

ORGANIZATIONAL DEVELOPMENT IN INDIA: PAST TRENDS AND FUTURE CHALLENGES

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Abstract: Today the study of organization Development is more crucial than even. Not only is Organizational Development a growing field in itself, it is also gaining importance as a part of management, human resource management, human resource development and industrial and organizational psychology. Since the evaluation of Organizational development gives the evidence which builds the plate form on which decisions about sustaining institutionalizing, and augmenting successful programe are based, and also the decision to modify or abandon unsuccessful ones, its becomes imperative to carry out an evaluation after an organizational development. I have discussed the organization development in India as well as past trends and future challenges

Keywords: Organizational Development, Past Trends, Future Challenges

1.0 Introduction

Changes in organizations can be both reactive and proactive. They become inevitable part of life and organizations try to sensitize the people in the organizations at different levels through both internal training and external interventions often referred to as OD Interventions (ODI). When technologies interfaced with manpower, most employees required training in knowledge and skills on one side and positive attitude to absorb such changes. The other situations are that the organizations when they are charged with negative results, they realize that people are drifting from the objectives the organization was holding sacrosanct. The organization had to look to its own objectives in the context of overall environment and how to match the employees' individual objectives to go in tune with the revised objectives of the organization. The other situations would be when there are mergers and acquisitions or winding up certain departments or creating new departments. In all such situations it is not reaction to a situation as much as proactivity in taking up change management processes. Workforce mobility and diversity are creating new employee needs along with new expectations about the work culture, and these needs, too, have to be systematically understood and responded to. HR leaders would be enjoined upon to become effective strategic partners in the creation of world class learning culture. Indian organizations are no exception to these compulsions. Today, they face numerous challenges and complexities, operating, as they do, in a highly volatile political and economic environment. The current environment demands more systems-driven change without undermining the emphasis on people and relationship-oriented changes. Indian economy is increasingly getting integrated with the global economies both structurally and psychologically. Silicon valley of US led to Silicon valley pockets in Bangalore and Hyderabad. The styles of living and the ways of interactions in several organizations are driven by what was happening in the west from day one. Most Indian organizations have been more oriented towards their people and relationships rather than being driven by the systems. However, with the upcoming global competition, it is extremely important that Indian organizations should also stand up to face this competition in a highly

competitive mariner. The change has to be in a direction where the organizations need to move away from borrowed technologies to their own technological development and concentrated efforts on research and development. Additionally, there is a need to also drift away from relationship and people, dn. mi organizations to more competent, skilled and professional employees who are rather system driven. Thus, there is an emergent need for organizational development in most Indian organizations.

2.0 Objectives

After going through this paper, you will be able to:

- Appreciate the past trends and evolution of organizational development in India
- Understand the significance of implementation of different HRD intervention techniques in the context of Indian organizations
- Acquaint yourself with the different issues involved with respect to implementation of the organizational development process in different Indian organizations
- Learn about the current scenario of organizational development in India
- Know that recent trends in organizational behaviour
- Understand the different challenges involved in the implementation of organization development in Indian organizations

3.0 Past Trends and Evaluation 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 programs were initiated and widely used in the Small Industries Extension Training (SIET) Institute - now known as National Micro Small and Medium Enterprise Institute for Training and Extension, Hyderabad, State Bank of India and in the Indian Institute of Management (IIM) programs in the mid-1960s. Larsen and Toubro, in the mid-70s, introduced OD as a formal structured intervention. In a protected and secured corporate environment not many corporates found the need for frequent change-management interventions. Not many specialists could come up. The Indian Society for Applied Behavioural Science (ISABS), an associate of NTL has not been able to produce more than 100 process specialists over the last nearly three decades. There is another reason: the interventions sought by those processes were most west-oriented. The styles of change agents were suspect and not many organizations could see the structured class-room interventions or small lab interventions delivering results in the back-home or work environment. There are cultural barriers that needed to be broken for effective OD interventions.

- Post liberalization, the scenario has changed to a great extent in different organizations in India. The reasons for the same are as below:
- Increasing number of behavioural scientists and T-group trainers
- Implementation of HRD movements by several Indian organizations
- Structured HRD departments in most Indian organizations
- Increasing number of multinational companies now forming a part of Indian industry
- Contribution of the multinational culture
- Influence of western education
- Role played by the professional bodies such as (Indian Society for Applied Behavioural Sciences), Indian Society for Individual and Social Development (ISISD), Indian Society for Training & Development (ISTD)
- Role played by the HRD Network
- Contribution from the academic institutions such as IIMs (Indian Institute of Management)
- Educational practices being impacted by the Centre for Organizational Development established in India. The organizations have been forced to change after liberalization and as a result they are implementing the different organizational development technologies.

4.0 Organizational Development Interventions and Indian Organizations

Professional bodies such as ISABS (Indian Society for Applied Behavioral 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 intensely worked to bring about a cultural synthesis in OD interventions. This has resulted in backstopping the efforts of Change management through:

- Training
- Role focused interventions
- Person focused interventions
- Action Research

5.0 Organization Development in Public Sector Enterprises

During the year 2000-01, the Institute of Public Enterprise, at the request of Government of Kerala undertook ODI and the strategy has been as follows:

The Director and two faculty members took up a diagnostic study of the following three enterprises in the first stage through secondary data on structured formats and through primary interaction with the firms before designing the ODI:

Kerala Soaps and Oils Ltd.,

Kerala State Detergents and Chemicals Ltd

Kerala State Salicylates and Chemicals Ltd.

All the three enterprises, you will notice are in allied activities having interdependencies in the market environment. The first level of interaction was with the three Managing Directors to identify their vision, mission and objectives. After a three day interaction that crystallized these aspects, a two-day interaction programme was designed for the Trade Union Leaders. Trade Union Leaders and the Managing Directors thereafter have come to the shared objectives and goals of the organizations they were involved. Thereafter, Trade Union Leaders were taken as facilitators in the change management processes. The later have identified some critical areas that were dragging the manufacturing processes: 1. Inventory management was so poor that even for a bolt or nut not being available when a machine stopped the organizations were spending 100 times the cost to secure those bolts and nuts that stopped the machines, by sending a person to Thiruvananthapuram or Kochi. The top management must realize that the man at the machine knows where the machine has a tendency to fail. He also knows where and when it consumes spares more. If he is not involved in the decision making process relating to inventory, spares, cost-cutting experiments the organizations would find themselves nowhere. Likewise, several expired chemicals were stocked disqualifying finance for the inventory hold from the financing institutions. These had to be modified by appropriate management practices and not by attitudes change alone. But identifying the problem areas for building trust among the change actors became very crucial. Later all the shop floor leaders were exposed for training for a week that involved human lab at work by the faculty. At the end of the week-long training program, the three Managing Directors and Trade Union Leaders were brought in small groups for convergence in thinking and approach for revival of the sagging units. Then for the next one week, the faculty moved to the factories for interacting with the workers and training them with the already trained leaders as facilitators. At the end of one month when stock taking has been done, the Managing Directors were stunned to find a doubling of production, reduction in cost of production by a near 50 percent with a commitment for further cost reduction at 20 percent as target for the following quarter.

Action research and the multi-layered communication with the employees and top management proved a success.

6.0 Role of Human Resource Development (HRD)

HRD Interventions : Uday Pareek and T.V. Rao share the laurels for separating HR and Personnel functions in organizational restructuring exercises and designing performance appraisal systems in L&T, SBI and a host of other institutions they interacted.

The nature of interventions undertaken by the HRD departments includes:

- Cultural change through new performance management systems
- TQM based interventions (in most cases these are undertaken also by a separate group of professionals)
- Survey Feedback
- 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

7.0 Indian Experiences and Issues involved

Indian ODI experiences highlighted the following issues:

The initial set of ODI Agents—christened as Behavioural Scientists became too theoretical and could not set an example as a role model. The trained employees back home did not provide enough confidence to the management that they are a shade better than others who were not trained. The organizations did not find them delivering better results than pre-ODI. Having done the experiment for nearly two decades, they realized that the format of the west does not do well for India. Native formats started with the leadership of LAT, Tatas, Mafatlals and the like. The case study of NABARD is a shade better. Still with even such planned and phased intervention, the commitment levels have been much to be desired both at the RRBs and Cooperative Banks. The receiving organizations looked to these exercises as that contingent on releac of capital and refinance and compulsive requirements. Such an attitude reduced the efficacy, of the OM. Earlier evaluation studies indicated by and large the following:

- In traditional methods of managing change, there was no participation of those affected by it during the phases of diagnosing, action planning, monitoring and evaluation and specifying learning. The actions taken were unrelated to the ODI or were never explained to the targeted audience. The interventions should go beyond the superficial level,
- O.D. is based on the human processes approach, focusing on interpersonal relationships that are highly sensitive in nature. Openness in communication in small group lead to individual breakdowns that rendered the exercises later as meaningless viewed in the context of post-learning operating environment. Message delivery mechanisms needed change.
- There should be clarity with respect to the ultimate change goals and identification where the organization is headed for. The "pull" effect of future aspirations works much better than "push" approach through change. Also it is important to sustain the enthusiasm of those involved even after the excitement associated with initiation and accomplishment of some early wins. People should be kept continually informed, small achievements should be celebrated and steps to sustain the efforts should be taken such as linking rewards to the change process.
- Another important theme concerns the role of leadership, articulating the visioning process & sharing the vision, establishing and articulating purpose; developing change initiatives and programs to guide implementation; communicating with and listening to people, dealing with questions and frustrations; generating feelings of empowerment in organizational members during times of significant change.

- In O.D. based change effort in the Indian context, it is sine qua non to take into consideration the prevailing cultural norms, attitudes, beliefs, etc. and leverage the functional ones for making the change effort a success.

The intervention should be seen as a learning process and not just as an intervention.

It is very critical to determine what the organization really needs - incremental changes or radical transformations. The history, culture and business environment needs to be analyzed thoroughly before launching any O.D. interventions. Any organizational issue being studied has numerous sensitivities attached to it, and these too should be thoroughly investigated. In most organizations there are internal dynamics to use a sophisticated term— internal politics is more understandable. Rule based objectivity is invariably overshadowed by subjectivity and the employees invariably bring out these sensitivities that do not have solutions in ODI. In all such situations, the facilitator is drawn to a corner. He or she requires a combination of creativity, patience, humour and motivational ability to tackle such situations. Systemic solutions emerging out of ODI should be accepted by the organization's top management and should take least time to implement them. Communications and information systems should be well established and transparent.

8.0 Organizational Development : In Current Scenario in India

Most of the organizations are facing an increasingly complex and rapidly changing operational environment. Therefore, in order that they can remain competitive as well as effective, most organizations are continuously working on modifying their strategies. This is also true for Indian organizations. Along with modifying their business strategy, focus is also being maintained on the systems, structure and processes of the organizations. There is a special focus on organizational behaviour also. The organizations have to adapt to changing environmental factors in order to survive in highly competitive and dynamic market environments for a long run. Thus the key to the same is by managing change and this management of change in organizations is led by efficient managers. Most of the organizations in India are experiencing significant economic growth but at the same time are under continuous pressure to make managerial, social as well as political adjustments.

The process of organizational development is becoming more and more prevalent in the Indian organizations. It is actually a process of applying behaviour science to the systems, structure and different processes of an organization and thus efforts are made to promote organizational effectiveness via change. The process is generally adopted in response to the rapid and significant environmental changes in the environmental which is external to the organizations and therefore the organization has no control on these changes but has to adapt to these changes in order to survive better.

The process is also being used by many Indian organizations to diagnose their areas of improvement and then institute a focused change process using the organizational development intervention techniques. In India, most of times organizational development has been seen as an academic exercise. Organizational development is accepted to further see a rampant and increasing acceptance at the level of Indian organizations because of the expanding globalization which is focused at diversifying the Indian industry rapidly.

In India, organizational development is slowly emerging as one of the integral functions of the management profession. In the earlier times, when the concept of organizational development was first implemented in India, it was introduced and was implemented by only one or two organizations. However, the scenario has changed now and one out of every ten organizations have structured organizational development departments or facilitators in their organizations. Most of the organizations have at least institutionalized the organizational development mechanisms in India. There are trained practitioners in India who are being approached by the companies when they plan to institute any change in their organizations.

The process of organizational development is also being implemented by different non-profit and even public sector organizations as with time they are also realizing the importance of organizational development in their survival and growth in the Indian Industry.

Though the concepts related to organizational development initially originated in west but with time they have been customized and altered in India in order to suit to the relationship driven culture of most Indian organizations. This customization has ensured positive changes in structure and functions at Indian companies. The concept of organizational development is being now actively practiced in India and was initially pushed by the India-UK and Indian-American collaborations.

In the current scenario, the evolution of organizational development continues in India and is focused at providing effective training, coaching, planning as well as change support to different organizations in India. It is being particularly implemented because of the emerging trends which are necessitating the organizations to change with the changing environment. The organizations have to realize that they must adequately change in terms of their relationship with different communities and also they need to enhance the capabilities of their leaders for keeping up with the externally driven requirements in order to initiate change in some manner.

In fact, India has also organized a global organizational development summit in 2009. This was organized by Indian School of Business, Hyderabad in close collaboration with FRED (Foundation of Research and Education Development). This was the first time ever that the different organizational development practitioners, management consultants and academicians across the world visited India and discussed different aspects related to creating sustainable development through organizational development which was also the theme of their summit.

Recently efforts in India have also been made to take organizational development initiatives in some of the grass root rural credit institutions in India. The organizational development intervention was designed and implemented by a group of trainers. These trainers did not have any prior experience of organizational development or of training.

9.0 Implementation Of Organizational Development in India: The Challenges involved in Future

Whether it is a government department or a corporate enterprise or a financial institution, at every point of change OD intervention is a 'must'. Every such intervention is expected to serve the purpose of preparing the organization for change; changing the mindset of people working in the organization. India is a young nation in terms of demographics. The hiatus between the young and the old is widening. The young feel that they are in the knowledge world while the old feel that they are led by a discipline and culture taking the organization they have been serving to the heights to which it moved today. Most organizations are beset with the problems of attrition on one side and lack of persons with right skills at the point of sale, on the other. Organizations in general realise that they have to keep innovating to stay where they are in terms of global competition, like Alice in the wonderland. Innovation does not come from the legacy or tradition but from the people who go in tune with the thinking of the organization capable of taking risks.

The organization should also be in preparedness to take such risks. Feeling confident to take the risky path is the rock bed of change.

There are political uncertainties and economic expediency currently looking like a sword on the neck of the organizations. There are several laws and regulations governing the running of enterprises undergoing changes. This dynamic situation required that the organizations keep their employees equipped with knowledge and compatible skills to take them moving on the growth path. They can ill afford an inverted 'U' curve in their growth trajectory. The investors in the companies would demand their justifiable share in the growth. The suppliers would like to have their bills paid on time. The shop floor leader would like to have a. inn its and materials for running their machines uninterruptedly at the expected level of efficiency. This would mean all the stakeholders would like to have their share in the growth of the organization promptly and in a well-defined manner. Various OD arsenals available at the disposal of

organizations would also require regular monitoring and evaluation in order to discard the non-delivering and accelerate the utility of the delivering instruments faster, Laxities in leadership have reached the level of intolerance. If we define excellence as an attribute of impermanence then the organizations are compelled to keep their invention skills high; invest in research and development on a mission mode and finally land up in a win-win situation. If Tendulkar ever thought that his century and half was the best he would not have targeted double century. So is the case of Sehwag who would not have hit a 283 in the 2009 Test against Sri Lanka. Dhoni unperturbed by the stunning defeat at Ahmedabad strategized a win with the available resources. Nobody ever came across Dhoni as captain complaining against any of the team members. He demonstrated to the world that taking the team along required trust and confidence in each member of the team and each member in turn having confidence in the colleagues and captain. This mutual confidence is the future challenge of the I companies. Companies have built this trust in the leader and the team members as highly reliable and capable of delivering the expected results and those are ready on their part to extend physical, financial and social supports where and when required.

10. Conclusion

- Though several efforts have been applied in order to hasten the implementation of the organizational development approach and other related techniques, it has not been able to produce the desired results in India.
- It has also been researched that the Indian cultural values are actually largely supportive towards the implementation of organizational renewal as well as the process of implementing change at an organization. India has a rich cultural heritage which itself contains a paradigm of change. On the basis of this change, it could be also possible to develop newer approaches and designs with respect to organizational development.
- The Indian organizations have been forced to change after liberalization and as a result they are implementing the different organizational development technologies.
- There are different organizational development approaches that are available. However, the ones which are most prevalent in India and have also succeeded in bringing about change in the Indian organizations include training, action research, survey feedback, Human Resource Development (HRD), HRD Audit, role focused intervention and interventions focused at specific individuals.
- Several issues have come up with respect to the field of organizational development when the different techniques have been used and experienced by the Indian practitioners.
- The process of organizational development is becoming more and more prevalent in the Indian organizations. The process is being used by many Indian organizations to diagnose their areas of improvement and then institute a focused change process using the organizational development intervention techniques.
- In India, organizational development is slowly emerging as one of the integral functions of the management profession. Most of the organizations have at least institutionalized the organizational development mechanisms in India. The process of organizational development is also being implemented by different non-profit and even public sector organizations as with time they are also realizing the importance of organizational development in their survival and growth in the Indian Industry.
- In the current scenario, the evolution of organizational development continues in India and is focused at providing effective training, coaching, planning as well as change support to different organizations in India.
- In order to implement any kind of organizational intervention in India, the practitioners need to have a lot of patience as well as perseverance with respect to the achievement of their objectives and goals. This is because they may face several challenges while implementing these interventions

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