

# Organizational Development In Indian Organizations-Issues And Challenges

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## INTRODUCTION

In today's highly turbulent business environment, 'change' has become an inevitable part of life. Organizations that do not change when needed or are not sensitive to the need for change do not survive long. The revolution in the form of IT is reshaping the core competencies needed in a knowledge environment. Organizations, in order to be successful, need to place a high priority on pro-active and systematic understanding of organizational issues and on responding to current and future external customer needs. 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 are challenged 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. For decades, the Indian mindset that has governed Indian organizations is less systems-driven and more people and relationship-oriented. With the opening up of the economy, standing up to global competition with borrowed technologies and insecure and relationship-driven employees, organizations need to bring in change rapidly; and hence the acute need for O.D. (Organizational Development) in Indian organizations.

Organization development as an intervention tool for change, originated in 1940 in USA, when Kurt Lewin developed the methodology of laboratory training and T-group. In the west, the field of OD has grown enormously in the past 30 years. Following the trends of the west, OD in India is also slowly emerging as a recognized discipline to bring about changes in people, technology, and organizational processes and structures. Rao and Abraham (1986), while conducting a survey of different HRD practices in various Indian organizations made certain findings:

- (1) 50 % of the organizations surveyed reported that they have someone to look after the OD activities. However, only 44% of them actually seemed to have any type of OD activity going on.
- (2) Nine companies (17%) reported that they hire OD consultants and undertake OD activities.

## ORGANISATIONAL DEVELOPMENT

**Bruke (1980) observed that, "Practice of OD is far ahead of OD theory."** However, in spite of these observations by the different researchers and academicians, it may be argued that even if Organizational Development is a complex process, there are certain basic characteristics through which an OD process can be identified.

**Walter (1990) noted that, "Even if OD is not theory driven, there is some agreement about what OD is and what it is not. Organizational development is more than a sequential model for facilitating change in an organization ;it has specific operating characteristics that transcend sequence. Understanding the general operating characteristics provides criteria against which to measure OD efforts, in order to determine if they are authentic interventions and if they produce measurable outcomes."**

OD is a long-term effort led and supported by the top management, to improve an organization's vision, empowerment, learning, and problem-solving process through an ongoing, collaborative management of an organization's culture – with special emphasis on the culture of intact work teams and other team configurations – utilizing the consultant – facilitator role and the theory and technology of applied behavioral science, including action research.

## PRIMARY DISTINGUISHING CHARACTERISTICS OF OD

- Focus on culture and processes.

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- *Encourages collaboration between organizational leaders and members in managing culture and processes.*
- *Teams of all kinds are particularly important for task accomplishments.*
- *Focuses primarily on the human and social side of the organization.*

## **EVOLUTION OF O.D. IN INDIA**

In India, O.D. 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 O.D. technology in India. Grid programs 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) programs in the mid 1960s. Unfortunately, these remained isolated efforts and did not take O.D. to its logical conclusions.

In the mid-1970s, **O.D. was first introduced in India in Larsen and Turbo as a formal and structured part of the HRD department.** It was expected that the change process would get institutionalized and more O.D. 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, O.D. remained mostly in academic institutions - the forte of a few specialists and was 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 Behavioral Science (ISABS), an associate of NTL, produced less than 100 process specialists in the vast country.

There have been several **efforts to apply O.D. approach and associated techniques in India, but it has not created the desired impact.** According to Srinivas (1994), **one plausible explanation for this is that O.D.; as it has emerged to date, is culture specific, and that it cannot be simply applied to locations outside the US.** 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 O.D. 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 behavioral 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 Behavioral Sciences), Indian Society for Individual and Social Development (ISISD), Indian Society for Training and 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 organization has been forced to seek change. As a result, the application of O.D. technology has increased.

## **SOME OF THE OD INTERVENTIONS APPLIED BY INDIAN ORGANIZATIONS ARE**

Among available O.D. interventions and tools, the most prevalent ones and those that have met with reasonable success in effecting the desired change are:

- \* Training
- \* Action research
- \* Survey feedback
- \* HRD and HRD Audit
- \* Role focused interventions
- \* Person focused interventions

## **TRAINING AS AN O.D. 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 O.D. intervention. One finds that in house training programs are commonly held at various levels of the hierarchy, whether or not the organization has formally launched any O.D. efforts.

Though many organizations have introduced OD interventions to bring about change, not many cases have been documented in the existing literature. Infact; most of the cases available are reported by practitioners, either internal change agents or by external consultants. Let us, therefore, consider some of the cases:

1. **Jain (1986) reported a successful OD intervention at BHEL, Bhopal which continued for 10 years (1976 to 1986).** The unit followed the four step model of OD intervention that is diagnosis, action plan, intervention and feedback, and evaluation. The OD efforts not only focused on the human dimension, but were able to increase organizational effectiveness in matters concerning task, technology, structure and environment.
2. **S. Chandrasekhar (1986; an internal change agent reported his experience of OD intervention at the ECC construction Co.( LandT Group) for three years).** Chandrasekhar used:
  - (A) Role analysis and role settlements.
  - (B) Identification of crucial issues confronting the company.
  - (C) Identification of task forces to address these issues, and
  - (D) A Subsequent action planning and implementation process.

**The OD Efforts led to the following outcomes:**

- A) Establishment of a collaborative work culture.
  - B) Recognition of the individual in the decision making process.
  - C) Understanding the advantages of involving the line management in HRD functions.
  - D) Development of internal facilitators as resource persons.
  - E) Integration of individual and organizational goals.
3. Gupta (1989) documented his own experiences in three different Indian organizations. His experiences were:
    - a) In a work redesign experiment in a textile mill in Ahmedabad (though the MD of the company approved of the OD plan), the actual intervention could not take place because the unit head did not subscribe to the OD values.
    - b) Implementing OD as an element of a new system at a large commercial bank –the academic mandate of the author was to do action research in HRD and OD. However, lack of skill and knowledge of OD and conflict between the Head Office and the Zonal Office seriously hampered the process. The only intervention the author could initiate was a survey feedback intervention in a regional office overseeing 50 branches.
    - c) Undertaking OD in a private sector company – with the benefit of the earlier experiences, the author was able to initiate the following OD interventions:
      - (1) A year long exercise in facilitating personal growth, and improving the interpersonal relationships.
      - (2) A three month long team building intervention in a motor manufacturing plant.
      - (3) An HRD laboratory to determine the relationship between the branch and head office.
  4. **Pestonjee and Pandey (1996) described an OD intervention to enhance the role efficacy** of mechanical and traffic inspectors and safety counselors in the Indian Railways. Two role efficacy development labs of one day duration each were organized. The design of the labs includes psychological introduction, writing an essay on self role, questionnaire which tested dimensions like centrality, integration, pro activity, inter role linkage, helping relationships. The author felt that role efficacy improvement intervention would strengthen and reinforce positive behaviors and minimize and weaken negative behaviors and thus would lead in improvement in performance.

## **ISSUES EMERGING FROM INDIAN EXPERIENCES**

Experience of Indian practitioners in the field of O.D. has highlighted several issues relevant to the Indian organizational environment. Some of these issues have been presented below:

- In traditional methods of managing change, there is no participation of those affected by it during the phases

of diagnosing, action planning, action taking, evaluating and specifying learning. Also actions, if taken, are rarely explained to employees; data shared is minimal. All these factors lead to frustration and alienation among employees. Therefore, interventions should be chosen such that the approach goes beyond superficial participation and attempts to tap employees' competencies for better performance at the work place.

- O.D. is based on the human processes approach, focusing on interpersonal relationships during the course of interventions. Such an approach may not be feasible in the Indian context. A directive approach is soliciting participation that may be more effective and suitable. Moreover, participation should always be sought from the employees who are going to be directly affected by the change. Adequate attention needs to be paid to communication of the right message to ensure the success of any intervention.
- 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 to “push” people 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 awards for OD functions.
- Another important theme concerns the role of leadership, articulating the visioning process and 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.
- In India, the role of the government in regulating the activities of an organization is considerable, particularly in the public sector and to some extent in the private sector as well. While initiating any O.D. effort, the influencing role of the government cannot be ignored.
- An issue of concern, primarily in Indian organizations is initiating through O.D. structure and processes particularly making functioning flexible and less bureaucratic, decentralizing, but at the same time strengthening accountability; developing a collaborative culture and reorienting people and roles to make them more adaptive.

Also since training is widely used as an intervention, it is important to link it to long term goals such as learning how to work better together, solve problems more effectively and improve the learning processes in organizations.

- 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.
- Change of any nature is highly likely to be an intensely political process. One needs to understand the power issues and ensure that the change process does not get dysfunctional or gets caught up in political conflicts.
- Survey and diagnosis should be conducted very scientifically using the principle of research methodology.

### **CHALLENGES FACED BY AN O.D. PRACTITIONER IN INDIA**

- In India, managing change of any kind requires a great deal of perseverance and patience. The organization may not always be changing in the desired pace and direction, but nevertheless, it is changing. O.D. practitioners should respect this and learn to observe and facilitate the process with appreciation and tolerance.
- O.D. practitioners should bear in mind that the success of any intervention depends on several factors such as prevalent mindset, existing work identities, the kind of media and forum available for unfreezing actions and resources available and should estimate the time for change to take place.
- The O.D. practitioner should be mentally and emotionally prepared for problems he may encounter along the way. This requires a combination of creativity, patience, productivity and motivational ability when the pace slackens.
- The practitioner should also focus attention on the timing of interventions. The organization may be most ready for unfreezing and implementing changes when it experiences the most difficult times.

- The most crucial task that the practitioner needs to perform is that of creating a learning culture in the organization. This should be done by assisting the organizational members reflect on its mindset, its consequences, learn its ways towards the new mindset and this process has to be closely facilitated.
- One of the main functions of O.D is that practitioners have to learn to exercise power; power which is persuasive and empowering. Competence, political access, sensitivity, stature, credibility, resource management and group support - all capacitate the practitioner to have a positive influence on the organization and its endeavor towards change, and have to be developed along with rich conceptual knowledge.
- A very important aspect of the O.D. intervention that the practitioners need to focus on is communication. The objectives of the O.D. intervention undertaken, the changes desired, the action plans formulated by discussion with the top management should all be clearly communicated across the organization. Communication systems and information flow should be well established and transparent.

## **FUTURE DIRECTION FOR PURSUING SYSTEMATIC RESEARCH IN OD AREAS IN INDIA**

The field of future research in this area is still widely open. There are many areas where one can pursue systematic research. Some are mentioned below:

- A) Where OD Interventions have failed – the factors responsible for this failure, the organization's characteristics, the interventions used, the strategy followed etc.
- B) Implication of leadership style of the CEO in the successful implementation of OD interventions in Indian organizations.
- C) Exploratory work to find out indigenous, rational strategies and techniques to facilitate OD in Indian organizations which are compatible with deeper cultural values.
- D) Facilitating and hindering factors for OD interventions in new age industries like IT, ITES, RETAIL, and construction industries.
- E) A Study of OD competencies in senior and middle level HR managers of Indian organizations.
- F) Learning from OD interventions used in transformation in professionalization of large family-owned Indian organizations.
- G) A Comparison of consulting style of external and internal OD consultants in India.

## **CONCLUSION**

O.D. has emerged as a specialized function in the management profession. About two decades ago, when O.D. was introduced in India, there were only one or two organizations practicing the concept. Today, one out of ten business organizations has an O.D. department or facilitator, or at least has institutionalized O.D. mechanisms. Trained O.D. consultants offering their services for initiating and implementing the O.D. effort are also now available. Even the voluntary, non-profit and public sector organizations have realized the importance of O.D. for their survival and growth. While the basic concepts and mechanisms have been studied in the west, they have been altered and developed to suit the largely relationship driven culture of Indian organizations leading to very favorable changes both structurally and culturally in many of them. The realization that learning in today's competitive and fast changing environment is not a mere desirable luxury but a frequent necessity, has not only created a conducive milieu for further growth and intensification of O.D. but also has thrown open challenges for social scientists and O.D. practitioners in India.

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