge, 1990; Argyris & Schon, 1996; Davenport & Prusak, 1998). These interventions help organizations gain the capacity to continually learn from their actions and to make effective use of such knowledge. Teece, (1998) studied that learning capability is essential if organizations are to continually change and renew themselves. It can provide strong competitive advantage in complex, changing environments.

EVOLUTION OF ORGANIZATIONAL DEVELOPMENT IN INDIA

In India, OD and planned change started in the early 1960s. A group of Indian professionals trained at the National Training Laboratories (NTL)
at Bethel, Maine, USA, brought out a good deal of OD technology in India. Grid programmes were initiated and widely used in the Small Industries Extension Training (SIET) Institute, Hyderabad, State Bank of India and in the Indian Institute of Management (IIM) programmes in the mid 1960s. Unfortunately these remained isolated efforts and did not take OD to its logical conclusions.

In the mid-1970s, OD was first introduced in India in Larsen and Toubro as a formal and structured part of the HRD department. It was expected that the change process would get institutionalized and more OD specialists would be developed. Unfortunately, this did not happen as the corporate sector in the country has a very protected and secure environment and there were very few compulsions to change. Hence OD remained mostly in academic institutions – the forte of a few specialists and largely limited to T-group training and other training based interventions. That it has a slow growth is indicated by the fact that even after 25 years of existence, the Indian Society for Applied Behavioural Science (ISABS), an associate of NTL, produced less than 100 process specialists in the vast country.

There have been several efforts to apply OD approach and associated techniques in India but it has not created the desired impact. The issue of non-transferability of OD technology to cultures such as India has arisen because of the fear or distrust of its techniques of confrontation.
The general practitioner or the change agent style of informality and an attitude of openness is also not suited to the Indian context. However, a deeper examination of values embedded in Indian religion and psycho-philosophy suggests that the cultural values are indeed largely supportive of organizational renewal and change. The rich cultural heritage also contains a paradigm of change, based on which new approaches and designs of OD interventions may be possible. And such designs are likely to be accepted more readily in the country.

The scenario has changed thanks to an increasing number of applied behavioural scientists and T-group trainers, the HRD movement and establishment of HRD departments, contributions of multinationals in India and the influence of Western education. Professional bodies such as ISABS (Indian Society for Applied Behavioural Sciences), Indian Society for Individual and Social Development (ISISD), Indian Society for Training & Development (ISTD), and the HRD Network, and academic institutions such as the IIMs (Indian Institute of Management) have further facilitated this. In the post liberalization period, every one has been forced to seek change. As a result, the application of OD technology has increased.
BROAD CONTEXT FOR OD IN INDIA

1. Understanding Organization, Leadership and Management

To really understand organizational change and begin guiding successful change efforts, the change agent should have at least a broad understanding of the context of the change effort. This includes understanding the basic systems and structures in organizations, including their typical terms and roles. This requirement applies to the understanding of leadership and management of the organizations, as well. That is why graduate courses in business often initially include a course or some discussion on organizational theory. This topic includes several links to help you gain this broad understanding. The following links (broadly reviewed in the following order) might be helpful to establish some sense about organizations, and their leadership and management.

2. Understanding Organizational Performance and Management

Organizational change should not be conducted for the sake of change. Organizational change efforts should be geared to improve the performance of organizations and the people in those organizations. Therefore, it’s useful to have some understanding of what is meant by “performance” and the various methods to manage performance in organizations.
3. **System Thinking**

The past few decades have seen an explosion in the number of very useful tools to help change agents to effectively explore, understand and communicate about organizations, as well as to guide successful change in those organizations. Tools from systems theory and systems thinking especially are a major breakthrough. Even if the change agent is not an expert about systems theory and thinking, even a basic understanding can cultivate an entire new way of working. The following link is to many well-organized resources about systems thinking and tools.

**ORGANIZATIONAL DEVELOPMENT INTERVENTIONS APPLIED BY INDIAN ORGANISATIONS**

1. **Training**

2. **Action research**

3. **Survey feedback**

4. **Human resources development and its audit**

5. **Role focused interventions**

6. **Person focused interventions**
1. TRAINING AS AN ORGANIZATION DEVELOPMENT INTERVENTION

Training, today in organizations is viewed as continuously evolving, dynamic networks of interactions between different participants and interest groups within and around the organization. This doctrine is very much different from the past perception of training as a static and mechanistic activity to address deficiencies. Training raises the consciousness of participants, makes people aware of the gaps between reality and ideals, provides a common language to articulate shared problems and difficulties generates ideas for change, and creates greater energy for change. As a consequence of such dynamic and multifaceted approach, training has proved to be an effective OD intervention. One finds that in-house training programmes are commonly held at various levels of the hierarchy, whether or not the organization has formally launched any OD efforts. Any OD process is initiated with a thorough diagnosis of the ‘symptoms’. Training workshops can be effectively used to diagnose organizational issues without sacrificing the educational objectives of these programmes.

In 1983, Chemcorp realized an urgent need to train staff (three groups the senior management, middle management and supervisory staff) throughout the corporation. The Tata Management Centre was approached for the same. Tata Management Center decided to first
conduct a training needs assessment workshop to determine the scope and content of training followed by a workshop for the Chairman & Managing Director (CMD) and top management to agree on the strategic direction which would provide a basis for the training.

2. ACTION RESEARCH INTERVENTION

Action research is a data based problem solving model that replicates the steps involved in the scientific method of inquiry. As an OD intervention, action research has pointed out to more efficient resolution of practical problems, better understanding of ground realities by social scientists and generation of new insights for theory building. How it can be used as an intervention to initiate change is explained in the case of The Indian Chemical Company (ICCL) (Ramnarayan, Rao and Singh, 1998)

3. SURVEY FEEDBACK INTERVENTION

Although survey feedback was recognized as a potential OD tool for a long time, corporate India used it only from mid 1970s onward as an important part of HRD function. The survey feedback has been used extensively by T. V. Rao, in a various capacities

- As a sensing instrument
- For organizational improvements
- For strategic shifts in structure, styles & personnel policies
- For team building
- For initiating cultural changes
- For developing new technology
- For improving competitive advantage
- For developing motivating climate

Among Indian organizations that use survey feedback as a sensing instrument are Crompton Greaves and Larsen & Toubro (L & T). While L & T started its HRD activities in a systematic way in 1975 and has been using organizational climate survey, Crompton Greaves used the same in 1982. Both organizations experienced climate surveys as critical tools to provide insights into areas requiring improvements. On the basis of initial experience, Crompton Greaves has even made this survey research an institutionalized biannual affair.

The consultants then analyzed the data obtained through the workshop. The top management was given detailed training on conceptual issues. Detailed feedback on various organizational issues was provided which further helped the top team to develop a collaborative culture and implement innovative and efficient systems leading to overall organizational effectiveness.
4. HUMAN RESOURCE DEVELOPMENT INTERVENTION

Perhaps India is the first country to formally establish a totally dedicated HRD (Human Resources Development) Department separated from the Personnel Department. This was designed in the year 1974 when the term HRD itself was not very popular in the USA. Two consultants from the Indian Institute of Management, Ahmadabad Dr. Udai Pareek & Dr. T V Rao after reviewing the effectiveness of the performance appraisal system and training in Larsen & Toubro recommended an Integrated HR System to be established and the department dealing with development issues be separated out from the personnel department and be called the HRD department. Thus the first HRD department was established. It was followed in the banking sector by the State bank of India and its Associates to start a series of new HRD departments. By late seventies the concept of HRD and the need for having separate HRD departments picked up momentum. In Pareek and Rao’s model of HRD department the objective of this department is to facilitate learning and change in the organizations. This department is supposed to have learning specialists who facilitate change process. In their model, OD was conceived as one of the main tasks of the HRD department. Thus an attempt was made to institutionalize OD through HRD departments. As the departments picked up momentum a lot of OD work had begun to be done through the HRD departments. In fact
most change interventions have been and are being made by the HRD departments (as differentiated from the Personnel departments). The HRD Managers in India do undertake a number of interventions which may be classified as OD interventions. The nature of interventions undertaken by the HRD departments include:

- Cultural change through new performance management systems in most cases these are undertaken also by a separate group of professionals
- Role clarity and Role negotiation exercises
- Training
- Career Planning and Succession exercise
- Assessment Centers and promotion policies
- Visioning and value clarification exercises
- Performance coaching workshops
- Team building interventions

The Academy of Human Resources Development has come up with a concept of IOAC (Individual and Organizational Assessment Center) which is becoming popular as an intervention by the HRD departments. In this concept the HRD department establishes an Assessment Center with the purposes of assessing and developing the competencies of individuals as individuals, individuals in relation to their current and future roles, dyadic relationships, teams, inter team collaboration and work and organizational climate and synergy.
5. **ROLE FOCUSED INTERVENTION**

A large number of organizations have used role based interventions. Whenever there is a restructuring exercise, “role clarity” becomes an issue. Many organizations in India keep conducting role clarity and role negotiation exercises. The role negotiation exercises normally are between departments. Indian managers tend to differentiate themselves fast and develop departmental loyalties too soon. As a result, sometimes the organizational goals suffer and interdepartmental conflicts increase. Role negotiation exercises, therefore, have been a very common practice to build a collaborative and synergistic culture. Udai Pareek’s book ‘Managing Organizational Roles’ is a classic book and is widely used in India.

Role Efficacy Lab (REL) is a short process oriented programme to diagnose the level of role efficacy in a group of employees in the organization and take steps to raise that level. The objective of such an intervention is to enable understanding of individual and group commitments with the top management, creating an opportunity to get moral support and reinforcement from the top management and providing a forum for top management to comment on the managers’ expectations and accordingly prepare action plans. RELs are also very common in India. They are normally done as a part of training or restructuring interventions. As a training tool it aims at enhancing role
efficacy. Role efficacy as a concept was formulated by Udai Pareek in the mid-seventies. (Ramnarayan, Rao and Singh 1998, p.110)

6. PERSON FOCUS INTERVENTION

All person focused interventions focus on individuals working in organizational context and have great relevance to various HRD subsystems like training, performance development, counseling, etc. These interventions can be mainly classified as mainly: Participant active interventions: encounter groups, role playing, instrumentation, self study & reflections. These are used largely as training interventions. However organizations are increasingly using instrument based feedback. Use of MBTI, FIRO-B, 16 PF and such other instruments is a common. There are a number of Handbooks of Psychological and Social Instruments published in India. Notable among these are the one by Pareek (1997) and Pareek and Rao (1975), and Pestonjee (1997). Self Assessment through Feedback on Instruments (SAFI services) was an organizational intervention to promote self assessment for managerial effectiveness in late seventies. A few organizations have established such centers but they have not taken off due to lack of trained manpower and sustainable interest of HRD departments.

Facilitator Active Interventions: psychodynamic methods, motivation approach, training, feedback and coaching & mentoring
Evaluating Organizational Development Interventions

Burke, (1982) has stressed on measurement and evaluation of OD programmes effectiveness has also been given due importance by various practitioners. Often programmes are used because it 'feels' good instead of using programmes with measured effectiveness. An evaluation forces clarification of objectives and expected outcomes, and it provides specificity on how procedures and activities will be implemented. Such an evaluation helps signal potential problems and obstacles in the OD effort, and it facilitates planning next steps for organizational improvement and development.

One of the first applications of strategic change was Richard Bechard’s & Harris (1987) use of open system planning. He proposed that an organization’s environment and its strategy could be described and analyzed. Based on the organization’s core mission, the differences between what the environment demanded and how the organization responded could be reduced and performance can be improved.

Argyris (1970) mentions that the first criteria concerns to whether the intervention is relevant to the organization and its members. Effective programmes are based on valid information about the organization’s functioning; they provide organization members with opportunities to make free and informed choices; and they gain members’ internal commitment choices.
Warrick (1984) states the designing of OD programmes requires paying careful attention to the needs and dynamics of the change situation and crafting a change programme that will be consistent with the three criteria of effective programmes.

Nicholas (1982) has detailed how an effective designed intervention can handle contingencies related to change situation, where there is readiness to change, where there is capacity to change, where there is a cultural context and when contingencies are related to target of change.

Freidlander and Brown (1974) state that practitioners applying these programmes generally value human fulfillment and expect that organizational effectiveness follows from improved functioning of people and organizational process.

According to Lawler (1981), Practitioners generally stress both productivity and human fulfillment and expect that the organization effectiveness will result from appropriate work designs and organizational structures.

Cummins and Worley, (2001) Setting of goals, performance appraisal and reward system along with career planning and development, workforce diversity and Employee wellness together propound to this type of intervention Integrated strategic change (ISC) is a recent
intervention that brings an OD perspective to traditional strategic planning (Worley et al., 1996).

As the field of OD evolves and grows, new intervention techniques are continually being developed and applied. Yet, little experimental information is available on the comparative impact of current popular approaches to OD. A notable exception is Bowers (1971), who attempted such a comparison in 23 organizations as part of the Michigan Inter-Company Longitudinal Study (ICLS). Although this study spawned much controversy and criticism (Torbert, 1973; Golembiewski, Billingsly & Yeager, 1976; Pasmore, 1978) it has not, as of this date, precipitated alternative studies to support or to contradict its findings. The research approach necessary to investigate the relative effectiveness of the various available OD techniques is both complex and cumbersome. An ideal research design involves large numbers of organizational units randomly assigned to strictly controlled intervention treatments studied over long periods of time using identical measurement techniques. It is virtually impossible to achieve since OD programmes are typically organic, difficult to specify, and never exactly duplicated. It is little wonder that, with the exception of the study by Bowers (1971), no systematic comparison of the efficacy of one OD technique over another is available in the literature.
Many researches are still continuing in the said field in different dimensions, like how people and organizations function and how to get them function better, the major thrust given by Organizational Development Practitioners is on how to improve functioning of individuals, teams, and the total organizations and the another thrust is on to teach organization members how to continuously improve upon their own functioning. The systematic approaches adopted in framing the Organizational Development strategy have given multiple benefits to the organizations.

Enormous opportunity and potential exist for Organizational Development movement in the future. Organizations throughout the world need the unique help to achieve effectiveness for which development of organizations is essential. Paradoxically neither exist too many case studies on Indian organizations, which is perhaps the need of the hour due to the rapid globalization of Indian economy.

Terpstra (1982) concluded that only through better and more methodologically sound evaluation practices can the field of OD achieve the degree of respectability, critical for continued growth and development.

Nielsen and Kimberly (1976,) have so aptly noted that most of the evidence regarding the efficacy of OD as a change modality is anecdotal. Even in those cases where more systematic efforts have been made, the
results are often open to serious methodological criticism. Thus, much of what is available in the literature is philosophical and/or testimonial in nature, and neither provides a satisfactory basis for decisions about the advisability of further investment in this particular change strategy for managers nor enhances understanding of the process of organizational change for those interested.

White & Mitchell, (1976), Pate, Nielsen, & Bacon (1977) Porras & Berg, (1978) that have assessed various aspects of OD evaluation methodologies. While the studies mentioned above have added greatly to our knowledge of the methodological rigor extant in OD research, further clarification is evidently needed. White and Mitchell (1976), on the basis of their review of OD research from 1964 to 1974, conclude that most OD research uses poor research designs. Porras and Berg (1978), having reviewed OD research conducted from 1959 to mid-1975, concluded that, although OD is young, there nevertheless exists a reasonably large number of ’scientific’ investigations of the effects of OD programmes and theoretical implications of OD.

The growth of the body of literature documenting the efficacy of OD interventions has been paralleled by increased concern with problems of evaluating OD and with methods for dealing with these problems (Armenakis, Bedeian, & Pond 1983; Nicholas, 1979; Roberts & Porras, 1982). Although effects-oriented surveys (Margulies, Wright, & Scholl,
1977; Nicholas, 1982; Porras & Berg, 1978a) seem to indicate the overall "success" of OD approaches, reviews scrutinizing common OD evaluation practice have concluded that many findings are questionable. Terpstra (1981) noted an inverse relationship between the "rigor" of evaluation and the reported success of interventions. (Recent reviews of the Terpstra, 1981, study have failed to find evidence of bias or have noted problems of ambiguity in the coding of "rigor" and "success," Bullock & Svyantek, 1983.) Also, as Bass (1983) warned, there is much more to interpreting intervention outcomes than can be accounted for by rigor alone.

Several reviews of Morrison,(1978), Porras & Berg, (1978) indicate that relatively few published OD results are "well documented" and of moderate or better research quality, and that findings often are based solely on anecdotal reports, testimonials, or subjective evaluations. In spite of interest in the impacts of OD on "hard-criteria" —cardinal measures of worker behaviour, productivity, and profitability (Cahn, 1978; Jones, Spier, Goodstein, & Sashkin, 1980; Walton, 1978)—most have used "soft criteria"—attitudinal and perceptual measures drawn from questionnaires and interviews.

Barzelay, (1992); Johnston, (1993); Osborne & Gaebler (1992) have mentioned There is a growing recognition of the need for fundamental for changes in the way public organizations are structured and
managed. With the environment becoming more turbulent, organizational boundaries changing or even collapsing, and the number of constituents in the political arena increasing, many public organizations will require implementation of a broad range of proactive changes designed to improve organizational functioning. In particular, it is frequently argued that organizations need to reduce their managerial structure, allow greater discretion and responsibility among their front-line employees, and operate more flexibly and innovatively if they are to perform sufficiently well to ensure their survival (Cleveland, 1985; Drucker, 1988; Peters, 1988). The field of planned organizational change, based largely on the knowledge and techniques derived from the organizational development (OD) movement provides a potentially useful set of approaches for implementing requisite changes along these lines.

The efficacy of planned organizational change in public organizations is based in part on the question of whether or not they differ from private organizations in ways that would limit the effectiveness of organizational development efforts. The traditional perspective has been that key differences between the two sectors have important implications for the likelihood of successfully implementing interventions for planned change. Features of public organizations noted most often include the absence of market incentives; the existence of multiple, conflicting goals; and a political context with a
broader range of constituent groups, higher levels of accountability, and more rules, regulations, and constraints (Mayer, 1982; Perry and Rainey, 1988).

Forbes, (1978) mentions that these features may cause problems for the implementation of OD that reflect not just an inappropriate application of theory but the possibility that the theory itself does not fit the reality of public administration.

Because private sector organizations are driven primarily by market or consumer preferences, organizational effectiveness is more readily measured in terms of efficiency and profitability. As a result, change activity can be implemented and assessed using these narrow criteria as the primary basis for evaluating their success, possibly making it easier for these change efforts to be successful. In contrast, there are different and more varied criteria by which to assess organizational effectiveness in the public sector. Hence, public organization may find it more difficult to use planned change interventions effectively, because the primary goal of these efforts will not be as straightforward or as consensually supported. These presence of a variety of important constituent groups, all of whom want to influence organizational activity, can also increase the difficulty of successfully implementing OD designs (Golembiewski, 1985), with so many potential decision makers, it is often hard to gain the necessary approval and/or funding.
for OD interventions. More time is spent lobbying for an intervention in
the public sector than in private organizations, where more effort is
expended actually implementing the changes. Furthermore, the
divergence of personalities and institutional cultures tied to the multiple
constituents makes it more difficult to achieve the unity of purpose for
which OD strives (Cummings and Huse, 1989). These unique
constraints imposed on public organizations may render them almost
immune to conventional OD interventions (Giblin, 1976).

Rainey, (1983), had compared to private organizations, many public
sector organizations are also subject to a greater range of rules,
regulations, and procedures fixed by the authority of a superior body
and, designed to hold organizations accountable for a broad range of
objectives, they frequently lead to rigid bureaucratic structures that can
inhibit effective organizational change. Such elements as civil service
systems, inflexible reward systems, specialized and invariant job
designs, highly formalized processes and procedures, and strict
reporting requirements yield centralized, bureaucratic hierarchies that
are much different from many organizations in the private sector.
Furthermore, the values and assumptions underlying the design of
these mechanistic organizations may be fundamentally incongruent
with those on which organizational development is based (Cummings
and Huse, 1989). As a result, it is frequently asserted that OD

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interventions are difficult to implement successfully in the public sector because of the constraints imposed by these characteristics (Appleby, 1978; Eddy and Saunders, 1972; Golembiewski, 1985).

Golembiewski, (1985) has concluded that highly political nature of the public arena can increase the difficulty of getting whole-hearted leadership support for the change process. For example, public organizations are often characterized by complex command linkages that involve competing identifications and affiliations, as well as by weak linkages between political and career level leader. These factors can impede consensus among organizational leadership regarding the necessity or importance of the change activity. Thus, OD applications at higher levels of the public sector can be particularly difficult and require political sensitivity on the part of the consultant (Pecarich, 1983). Furthermore, commitment to long-term OD efforts is unusual when public officials frequently change every four to six years (Appleby, 1978). Without consistent, on-going leadership support, the viability of long-term interventions is reduced. This results in more frequent use of short-term change efforts that may not have as much impact as long-term designs.

The above arguments are based on the premise that there are clear-cut and consistent differences between organizations in the public and private sectors, that is, that these generalizations hold true for most
public organizations. However, within any large population of organizations that can be defined as “public,” there is undoubtedly a broad range of variation in terms of these characteristics. For example, many public organizations are adopting decentralized structures, network and team-based arrangements, and customers, and customer-oriented approaches (Osborne and Gaebler, 1992; Schmidt and Finnigan, 1992). Furthermore, recent analyses of the distinctions between public and private organizations indicate that the two sectors are not as dichotomous as the above discussion suggests (Bozeman, 1984, 1987; Bozeman and Bretschneider, 1994; Perry and Rainey, 1988). Instead, organizational “publicness” can be viewed as a continuum, with any given organization characterized as more or less “public” Although some organizations fall near the endpoints of this continuum and are thus part of the “core” categories of public and private organizations, many others are hybrids with features of both core types (Lan and Rainey, 1992; Wamsley and Zald, 1973). In essence, this perspective suggests that the boundaries between the sectors are blurring, with the implication that any claims regarding a distinctive set of features of public organizations are not justified.

These reviews of the OD evaluation literature suggest that, relative to the private sector, the efficacy of OD interventions is not-limited by the public nature of their context. The focus is on how the studies define
and measure the effectiveness of an intervention. Golembiewski et al. (1981) assessed each study in their sample according to whether the intervention produced (1) highly positive and intended effects, (2) a definite balance of positive and intended effects (i.e. mixed but generally favorable), (3) no appreciable effect, and (4) negative effects. Park (1991) coded each outcome variable in each study as demonstrating (1) significant improvement or increase, (2) increase or improvement but with no statistical test of significance, (3) no appreciable change, (4) negative impact but with statistical test of significance, and (5) significant negative impact. These categories provide only an approximate measure of the amount of change that resulted from an intervention. Aggregated across studies, they can only yield a rough idea of the relative amount of change from OD activity. A more precise measure of the impact of interventions would enable a more precise evaluation of the relative effects in the public and private sectors.

Neither of the studies differentiates between the effects of intervention activity on various types of outcome variables. In both cases, all outcome variables were aggregated in an effort to determine the amount of change that occurred. Park (1991) specified rather precisely the method used to evaluate the amount of change occurring across all variables within each study, whereas Golembiewski et al. (1981) apparently used a rather imprecise assessment of the change occurring
across all variables in a study to place that study into one of the four categories identified above. Although this practice does not in and of itself limit the accuracy of their findings, it could hide important distinctions variable types regarding a differential impact by planned organizational change in the two sectors.

**COMPETANCY MAPPING – ROLE EFFICACY**

Dictionary definitions often fall short in describing a concept. But the leading companies might describe a Competency as “a cluster of related knowledge, attitudes, skills and other personal characteristics that affects a major part of one’s job, correlates with performance on the job, and can be measured against well-accepted standards which can be improved via training and development”. (Parry 1997)

Nordhaug and Gronhaug, (1994) states that the concept of competence remains one of the most diffuse terms in the organizational and occupational literature.

The concept of individual competence is widely used in human resource management (Boyatzis, 1982). This refers to a set of skills that an individual must possess in order to be capable of satisfactorily performing a specified job. Although the concept is well developed, there is continuing debate about its precise meaning.
Robotham and Jubb (1996) studied that job-based competence can be applied to any type of business where the competence-based system is based on identifying a list of key activities (McAuley, 1994) and behaviours identified through observing managers in the course of doing their job. A useful view is to look at competence to mean a skill and the standard of performance, whilst competency refers to behaviour by which it is achieved (Rowe, 1995).

Rowe (1995) further distinguishes the attributes an individual exhibits as “morally based” behaviours – these are important drivers of behaviours but especially difficult to measure – and “intellectually based” behaviours as capabilities or competencies. Capabilities are distinguished as these refer to development behaviours – i.e. are graded to note development areas to improve behaviours in how people undertake particular tasks.

Young (2002) develops on a similar theme and builds on Sarawano’s (1993) model, linking competency and competence to performance and identifies competency as a personal characteristic (motives, traits, image/role and knowledge) and how the individual behaves (skill). Competence is what a manager is required to do – the job activities (functions, tasks). These in turn lead to performance of the individual [manager].
Jacobs (1989) considers a distinction between hard and soft competences. Soft competences refer to such items as creativity and sensitivity, and comprise more of the personal qualities that lie behind behaviour. These items are viewed as being conceptually different from hard competences, such as the ability to be well organized. Jacob’s distinction fits neatly into Young’s model with hard competences referring to identifiable behaviours, and soft competences as the personal characteristics of the individual.

Cockerill et al. (1995) define threshold and high-performance competences. Threshold competences are units of behaviour which are used by job holders, but which are not considered to be associated with superior performance. They can be thought of as defining the minimum requirements of a job. High performance competences, in contrast, are behaviours that are associated with individuals who perform their jobs at a superior level.

Boyatzis (1982) identifies a number of behaviours useful for specifying behavioural competence. Schroder (1989) also offers insights into the personal competencies which contribute to effective professional performance.

Personal competencies and their identifying behaviours form the backbone of many company-specific competency frameworks and are used extensively in assessment centres for selection purposes. This is
because behavioural (or personal) competence may be a better predictor of capability – i.e. the potential to perform in future posts – than functional competence – which attests to competence in current post. The main weakness of the personal competence approach, according to Cheetham and Chivers (1996), is that it doesn’t define or assure effective performance within the job role in terms of the outcomes achieved.

Schon (1983) attempts to define the nature of professional practice. He challenges the orthodoxy of technical rationality – the belief that professionals solve problems by simply applying specialist or scientific knowledge. Instead, Schon offers a new epistemology of professional practice of ‘knowing-in-action’ – a form of acquired tacit knowledge – and ‘reflection’ – the ability to learn through and within practice. Schon argues that reflection (both reflection in action and reflection about action) is vital to the process professionals go through in reframing and resolving day-to-day problems that are not answered by the simple application of scientific or technical principles.

Schon (1983) does not offer a comprehensive model of professional competence, rather he argues that the primary competence of any professional is the ability to reflect – this being key to acquiring all other competencies in the cycle of continuous improvement.
Wille, (1989) criticized competency-based approaches to management and these tend to argue that managerial tasks are very special in nature, making it impossible to capture and define the required competences or competencies. Other writers argue that management skills and competences are too complex and varied to define (Hirsh, 1989, Canning, 1990) and it is an exercise in futility to try and capture them in a mechanistic, reductionist way (Collin, 1989).

Burgoyne (1988) suggests that the competence-based approach places too much emphasis on the individual and neglects the importance of organizational development in making management development effective. It has also been argued that generic lists of managerial competences cannot be applied across the diversity of organizations (Burgoyne, 1989, Canning, 1990).

Bandura, Adams & Beyer (1982) suggested that as a person approaches a task, two sets of expectations are formed: efficacy expectations and outcome expectations. Later on, the concept of efficacy has been examined at multiple levels in organizations.
MULTISKILLING - ROLE STRESS

The steel industry has undergone fundamental changes over the past decade, including a scaling up of total capacity, substantially reduced manning, the introduction of major technological and automation change and a move to far higher-quality standards. As a result of these developments, and accompanying them, there have been major changes in work organization (Franz, 1991).

Pollert (1988) has noted, there would seem to be far more rhetoric about multi-skilling than actual evidence of its widespread existence, which even its most ardent advocates concede (Cross, 1988). In steel sector it can be defined it as the change from single-trade craftsmen (welder, fitter and turner, etc) to craftsmen with a knowledge and training in a number of skills. It is perhaps not surprising that, in general, there is little evidence of widespread multi-skilling in the steel industry, not least because of the considerable negotiation which must first take place at a management-union level on the introduction of multi-skilling.

Role stressors are consistently related to self-reported stress outcomes (Jackson & Schuler, 1985). In discussing the human and legal consequences of role stressors, Kahn (1987) noted that "the implicit assumption is that these characteristics of work roles reflect managerial decisions and choices, and that choices leading to less stressful role characteristics are feasible. Indeed, it is the argument of stress
avoidability and management choice that makes these stressors subject to legal action and compensation payments"

Bennis (1966) posed a provocative question in drawing implications from Kahn, Wolfe, Quinn, Snoek, and Rosenthal's (1964) classic study of the stress outcomes of role conflict and role ambiguity: "... what would happen... if we trained people to understand their role space more fully so that they could gain clarity in their work relationships through reducing excess conflict and ambiguity?". Role consensus and clarity are often viewed as essential for effective individual performance (Porter & Lawler, 1968).

Boyd and Begley (1987), investigated the main effects of role overload and responsibility for other people on the physical and psychological well-being of the founders and non-founders. They did not investigate the effects of the other dimensions or the moderating effects of personality and attitude measures (such as optimistic action, self-esteem, and sense of mastery) on the stress-outcome relationships.

**CUSTOMERS DELIGHT**

Chandler, (1989) “Customer delight is the reaction of customers when they receive a service or product that not only satisfies, but provides unexpected value or unanticipated satisfaction. Customer satisfaction, which we have all worked hard to provide, is largely a static process
that focuses on today and deals with known circumstances and known variables. Providing customer delight is a dynamic, forward-looking process that takes place primarily in the unknown environment..., going beyond satisfaction to customer delight will provide a distinct advantage to the company that does it first and does it well consistently"

Whitlaker, (1991) mentioned that "Although the elimination of defects is critical to continuing customer satisfaction, increased productivity, and decreased costs, it is customer delight that is the key to survival in today's markets".

"Customer delight. is a strong, positive, emotional reaction to a product or service. The key word is emotion," says an executive of the Knoll Group (Schlossberg, 1993). This suggests that delight is dependent on emotion in the consumer's response to consumption and begs the question of what emotions are necessary for delight to occur.

Oliver (1989) makes the point that the Customers Delight concept in modern consumption is not limited to mere satisfaction.

A number of emotion theories address various dimensions of positive affect, some of which contain delight (Wierzbicka, 1992). Of these schemes, those of Izard (1977), Plutchik (1980), and Russell (1980) have achieved the greatest use in consumer behaviour. The latter two most directly speak to the emotion of delight and are elaborated next.
Plutchik (1980) proposes eight basic emotions which derive from a "psycho-evolutionary framework." In doing so, he identifies the eight basic emotions of joy, acceptance, fear, surprise, sadness, disgust, anger and anticipation and arranges them in a circular pattern, referred to as a circumflex, so that particular mixtures of proximal emotions are possible.

Russell (1979, 1980), in the scaling tradition of emotion taxonomy, sought to identify common factors underlying emotional response and concluded that "valence" and "activation" are basic dimensions. The valence dimension is bounded by pleasantness/unpleasantness while activation is bounded by inaction/arousal. In the context of Russell's emotion space, delight is characterized by highly aroused pleasantness. Later, Watson and Tellegen (1985) performed a reanalysis of the Russell typology and rotated the axes of Russell's (1980) emotion space by 45 degrees. The new orthogonal axes appear as activated/inactivated positive affect (e.g., elation-serenity) and activated/inactivated negative affect (e.g., distress-boredom). In the Watson and Tellegen framework, delight would be conceptually similar to highly activated positive affect as this dimension combines both arousal and pleasantness. Thus, there is agreement in the emotion literature that delight is one of the second level emotions, characterized by a combination of high pleasure (joy, elation) and high activation (Russell, 1980; Watson and Tellegen, 1985).
or surprise (Plutchik, 1980). In fact, surprise has been described as one of the mechanisms by which activation or arousal is achieved (Charlesworth, 1969).

Kumar and Olshavsky (1996) have taken this one step further in arguing that surprise is a "pre emotion" (Lazarus, 1991) which causes consumers to appraise the level and nature of joy in their consumption experience.

Among the high arousal positive emotions, only elation, gladness, and joy have received research attention, however (Lindsay-Hartz, 1981; De Rivera, Possell, Verette, and Weiner, 1989; Bagozzi, 1991). These studies confirm the separate meanings of elation and gladness; joy tends to blur in with positive emotions generally. Elation was found to occur when a hope is realized; gladness when a wish is realized. Both hopes and wishes are based on actively processed aforethought; hopes, however, involve less likely occurrences.

Some researchers have conceptualized satisfaction itself as an emotional response to the judgmental disparity between product performance and a corresponding normative standard (Cadotte, Woodruff, and Jenkins, 1987; Hunt, 1977). However, Oliver (1989) subsumes the emotional response within the disconfirmation paradigm by positing that specific categories of emotion may coexist with the satisfaction judgment (Mano and Oliver, 1993; Oliver, 1993). Depending
on the specific combinations of the variables in Oliver's model, five different "satisfaction" responses are posited. Of these, three—contentment, pleasure, and surprise—relate to the present discussion as they are qualitatively different states of satisfaction with different emotional "markers."

The importance of effective communication during organizational change is becoming more and more clear. The reasons for change have to be clear to the people involved, and they must have a vision of the direction or goals of the change in order to know where they need to go (Kotter, 1996). Managers and change agents are usually seen as the ones who have to explain why change is needed and which improvements are intended (Kanter, Stein, & Jick, 1992; Klein, 1996).

Communication is often discussed as a factor that determines the attitude towards change. For instance, Armenakis, Harris, and Mossholder (1993) argue that readiness for change can be created through effective communication of the message for change.

Chawla and Kelloway (2004) showed that openness to change is directly and indirectly influenced by communication. Many studies have investigated the extent to which information and communication decrease uncertainty about change (Berger & Calabrese, 1975; Kramer, Dougherty, & Pierce, 2004). Finally, communication has been
presented as a strategy for dealing with resistance to change (Kirkpatrick, 1985).

Elving (2004) conducted three case studies to investigate the relationship between communication and readiness for change. He found that lack of information and high uncertainty were important predictors of low readiness for change. Survey results from a study with over a hundred participating organizations showed that both the frequency and the quality of the information provided about the impending change was a problem in three quarters of the cases (Bennebroek Gravenhorst, Werkman, & Boonstra, 2003).

A multiple case study with six organizations showed that insufficient information and communication about the change and the communicative behaviour of top managers were major problems in organizations involved in constructive change aimed at the improvement of strategic, structural, cultural, and work issues (Bennebroek Gravenhorst, 2002).

Interviews with change managers have shown that they are aware of the importance of communication but lack the time and tools to use it strategically (Wiggers, 2004). These studies suggest that it is difficult to put the necessary communication effectively into practice. Still, we need to know precisely which aspects of communication are problematic and
how the communicative behaviour of change agents can be evaluated if we want to develop ideas for improving change communication.

In OC theory, communication is usually treated as an organizational process (Hargie & Tourish, 2000). The literature focuses on communication structures in organizations and interaction between hierarchical levels, departments, and groups. Communication media and their effects get ample attention (Kellerman, 1991; Ramirez, Walther, Burgoon, & Sunnafrank, 2002). Media richness theory (Daft & Lengel, 1986; Daft, Lengel, & Trevino, 1987) suggests that complex messages are best transmitted by rich media, which means that verbal communication is preferred for messages about change (Klein, 1996).

Improving change processes requires a detailed insight in the forms of change communication and the communicative behaviour of change agents. The prevailing idea that change communication equals top-down information dissemination needs to be reconsidered. OD theory can be helpful in this because of its focus on creating opportunities for dialogue and interaction in a context of organizational change (Cummings, 2004).
RUMINATION


Conway, Csank, Holm, and Blake (2000), Cox, Enns, and Taylor (2001), Segerstrom, Tsao, Alden and Craske (2000), and Roberts et al. (1998) also raised the question of whether the observed relation between rumination and depression was due to similar item content. Conway
et al. (2000) dealt with item overlap by creating a new rumination scale. However, it appears that their new scale may have depression-confounding problems because more than half their items contain the word “sad” (or “sadness”).

Segerstrom et al. (2000) dealt with item overlap by removing items from the scale that they deemed similar to depression items. In three different samples, they found that this short version of the rating scale. Roberts et al. (1998) concluded there was no confound in the rating scale. They found three rumination sub factors—one they deemed as being depression-related and the other two were deemed depression-unrelated. “Factor 1 was composed of exactly those types of items that we believed could be highly confounded with the severity of previous depressive symptoms”.

MICROPLANNING – ORGANIZATIONAL LEARNING DIAGNOSTICS

Microplanning- This is a four stage programme. It is not for any specified level. Anyone can participate in this programme. On completion of this programme the participants are able to associate their own priorities with that of the organization, understand the need to plan effectively in order to optimize operational performance and increase managerial effectiveness in an increasingly competitive and
changing environment, recognize the importance of accurately defining the objectives, understand the planning terminology and be aware of the aids that are available to them and lastly apply a systematic approach to micro planning and prepare a detailed micro-plan (Bhilai Steel Plant Micro planning Notes)

Rothwell & Sredl, (2000) studied the relationship and primary intent of training and learning activities in organizations is improving organizational performance based on the transferring of individuals learned knowledge to the workplace through collaborative and integrated learning processes.

Broad, (2003) studied the full application of newly learned knowledge and adapted skills to improve individual and organizational performance.

Currently, in light of technology-based globally competitive economic trends, integrated individuals’ knowledge is regarded as the most critical asset beyond any other resources (DeLong, 2004; Gupta & Sharma, 2004; Senge, 1990). To fully implement a knowledge-based competitive advantage, continuous organizational performance improvement through systematic organizational knowledge creation based on the organizational learning system and integrated individuals’ knowledge articulation process has to be much more focused and well
understood (Nonaka & Takeuchi, 1995; Senge, Scharmer, Jaworski, & Flowers, 2005).

Sessa & London, (2006) mentioned with regard to individual learning processes, that individuals in organizations have been influenced by given policy, organizational culture, and interpersonal relationships.

**Adaptive learning mode** - According to Argyris and Schön’s (1978, 1996) single-loop learning process, individuals’ learning process could be initiated by the reflective and adaptive learning manner. Through this learning mode, individuals’ preexisting tacit knowledge, which was learned from past experiences, daily work experiences, and formal/informal training interventions, could be deep-rooted as the more truly believed knowledge within the individuals’ mental model (Nonaka & Takeuchi, 1995). In this learning mode, more important, individuals have active interaction with any type of organizational environment; organizations need to provide the opportunities and positive environmental support for the promotion of the individuals’ continuous adaptive learning process (Nonaka & Takeuchi, 1995; Sessa & London, 2006).

**Generative learning mode** - The generative learning process in organizations is purposeful to generate new skills, knowledge, and applicable methods (Sessa & London, 2006). This generative learning mode could be more effective through an alliance with social interaction.
in organizations; and through these socialized learning practices (Bandura, 1986), individuals’ tacit knowledge could be shared and embedded into organizational knowledge commonality (Nonaka & Takeuchi, 1995; Sessa & London, 2006). Accumulated individuals’ knowledge could be converted into the organizational explicit knowledge—called externalization—through the process of continuous knowledge generation based on the circulative organizational social interactions (Nonaka & Takeuchi, 1995). This type of generative individual learning mode is leading the groundwork for continuous organizational change, which is the core theme of organizational knowledge–based performance improvement (Sessa & London, 2006).

**Transformative learning mode** - Individuals’ learning modes are solidly related to several factors, including the given environment, past experiences, and reflections on the practices in organizations (Sessa & London, 2006). Among the critical factors, reflective and critical thinking practices could be the most significant components of transformative learning (Mezirow, 1991). The ultimate goal of the learning modes in organizations could be considered as the transfer of the learned knowledge to the workplace in both effective and efficient ways. In this perspective, the individuals’ transformative learning mode, which has been drawn from the theories of constructivist traditions (Dewey, 1900; Piaget, 1952; Rogoff, 1990), is regarded as the more
practical learning mode for organizational knowledge applications. Furthermore, through the transformative learning process, individuals could reframe their knowledge based on critical reflection and validation of their insights and actions (Mezirow, 1991, 1997).

Kreber and Cranton (2000) and Habermas (1971), studied the mixture of both experience- and research-based knowledge could play a critical role in the successful transformative learning process based on the integrative activities in communicative and emancipatory learning.

In the current economic environment, the importance of knowledge and knowledge creation ability has been recognized more than any other resource as the most important asset of a firm’s sustainable competitive advantage (Corno, Reinmoeller, & Nonaka, 1999; Nonaka & Takeuchi, 1995; Nonaka, Takeuchi, & Umemoto, 1996), and knowledge workers have been regarded as the most valuable assets in developing and improving organizational performance (Drucker, 1999, 2002).

Organizational knowledge conversion (SECI) theory. The definition of knowledge and organizational knowledge creation vary, depending on the different perspectives of economics, psychology, and management views. In accordance with organizational knowledge theory (Nonaka & Toyama, 2003), the entities (individuals, groups, and organizations) coexist with a related environment because they are subject to environmental influence as much as the environmental factors are
influenced by the entities; thus, positive organizational environmental factors promote knowledge creation for both the individual and the organization, and those environmental factors need to be regarded as one of the critical components for the continuous and systemic ecosystem of organization knowledge creation (Nonaka & Toyama, 2003; Nonaka et al., 2000).

**Learning organization** - The notion of learning organization has received considerable attention in the scholarly literature because advanced learning processes have been heralded as a foundation of competitive advantage (Ellinger et al., 2002).

There have been various efforts to define learning organization and among the various studies are two remarkable efforts: The Fifth Discipline by Peter Senge (1990) and Sculpting the Learning Organization by Watkins and Marsick (1993). The term learning organization was defined in these publications as follows:

The learning organization is an organization that possesses not only an adaptive capacity but also “generative”—that is, the ability to create an alternative future. (Senge, 1990) The learning organization is one that learns continuously and transforms itself . . . Learning is a continuous, strategically used process integrated with and running parallel to work . . . Learning also enhanced organizational capacity for innovation and
growth. The learning organization has embedded systems to capture and share learning. (Watkins & Marsick, 1993,)

Slater and Narver (1994) defined a learning organization as one that continuously acquires, processes, and disseminates knowledge about market, products, technologies, and business processes, and this knowledge is often based on experience, experimentation, and information provided by customers, suppliers, competitors, and other sources (Ellinger, Watkins, & Bostrom, 2000).

Researchers claim that learning organizations are generally market oriented and have an entrepreneurial mission, a systematic structure, a flexible process, and transformational facilitative leadership (Ellinger et al., 2002; Lundberg, 1991; Slater & Narver, 1994; Watkins & Marsick, 1993, 1996).

Jensen (2005) defined Organizational Learning as “A learning organization is an organization that is organized to scan for information in its environment, by itself creating information, and promoting individuals to transform information into knowledge and coordinate this knowledge between the individuals so that new insight is obtained.”

The following commonalities, focusing on the definition and basic assumptions of learning organization, were drawn from the various reviews of literature: (a) the learning environment–related factors, (b) the
continuous learning process within the organization, (c) the system-oriented learning structure, (d) the autogenously learned and knowledge creation environment, and (e) the performance- and goal-oriented learning systems. Consistent with the camaraderie of these themes based on the remarkable previous efforts, in the current research the authors redefined the learning organization in a perspective of substantiality regarding contextual integrated theory:

The learning organization is structure-based learning environment factors that trigger individuals’ learning and knowledge transformation autogenously for the promotion of continuous and spontaneous organizational learning processes within the organization itself. The learning organization is the fundamental culture and structure for taking the market advantages through performance improvement.

Along these lines, the collaborative learning–oriented organizational cultures or environments are seriously associated with all the last learning processes, which include the individuals’ learning, learning and knowledge transfer, knowledge management system, and collaborative organizational learning culture (Kofman & Senge, 1993; Nonaka, 1991; Senge, 1990; Tsang, 1997).

To take advantage of learning-based performance improvement in organizations, the establishment of the learning organization culture or environment should be the priority of organizational learning processes.
The redesign principle in the demands control model of Karasek and Theorell (1990) is in many ways consistent with organizational learning theory. These researchers hold that organizational learning occurs only when individuals within an organization experience a substantial problematic situation and inquire into it on the organization’s behalf (Argyris & Schon, 1978, 1996). Conceptualized in this way, organizational learning does not refer to a four contextual factors affecting the probability of reaching the desired level of continuous learning have been identified (Fiol & Lyles, 1985).

1. Culture, i.e., the common belief system of the organization, is believed to play an important role. Schein (1987) argued that an organization has to have a high level of competence in managing change processes to utilize its full potential. Competence in this area of action includes the ability to perform negotiations in a constructive way.

2. A strategy that determines the goals, objectives and breadth of actions available for carrying out the strategy.

3. Structure. A flexible organization (organic, decentralized structure) facilitates the assimilation of new patterns more easily than an organization with a centralized, mechanistic structure.
4. Environment. Hedberg (1981) has suggested that learning requires both change and stability. If the environment is perceived to be too complex and highly dynamic, an overload may occur in the process of environmental scanning.

Interest in knowledge management has grown dramatically in recent years as more people have become conscious of its potential to constrain innovation and achieve better performance (Cavaleri, 2004). The concept of knowledge management is more narrowed down and more specifically structured from the perception of organizational learning; in this regard, knowledge management is a more tactic-oriented and system focused supportive concept for learning organization. It might be true that it is not easy to define knowledge management. The field of knowledge management contains many systematic practices and organizing efforts in organizations: creation, retention, succession, and management of learned knowledge in organizational levels (DeLong, 2004; Nonaka & Toyama, 2003; Wenger, 1998).

Cavaleri (2004), described the concept of knowledge management as follows: Knowledge management technologies make it possible to enable various knowledge processes that are often neglected in organizations because they were viewed as being too complex or time consuming. At its core, knowledge management is fundamentally a human social
process. More to the point, it is a specific process, called knowledge processing, involving the production, evaluation, integration and control of how knowledge is created and used in organizations. Knowledge management is the precursor to all effective business processes.