Organization Development and Change in 21st Century
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Lecture – 35
Organizational Development in Non-Industrial Settings

This session is on Organization Development in Non-Industrial Settings. Why this topic is important? There is a need to understand and study organization development in the non-industrial setting because quality of human life depends on many non-industrial fields like healthcare, education, not-for-profit developmental organizations and social entrepreneurship.

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 The size of non-industrial organization is also increasing with scale of their work and that is leading to individual, team and organizational level issues. Traditional OD, I am saying it traditional because most of the OD interventions we have studied till now were developed in the industrial settings or in the organizations which were commercial organizations. Their frameworks may not be applicable or they may need to be modified in the non-industrial context. So, these are the reasons why we need to study OD specifically in the context of non-industrial setting.

In this session, we are going to look at three non-industrial settings: OD in healthcare, in educational institutions and in developmental organizations.

First, we will look at OD and the nuances of OD in healthcare sector. All our discussions are primarily contextualized in the Indian setting. So, when we look at the non-industrial organizations, they are not in the global sense because these organizations might be facing different types of issues in the different parts of the world. So, our discussion on the health sector, education sector or in the sectors of social entrepreneurship or not-for-profit organizations will be based on Indian context.

OD in healthcare; Indian healthcare sector has been growing very rapidly in last few decades due to increasing privatization and corporatization of the sector. With little more emphasis on healthcare in terms of the government expenditure and different interventions and policy initiatives like Ayushman Bharat, healthcare sector is bound to increase and bound to include more number of people. Many healthcare organizations fall into the category of rapid growth organizations. As such, there is a year to year 20 percent growth in the healthcare sector in India.

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Major references for this session are drawn from these research papers.

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If we look at the emerging scenario of the healthcare sector in India, we come across a few of the key features. These features are: privatization of healthcare, development of new business models. We are going to look at a few of the business models in this session. Increasing integration of management systems in healthcare service delivery.

In healthcare, innovation is not only happening and not only required in terms of the scientific discoveries about the cure of the disease, nature of the disease or instruments

being used in the health management; but it is also on the service delivery part. So, there are a lot of innovations happening and on the service delivery part the integration of management system with the healthcare service delivery system is happening to a great extent.

There is also a need for infusion of management tools and methods and here we also include the IT related tools and methods. If we specifically look at the HRM sector, why we need to look at human resource management issues or HR issues is because OD predominantly draws from the human issues. Though OD includes organization design, processes, systems and we also include digital transformation or the IT related issues.

In the process of management of change in organization development, OD primary looks at all the subsystems from the human perspective. So, it is imperative to look at human resource management issues to primarily understand the nuanced nature of the field of OD in healthcare.

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Emerging Scenario of the Health Care Sector and HRM Related Challenges in India

- Health insurers, Third Party Administrators (TPAs), medical tourism and pathology labs have emerged in just the last decade to fill the structural gaps.
- Services like health insurance and diagnostics are effectively 'intermediaries' toward a more highly integrated healthcare management system, centered on large hospitals.

The HR challenge

- Knowledge and skills required for jobs in these subsectors is novel in the Indian context.
- Curriculum development in the formal medical education system has not kept pace with the demand for talent in these subsectors.
- Organizations therefore often need to develop and groom people from within, or reskill employees recruited from related industries. We can see this with health insurance organizations recruiting and retraining talent from the general insurance sector.
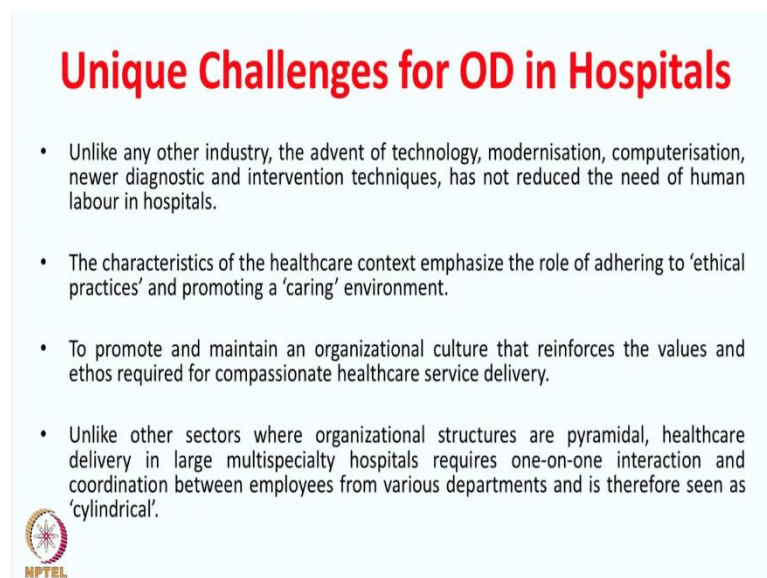
What we look at in the newly emerging healthcare sector in India is that Health insurers, Third Party Administrators, medical tourism, pathology labs, they all have emerged just in the last 1 or 2 decades and they are filling a lot of structural gaps in the healthcare sector. We are also seeing services like health insurance, diagnostics and they are effectively intermediaries towards a more highly integrated healthcare management system and that healthcare management system is centred on large hospitals.

In light of these factors, the major HR challenges are related to knowledge and skills required for jobs in core healthcare sector as well as in the sub sectors. Curriculum development in the formal medical education system has somehow not kept pace with the demand for the talent in these sub sectors.

Organizations therefore, often need to develop and groom people from within or reskilling the employees recruited from related industries. One of the examples is that health insurance organizations are very frequently recruiting and re-training the talent from the general insurance sectors.

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These HR issues are posing unique challenges for OD in hospitals and healthcare system in general. First unique thing in the hospitals or the healthcare system is that any other industry with the advent of technology, modernization, computerization, demands less human interaction; whereas, with all the advent of technology modernization and computerization, newer diagnostic and new intervention techniques, the need for an importance of human labour in hospitals has not decreased; in fact, it has increased.
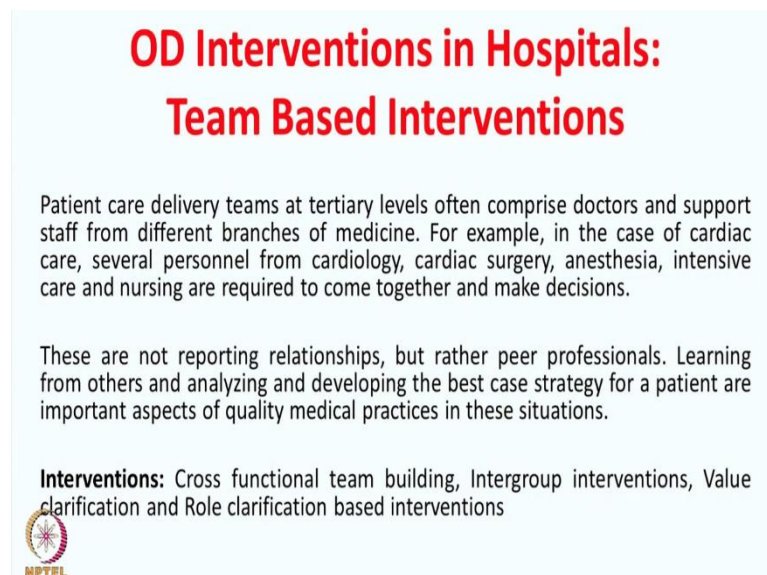
The characteristics of healthcare context emphasize on the ethical practices and promoting caring environment. However, in order to meet the scale and emerging requirements, there are a lot of new systems and processes being introduced in the healthcare system.

But eventually, a system is assessed not on its sophisticated systems and processes; but on the ethical practices and the caring environment, it is giving to its customer and its customer is patient. To promote and maintain the organization culture, that reinforces the values and ethos required for compassionate healthcare service delivery is equally important or even more important with all the modernization and evolution of the field in terms of technology and processes.

Unlike other sectors, where organization structure is pyramidal. Generally, we find the pyramidal structure or we also looked at different designs of organization in our previous sessions. There is a very unique organizational structure and design we see in the healthcare system. So, healthcare delivery system and if we look at particularly in reference of the hospitals, the large multi-specialty hospitals also require one-to-one or one-on-one interactions and coordination between employees from various departments.

So, in the healthcare system, a very unique cylindrical organizational structure is visible. In view of unique features of human resources, management issues and challenges to OD, there can be some very specific interventions, very relevant for the healthcare sector and particularly in the hospitals.

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We need to recognize that patient care delivery teams at tertiary level often comprise doctors and support staff from different branches of medicine. If we take example of cardiac care, several personnel from cardiology, cardiac surgery, anaesthesia, intensive

care and nursing, they all come together and they have to make decision, they have to ensure proper care and management of the patient.

Many of these interactions are not based on authorities, many of these interventions are not governed by the supervisor-subordinate relationship. In fact, these are not reporting relationship most of the time. They are peer-professionals-based relationships. So, learning from others and analysing and developing the best-case strategy for a patient are very important aspects of quality medical practices in these situations.

In this situation, what might be the unique OD interventions.

Obviously, based on this description of the organizational design, systems and processes of the hospitals and their management challenges; we can see that cross-functional team building, intergroup interventions, group clarification, role clarification-based intervention can be very useful in the hospitals. There is another very important aspect of the profession of medical care.

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Coaching and Mentoring: Crucial OD Intervention in Hospitals

Junior doctors learn skills and sharpen their knowledge by working with senior doctors from different fields, and these, too, are not reporting relationships in the context of the traditional organizational structure.

The 'learning' in patient care delivery involves a high tacit component, which takes place in an 'apprenticeship' mode with observation, sharing and mentoring across members of a team, rather than reflecting the classical hierarchical control paradigm.

Interventions: Mentoring to specially younger professionals, Coaching at all the stages of career, Reverse mentoring

You must have observed that junior doctors learn skills and sharpen their knowledge by working with senior doctors from different fields and these two are not reporting relationships. They operate in the context of traditional organizational structure that is cylindrical in nature, but these are mostly the relationship of teacher and taught.

Secondly, learning in patient care delivery involves very high tacit component of knowledge, which takes place in an apprenticeship mode with observation, sharing, mentoring across members of the teams rather than reflecting the classical hierarchical control paradigm.

So, we see that learning and development in the healthcare sector, in the field of healthcare do not follow a supervisor-subordinate relationship predominantly. It is mostly a coach and coachee kind of a relationship, mostly mentoring and mentor and mentee kind of a relationship. So, in light of this fact, mentoring seems to be very important and useful intervention.

Wherein, we can give inputs about the best mentoring practices to the senior professionals and we can also give key inputs how to be a good mentee and how to draw maximum benefit from the knowledge and perspective of mentor, that input can be given to the young professionals. Coaching is useful, it is rather required in most of the career stages of experts or doctors who are the key actors in the healthcare system. Dr. Atul Gawande, from USA has written extensively about it.

We also see that as new technology keeps coming, new molecules are discovered, new methods and new processes of disease management keep coming up in the medical sector. There is also a possibility of reverse mentoring; wherein, relatively younger employee or relatively younger doctor or younger professional teaching or mentoring the senior professional.

We can also see some of the human resource management process-based OD interventions. You might recall our session on HRM based OD intervention and many of the concepts can be specifically relevant in the hospital sector or in the healthcare sector.

HRM function in hospitals has to add value by building effective patient care delivery teams that can create high contribution through collaboration, patient satisfaction and quality care. Many traditional HR practices must be redesigned to meet the short-term operational pressures while catering to long-term strategic goals of the hospitals and these practices can be related to staffing and to the culture building in hospitals.
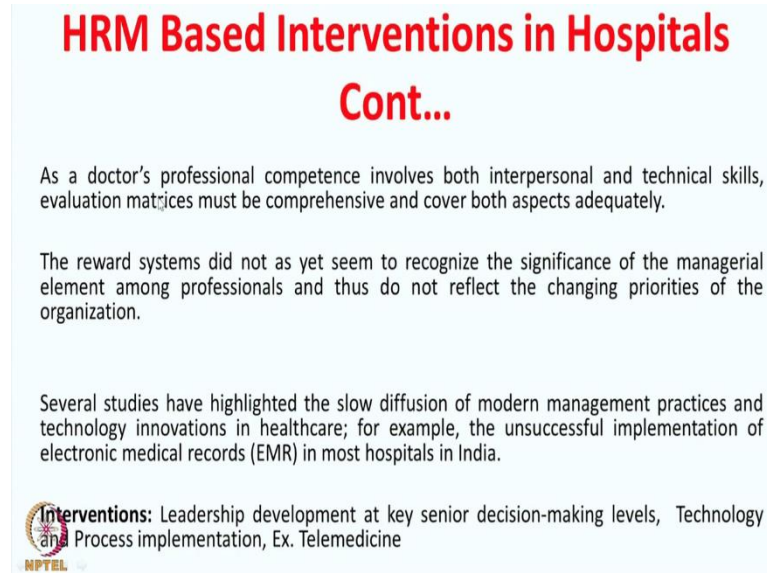
Evaluating the performance of doctors and linking them to rewards can also be one of the key HRM based interventions in the hospitals. We can look at performance management systems, multi-level incentive systems, financial rewards aligned to strategy and approach to the work, system design or system redesign, these are the HRM related OD interventions which can be very relevant for the hospitals.

One hospital might be aiming to serve large number of the patients coming from the lower socioeconomic strata, another hospital might be focusing on the medical tourism or aiming to cater the premium segments, people having the high capacity for the payment and these two organizations will have different focus of their patients, different focus of their strategy.

So, accordingly, they need to design the incentive plans. Accordingly, they have to design the financial reward system for doctors and other professionals working in the hospital. And those strategic perspective and operational perspective need to be looked at by the HR function and based on that, they can redraw the incentive system or performance

evaluation system for the professionals working in the hospital or in other healthcare system.

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As a doctor's professional competency involves both interpersonal and technical skills, evaluation metrics also must be comprehensive and they should cover both aspects adequately. Though if we look at the reward system implemented in most of the healthcare delivery systems, it is not yet seen to recognize the significance of the managerial element among the professionals and thus, do not reflect the changing priorities of organizations.

There are several studies which are highlighting the slow diffusion of modern management practices and technology innovations in healthcare. One example is the implementation of EMR in a large percentage of the healthcare delivery system is sub optimal and can be said not to be successful.

So, in light of these facts, we also need to have leadership development as an OD intervention for the key senior decision-making levels in the healthcare system and healthcare delivery system. Technology and process implementation are becoming more and more important; but we have already discussed that technology and process implementation in hospital is no way going to reduce the importance of human-to-human interaction and care and ethical aspect of service delivery. One example is Telemedicine.

We are recording this session at the time of COVID-19 pandemic, we all know that because of this pandemic, patients with different diseases different health related problems are suffering because they are not advised or they are afraid of visiting the hospitals.

So, in this kind of environment, telemedicine naturally becomes a preferred way of consultation for the patients who need advice for their general regular health ailments. But telemedicine to be successful not only requires technology, but also requires proper record-keeping, proper rapport building and the comfort of service providers to that internet-based environment.

We also need to recognize the need for OD in the allied fields in the healthcare sector. Allied fields meaning, people and professionals other than doctors, who are the integral part of the healthcare system or healthcare delivery system.

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Allied Fields in Health Care Sector and OD

- The growth of healthcare sector in India has seen the entry of health insurance and TPAs, who have created several new positions. In particular, segments like clinical trials and actuarial services in health insurance are two areas in which large numbers of professionals will be required.

- To overcome the acute shortage of skilled employees in these emerging fields, we found that organizations are introducing job rotation among their existing employees in an effort to move them into the new roles.

- Another common practice is to hire people from other related fields. As a result, organizations are investing heavily in training and development of these employees, thus raising their human development costs.

Growth of healthcare sector in India has been the entry of health insurance, third party administrators who have created several new positions. In particular, segments like clinical trials, actuarial services in the health insurance are two areas in which large number of professionals are required and will be required.

To overcome the acute shortage of skilled employees in these emerging fields, we found that organizations are introducing job-rotation among their existing employees in an effort

to move them into new roles. So, this trend is going to continue or may increase in the near future. Another common practice is to hire people from other related fields.

So, as a result, organizations are investing heavily in training and development of these employees and thus, raising their human development cost. These are some of the challenges for OD pertaining to the management of human resources working in the allied field in the healthcare sector.

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Another problem is that these training programs may help develop talent for the short run, but they cannot replace the formal and standardized curriculum of a university. Organizations have therefore, started to form partnership with universities to design courses and build curriculum for these emerging fields at the national level. But what I am talking about is very few hospitals have been proactive in forging this kind of a collaboration.

What is needed is a collaboration at the industry level, collaboration at the sectoral level; wherein, the representative of the healthcare sector or allied fields of the healthcare sector have a common understanding with universities and other education providers to develop the curriculum which will help to prepare professionals for the allied fields in healthcare system.

Most of the large hospital chains now are having their own nursing schools. Finding good, training good nurses and ensuring they remain with the hospital is one of the major HR related challenges in the hospital systems.

So, hospitals have also started to take the fresh graduates from nursing colleges. They provide them further training in order to socialize them to organizational values and culture and also, to understand the nuances of healthcare in the practical field, in apprenticeship form and that is a commonly used intervention to ensure sustainable talent supply for the role of nurses.

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OD in Hospitals: Few Noteworthy Examples

One of the large hospitals designed and implemented a 'work force differentiation' strategy, discriminating between 'care' and 'cure' employees, which enabled them to adopt different HR practices for two sets of employees.

In another hospital the selection process for nursing staff was changed to recruit graduates from college without prior experience. On the other hand, specialists were recruited based on referrals from existing employees.

The use of differentiated policies for different set of employees have thus provided greater flexibility to help this organization deal with its unique challenges at each level of staffing

There are a few noteworthy examples. One of the large hospitals designed and implemented a workforce differentiation strategy. What does that mean? It means they discriminated between care and cure employees and that discrimination enabled them to adopt different HR practices for two sets of employees.

In another hospital, the selection process for nursing staff was changed to recruit graduates from college without experience. On other hand, specialists were recruited based on the referrals from existing employees.

So, use of these kinds of differentiated policies for different sets of employees have provided greater flexibility to help these organizations, hospitals which have taken these initiatives to deal with the unique challenges which we talked about. When we are talking

about healthcare system or healthcare delivery system in India, we must discuss about some of the innovations which have happened in the field of healthcare in India. There are so many, we will look at only five examples in this session.

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First example is Arvind Eye Care. Many case studies are written on Arvind Eye Care. The major reference taken for this session is from the paper of Professor Vasanthi Srinivasan and Dr. Chandwani. They have also written a very interesting case study on Arvind Eye Care. Participants can have a look at that. Arvind Eye Care has grown into a network of eye hospitals and has had a major impact in eradicating cataract related blindness in India. Performing surgeries on large scale is its unique feature.

They do it with treatment which is almost free or heavily subsidized for the poor that is done through extensive outreach programs.

So, they have collaboration with different social clubs in organizations, where clubs arrange for the site and physical facilities for the operation and Arvind Eye Care provides free services by doctors and nursing staff to carry out these operations. Arvind Eye Care focus on rotating doctors between free and paid ward.

This was a very important and a key intervention by Arvind Eye Care that they have not created separate coder or separate group of doctors and service provider for the patients

who are paying and for the patients for whom the cure and disease management is almost free of cost.

To ensure that there is no service difference provided to the two categories of patients, they have found this OD intervention of job rotation of the doctors very interesting and very useful. In this way, they are concentrating on the efficiency and hygiene and also eliminating the difference between surgeries done for the two categories of patients.

Another example comes from Shankar Netralaya. According to Nani Palkivala, the great law luminary and the former Indian ambassador to USA, he described Shankar Netralaya as the best management charitable organization in India. Shankar Netralaya has over 1000 employees and serves around 1500 patients per day. They are performing over 100 surgeries per day. They are running at 5 locations. They are running hospitals and facilities at 5 locations in Chennai and have services at various locations.

Unique intervention or the unique feature of Shankar Netralaya is also starting their own college. In those colleges, they have introduced some certificate courses, very relevant for the field of healthcare; particularly, in the field of ophthalmology. These certificate courses are on ophthalmometry, Bachelor of Optometry or courses of B.Sc and M.Sc in medical laboratory technology, Masters of Optometry.

So, these are unique courses designed according to the need of that sector and that is the unique intervention of Shankar Netralaya. Along with providing very high-quality services at very reasonable cost to the people who need it.

Narayan Hridayalay is again a great example. It is a Bangalore based affordable health care, founded by Dr. Devi Shetty and this chain has now 21 medical centres across India and they are also known for its low cost and high-quality services. Another example is LifeSpring Hospital that is relatively new organization.

They provide low cost maternity care hospitals. They provide low cost maternity care. At the moment they have 10 branches and 8 extension centres, mostly in Hyderabad and also in Vishakhapatnam. So, in last 3 years, LifeSpring Hospital has delivered around 20,000 healthy babies.

We also have an example like LV Prasad Eye Institute and that was named after great film personality L. V. Prasad Dada Saheb Phalke Awardee. They provide affordable eye care to poor and approximately 50 percent of their services are rendered free of cost to the economically underprivileged patients, that is also a charitable form. And they also focus on high level of efficiency and very smart financial management to retain the talent and also to provide very high-quality service to the patients of different sectors and different strata of economic prosperity.

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OD in Health Sector: Key Notions

- Privatization of healthcare
- Emergence of allied fields
- Talent shortage
- Development of new business models
- OD interventions like team building, coaching, mentoring, PMS design, Infusion of management tools and methods

So, some of the key notions about OD interventions in the healthcare sectors are that there are some contextual factors like privatization, emergence of the allied fields, they are causing talent shortage in the field of healthcare sector.

Development of the new business model is a unique aspect, unique feature of healthcare sector in India. And there can be large number of OD interventions which we discussed, which we studied in the earlier sessions of this course that are required and can be implemented in the healthcare sector or healthcare delivery system like hospitals.

These interventions are team-building, coaching, mentoring, redesigning the PMS, infusion of the management tools, and methods. In fact, there are also some operational management related models like Six-sigma, Lean. The principles of Lean and Six-sigma can also be implemented in the healthcare sector.