

Organization Management
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Lecture No. # 19
Organizational Change and Development

We are roughly at the midpoint of the treatment of organization management as a course. So, as a wrap-up of what we have done till now and as a prognostic support we propose to do, it would be useful for us to look at the ((no audio)) change and development. The proposition is a very simple one, something, which I have been at pains to emphasize since the beginning. Understanding is an important step in developing a relationship, but when it comes to organization management, simply understanding is not enough, what you do with that understanding? The purpose can be only to improve the situation for the better. And there is no debate on it; there can be no discussion on this; there are no two ways about this.

One of the many fantasies of Homo sapiens is that they cause change. We should be very clear - change cannot be caused, because change is an organic process. If there is no potential for change of the type you want, you try as you might, the change will not take place. It is like trying to grow a plant by putting a seed on stone; the seed will not sprout. Then, what is the change we are talking about? The change which ((no audio from 02:29 to 02:44)) living objects. Let us get that clear. No living object can be static at a point for endless period of time; if it is, it is not living.

The definition of a living object is a continuous process of change internal to the object and through that change process, the object establishes a relationship with the environment. And since there is no such thing as a static environment, in its natural incarnation, the environment will be continuously changing and so must be the object. And it is this dynamic relationship, which is the essence of change. So what is it that you when you (()) managing ((no audio from 03:35 to 04:06)) by pruning it you give it shape. You can shape it like an elephant, you can shape it like a camel, and you can put it in different shapes. So, you are constantly trimming. So, you can give it shape, you can

give it pace, you can make the process of change quicker, you can retard the process of change and then you can give direction to it, because again going back to botany, a plant will grow in the direction of the sunlight.

So, when you talk of managing change, you are giving shape, pace and direction to change; you do not create change. And for any change to take place, it must be embedded in the potential of the system that you are trying to make an impact on. If the potential is not there, the change will not take place. For example, if somebody did not have musical sense, you cannot make a singer out of him and one can go on giving examples. So, do not fantasize to believe that you can cause change. It is one of those notions of the class which says the sun rises; the sun does not rise, the earth rotates. The truth is the sun cannot rise; you get an illusion because of the rotation **of the sun**, of the earth, that the sun is rising. And then, with the kind of ego Homo sapiens typically have, you believe also that the sun sets.


The same class of problem - time is passing. I have mentioned this to you earlier on. Time does not pass; time is constant; it has no beginning; it has no end; you are passing, but again the ego of the Homo sapiens prevents him from saying - I am passing. He will always say time is passing. So also you believe, you can cause a change; you cannot cause a change, you can at best manage a change; and manage a change where the potential is there and it is important to have your fundamentals right, before you understand these concepts. So, a lot of learning in management requires, first unlearning the notions which you have held dear to yourself, because you very soon start realizing that what you believed is no longer the objective reality.

In this particular subject, you are focusing on organizational change. How do organizations grow? How do organizations develop? How do they decay? How are they renewed? How do they continue in life? That is the basic issue. We also believe that an intervention for change will lead to the development of the organization and that the intervention would be a positive intervention and that the intervention will help the organization better; better relate to the environment, be more robust, be more realistic, be a happier place; there will be a value addition to the process and that is what we want to talk today - organizational change and development.

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Structure

- Introduction
- The organisation and the forces of change.
- The nature of the change
- Factors influencing the change
- Barriers and means of overcoming them
- Change agents & managing changes
- Conclusion
- Questions & answers.....



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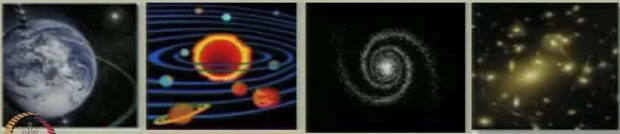

What we want to cover is: introduction, the organization and the forces of change, the nature of change, factors influencing the change, barriers and means of overcoming them, change agents and managing changes, conclusion and of course, the inevitable questions and answers will come.

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Introduction

All is flux, nothing stays still;
Nothing endures but change
~Heraclitus

You could not step twice into the
same rivers, for other waters are
ever flowing to you
~Heraclitus



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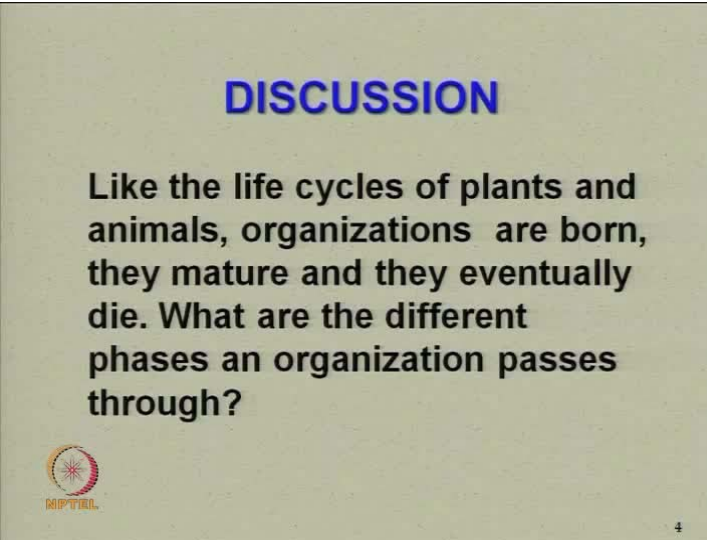
Heraclitus is the first recorded author on change and he offered the opinion which I quote here: all is flux, nothing stays still and nothing endures but change. So, the only thing constant is change. Of course, he was talking of live bodies. Incidentally, the non-live

bodies also change; only their change is always negative, they get corroded. So, when we are talking of change, we are talking of living systems. We are not talking of corrosion, even though technically that would be listed as change.

You could not step twice into the same river, for other waters are ever flowing to you; which means, that change is eternal, change is continuous and you would never pass through twice, through the same point of time. That which is past is by definition dead and buried. What Heraclitus incidentally did not register that the past perpetuates itself through the legacy variably. You go through an experience, that experience leaves an impact on your psyche, leaves an impact on your personality, the past is still living.


So, the business of understanding change is both tricky and demanding because you have to understand the nature of change. And when you refer to authors or thinkers like Heraclitus, you have to register that they made an important point, but they made an important point of time, **at an important point to time** and much thinking has taken place since. So, it is not as if what he said was wrong, but what he said needs to be improved, developed and made more sophisticated.

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DISCUSSION

Like the life cycles of plants and animals, organizations are born, they mature and they eventually die. What are the different phases an organization passes through?

 **APPTAIL**

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So, what is the discussion? Like the lifecycle of plants and animals, organizations are born, they mature and they eventually die - a proposition that we have played around with, in the past also. What are the different phases an organization passes through, therefore, becomes a critical subject matter of concern.

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The Birth Phase

- **Simple and Informal Structure**
- **Focus is on survival**
- **Primary concern is on technical aspects of production and marketing**
- **As organization grows complex managerial needs may lead to a crisis**

NIPTIL

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Let us look at the birth phase of an organization; it has simple and informal structure. And we have spent enough time looking at organization structure and processes for you not to have the need to be explained, what is meant by organization structure, being simple and informal. In the initial stages, the focus is on survival; the organization must live. If the organization is to live, then only can it be the arena for any activity. Even to fight, you must have the organization. If there is no India, there is no place to fight; forget the constructive aspect, which is why all sensible entities first preserve the entity itself before they decide, it is time to fight. If two brothers are to fight, they must have a family to fight in. If the family is broken up and the brothers are drifted away, you cannot even fight. I am obviously giving you an extreme example on to why nurturing a thing is the core of all living entities, and obviously, for the more positive efforts - enjoyment, living, fun, value addition, of course, the organization must exist.

I began by mentioning a negative concept, because that conveys to you the centrality of the concept of the organization. If there is no India, then how do you fight for spaces for religions? If there is no India, what kind of caste aggregations can you think of? So, you cannot make your desire so dominant, that the framework itself collapses. And that is a very important concept in organization management. How do you preserve the overall entity, while being totally political. You want more power, you want more power for your religion, you want more power for the sub-caste of your religion, you want more power for your caste, you want more power for your sub-caste, then you want to create

cliques and factions, and all that goes along with it, but what is the theater in which you will wield that power? So, you cannot make that political pursuit, so all persuasive that the framework itself collapses, which is why we began this whole explanation with understanding of a simple thought.

Understanding organizations is central to civil society. You cannot have a civil society which does not have organizations. You cannot have organized life without organizations. In fact, there can be no production process, there can be no service function, and there can be no existence of any order till there are organizations. The only choice is some organizations are informal, some are formal, and very often, the distinguishing line between a formal and an informal organization is very blurred.

For example - is family a formal organization or is it an informal organization? Your first reaction is maybe it is an informal organization because it is not registered, it is not a legal entity or is not a legal entity. Then, where do you get your surname from? Where do you get your caste from? Something which is very fashionable to talk of these days. It comes from your family. How did you choose to become a Muslim or a Hindu or a Christian? Because of your family was that way. What percentage of people actually undergoes a conversion? Then all application forms call for the name of the father. Now, if there is a movement called for the name of the mother. The battle does not stop there. Then, they say if you mention the name of the father, you need not mention the name of your mother. Then, the reaction is if you mention the name of your mother, you do not have to mention the name of your father; so be it. Silly battles, but of course there must be battles to fight over. Otherwise, what kind of identity you have? So be it.

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I do not want to get into that kind of a discussion, but the proposition still remains is family formal or informal? And if it is all that informal, why do you derive so much formal strength from it? Questions which I do not have time to discuss here, but surely you need to understand, that the blurring line between formal and informal organization is a brief one, but the central proposition remains sustainable. You cannot have a civil society without organizations.

So, the focus is on survival of the organization. How do you make an organization survive, when it is born, when it grows, it decays? The only way you can make an organization survive is through organizational renewal. That is where management of change as a process becomes an critical phenomena. You know the organization is changing. Can you intervene through strategies to manage that change constructively? a - to stop the decay; b - eliminate the factors which are causing that decay; c - strengthen the factors that reinforce the positive constructs in the organization.

Can you create an equilibrium and a ratio, where the positive factors interplaying in an organization are stronger and larger than the negative **sites** factors playing there? Because **if** the negative factors are stronger and numerically larger than the constructive factors, then the organization cannot survive. Being positive is not a choice; being positive is inherent to keep the system living. So, nihilism or negativism to my mind is merely a posture of the immature mind. It is like threatening that I will commit suicide,

when you know you would not commit suicide. It is an attention seeking device; an exaggerated form of crime. The tear ducts dry, as many people know, in 17 and half minutes. So, how long can you cry? How long can you yell? In fact, the more sensible people in an argument when the other side starts yelling, love to come back with a statement - after you have stopped yelling, we will get back into a discussion. How long can you yell?

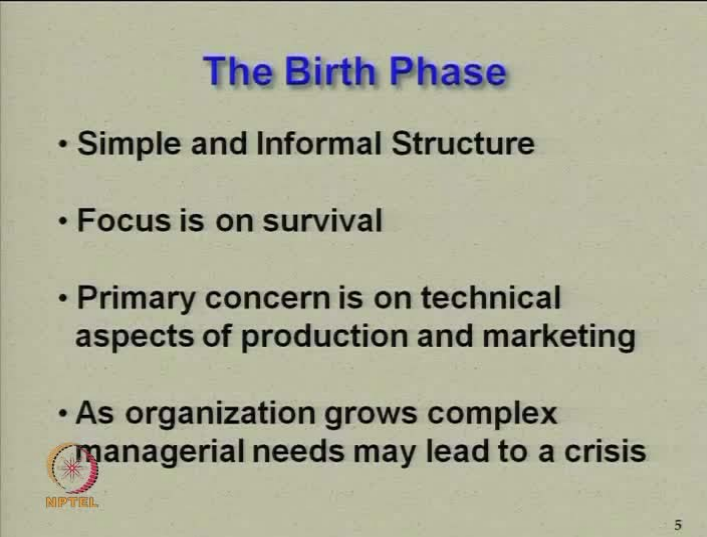
So, all the negative elements in behavior, in living entities, basically corrode, but if the organization is to be led on the path of survival, the positive elements must be stronger and more numerous than the negative elements. When that balance is destroyed, the organization begins getting sick. This applies to closed systems, this applies to societal systems, and this applies to national systems. When you go on repeating the same argument, when you go on saying – yeah, yeah, I am willing to discuss, but this I will not negotiate. Then both sides start saying, then, this we will not negotiate; then what do you do? Then there is a show of strength. And show of strength, as any son of a woman knows, never solves a problem.

In fact, those of you who have any interest in history would know that the roots of the Second World War were sowed in the Vienna settlement which sorted out the First World War. If you create those terms and conditions of peace, then sooner or later the vanquished will turnaround and say, now is the time to challenge you, which is exactly what Germany did, which is exactly what the allied powers fought for; it is another matter that they fought foolishly, but we are not here to discuss history, interesting and relevant as it may be; we are here to understand, that you cannot have peace enforced by force, because force generates its own antithesis and its own resistance. It must reach its own equilibrium.

Somebody was trying to explain to me this morning the distinction between winning a point and carrying a point. And he is a former chairman of a bank, sits on several boards, very wise man, influential too. I let him elaborate and pontificate for about 10 minutes. And there were at least three other witnesses to the conversation: one of them was a serving chairman of a major bank, another one an industrial prince and a third one a managing director. They were listening to this elaboration with rapt attention and after he finished I said, but why must you either win a point or carry a point? He said I do not understand what you mean. I said it is not so complicated. You have spent a lot of time


trying to explain what is the difference between winning a point and carrying a point. The truth is you have to do neither, what you have to do is to carry all dissent along with you. You have to incorporate that dissent. Therefore, there is an algorithm with which you have to settle and manage your decision-making. In other words, there are limits to change, you cannot impose change after your heart's desire or as the expression goes, you cannot ask the world to stop rotating, because you want to get off; it is a personal problem.

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The Birth Phase

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 NIPTEL

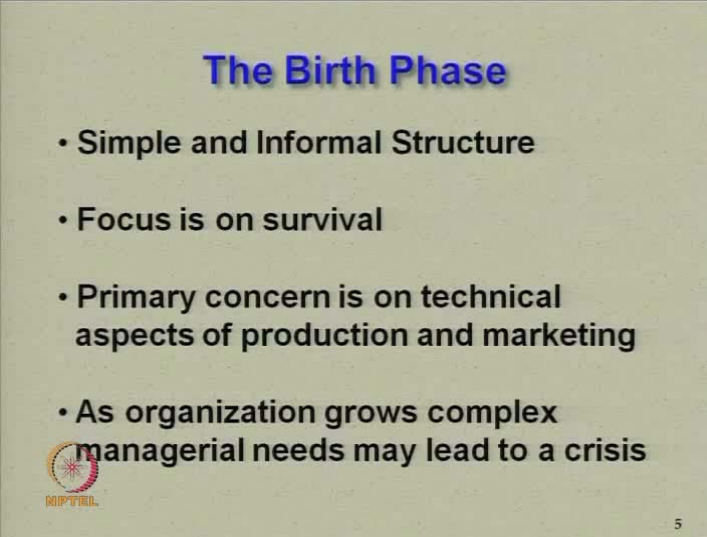
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Coming to terms with the natural processes is the heart of managing change, is the focus of survival. Primary concern is on technical aspects of production and marketing and this is the limitation of an organizational system. They always talk of functional change; they never talk of a better organization. The marketing man wants better returns on his sales; he wants a larger share of what they call a pie. They want to be market leaders - phrases which are very common in marketing. So be it, no arguments with that, but it will not happen till there is a backup of a better organization. Do you have better manufacturing systems backing up your marketing? Do you have more capable people? Do you have better funding? Do you have better resource utilization? Is there enough in the organization to incorporate feedback from the environment? Are you carrying out your R and D processes which impact your design? Are your processes continuously improving? Are your energy resources being continuously updated?

Because there is also this theory, that all history is the history of the changing energy resources; that is what creates a civilization. Is your energy resource coming out of wood? Is your energy coming out of fossils? Is it coming out of liquids? Is it coming out of gas? Is it coming out of the sun? And each energy source creates its own civilization.

The kings and the armies merely represent a symbolism, which is why understanding the historical processes is so important to the process of understanding change. Remember, history is the study of change in time sequence. And management is the study of interventions to create change in time sequence. So, what is the difference? Yet the narrow minded who can think of nothing else but **silos**, will say I am interested in manufacturing; I will talk manufacturing; give me the supply-chain management; give me the throughput process, I will give you the product; for the rest, I do not care. You need not care, but what would you do with your product? They do not want to hear it. The whole process of management is the process of intervention strategies for giving shape, pace and direction in a time sequence and remember my definition of change.

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MPTAL

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An organization grows complex, managerial needs may lead to a crisis, because your managerial needs again have to be understood. And then comes another phrase in organization management - you have to create the coping strategies. How would you cope? The poet would say, I fall on the stones of life and I bleed! Beautiful, so what do we do? First aid, very important; cannot be trifled with. The manager would say - right,

what do we do? The first and the important thing would be - do not fall. No, no, but what do I do? I. That is the flaw of nature I fall! Very good, develop coping strategy so that you do not trip, what a functional approach. No, no, it is not a functional approach; it is a nonromantic approach. Nothing, nothing, wrong with romance, romance makes the world go around; unless you believe that she is a beauty queen, you would not ever marry her, would you? And unless she believed you are a prince charming, she would not marry you either. The truth is both of you deserve each other's misery. So, you get married and live happily ever after.

All marriages are destined that way, but the wise couple knows how to cope with it; that is the only difference between a successful marriage and an unsuccessful marriage. This is neither the place nor the occasion to quote several male versions on a woman and several female versions on the man. I am sure there are enough internet jokes going around to explain that to anyone who bothers to login or who looks at websites. That is not my burden of the song. My burden of the song is you want a successful marriage, learn to cope with the issues. Learn to do something about it.

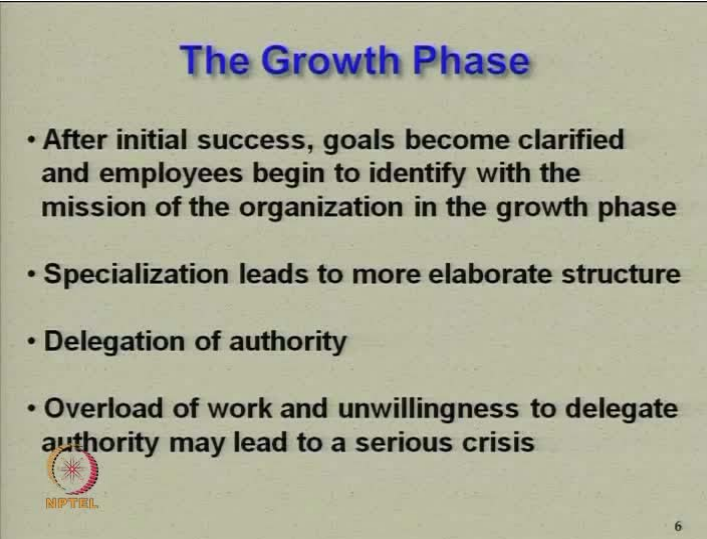
For, what do you do when your fairy queen decides to snore at 2 o'clock in the morning and you did not know that. And she snores as beautifully as she walks, which means her snoring is nearly as perfect as her gait. You did not know that. Well, the answers are very simple; move to another room or get a pair of earplugs, because if you wake her up and tell her you are snoring, she would say - no I was not; and there is no way in which a sleeping person can hear one's own snore.

I can give you plenty of examples, but the examples are not relevant, beyond a point. What I am trying to tell you is coping is the keyword and I personally consider coping central to happiness. Happiness does not fall like Manna from the sky, you have to create happiness. These are personal intervention strategies, managing change. And the interesting thing about managing change is that there are no patented medicines, there is no Imodium, if you know what I am talking about. You know, if you have a loose stomach, you take Imodium, it guarantees effect in 2 hours. It does not solve the stomach infection, but yeah, it makes it possible not to keep running to the loo so frequently. If you have a headache, you take Saridon. It does not solve the problem, but it snaps the nervous system in a way, in which you do not feel the headache. These are not intervention strategies, these are not cures. They merely help you to hold on the situation

and intervention strategy helps you to get to the root of it and reverse it; that is managing change.

How do you move from where you are, to where you want to be, provided you are consistent with the potential and the nature of the situation and the object; that is what organizing change is about. Therefore, organizations as they grow complex, may have managerial needs which lead to a crisis.

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The Growth Phase

- **After initial success, goals become clarified and employees begin to identify with the mission of the organization in the growth phase**
- **Specialization leads to more elaborate structure**
- **Delegation of authority**
- **Overload of work and unwillingness to delegate authority may lead to a serious crisis**

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Then, in the growth phase, after the initial successes, goals become clarified and employees begin to identify with the mission of the organization in the growth phase. A truly growing organization has no contradictions between the core objectives of the individual who works for it and the core objective of the organization. For example, you cannot have a successful and effective teaching institution, if you have as faculty people who are not interested in teaching. They are there because they did not get any other job. Now, what kind of growth will that institution have? Where is the match? What kind of a project you will have when people get into it for making money and not to complete the project. And there are so many sterling examples; I do not have to cite anyone here. You merely have to go through your daily noose paper; yes, you heard me right; I did not say the daily newspaper, I said, the daily noose paper. You feel like you are hanging to read about all the scandals, mismatch between the people who got hold of the organization and what the organization was initially about.

The mismatch is not such a simple affair. It is at the root of many complexities and many confusions. Therefore, the success and goals of an organization will get more clarified if employees begin to identify with a mission of the organization. Specialization leads to more elaborate structures. And so inevitably there is a demand for delegation of authority. Authority needs to be delegated to the point of action. It is a very simple law, has never been stated that way in management principles, but it is about time it was.

You cannot exercise authority at a distance from the point of action. The kind of authority which you can exercise at a distance will be qualitatively different, but operational action will have to be delegated to the point where the problem is. Overload of work and unwillingness to delegate authority may lead to a severe crisis; it always does. So, it creates a typology of change. Change may be required in your understanding of where action is; change may be a factor of structuring the problem. You may be thinking of it as a financial problem; it may not be a financial problem at all; it may be a technical problem. You may be wanting to see the problem as a technical problem; it is not a technical problem at all; it is a competency problem. That the fellow does not understand; he got in because he is related to somebody. Now, of course, you can get into an organization because you are related to someone, but it is like getting into an engine driver's cabin and being told drive the engine merely because you happen to know the general manager or related to him, be his nephew, his son whatever or daughter for that matter, but you do not know which lever to pull and which ignition to turn on for the engine to move forward. So, where do you go from there? The perks are yours, the task is not yours.

The proposition is therefore simple. If it is a mismatch between capability and job requirements or if there is an overload, the fellow needs 40 hours to do the task, you are giving 24 hours. So, even if he does not sleep, he would not be able to do it. There has to be a calculation of **how much time can be done**, how much work can be done, in what time? So, a lot of management is about time-motion study. It is a legitimate component of management, but it is not a full component of management. How much work can I do, in what period of time? And then it works at two levels: the subtler level, what does time do, to my span of concentration? And at a gross level, what is the kind of technology I need to do what volume of work, which is what makes management such a holistic

discipline. You need to understand the concepts and you need to understand what they call the hard components.

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The Maturity Phase

- Slowdown in growth
- Organizations become more formal and bureaucratic
- Slower and conservative decision making causes organization to be less adaptive to changes in external environment
- Typical streamlining intervention might be required

RIPTEL

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The maturity phase of an organization clearly sees a slowdown in growth, much in the same way, in which you will have quick growth as a human body graduates from infancy to childhood, childhood to boyhood, boyhood to adulthood. You see quicker changes, there is more to distinguish between a 14 year old with a 4 year old, than there is between a 54 year old and a 44 year old. It is this dynamic nature of relationships which people miss.

The other day I had an occasion to reflect a little about school education. And it seemed to me rather obvious that the nature of school education in kindergarten has to be very different from the nature of school education at the plus 2 level. You cannot simply say school education, is school education, is school education. What is the typology you are talking about? So, in the ultimate analysis, no matter how you look at it, periodization becomes a very important component. I am giving you this example, because all of you would have passed through some kind of a school education and you need to understand that organizations have their periodizations.

There is the project stage, there is the initial stage, and there is the maturity stage. The nature of the organization is different, which makes organization development a specialization. Unfortunately, something which many people have inability to

understand. The happy notion that once you become a head of the institution, you are a leader, simply is not borne out in reality; you may be an outstanding ((no audio from 39:41 to 39:50)) organization development itself is a specialization. So, there is a battle of specializations. Some specializations have very flattening notion, they believe that if I can do at time-motion study why cannot I practice organization development? No, you cannot; that is a different breed altogether; just because you know how to steam, does not mean, no, does not follow that you will know how to deep fry; they are two different techniques. Therefore ((no audio from 40:25 to 40:53)) change itself has its own pace (()) the very important (()) Let me repeat that for the sake of clarity and emphasis. Change helps you to give shape, pace and direction to the process of change which is inherent into live bodies. However, the processes of change themselves have a pace, the processes of change have a pace, because the way change is engineered will have its impact on the stage of the organization and the ability to read the stage of the organization is a specialization issue.


Typically streamlining intervention might be required, which type of intervention would work, where? Illustratively, in certain cases, counseling may work. In other situations, it may be necessary to give directions. Therefore, you cannot run an organization on the principle, no, I do not believe in giving directives. It is not a question of what you believe; it is a question of what the situation needs. No, no, no, no, I give directives, people jolly well do, what they are told to do. Great. There maybe somebody as daft as you in the audience, who is a receptacle of your orders and he may say I am not going to do what you want me to do; no, I will do it my way. So, what you do? Again, the classical problem of problem solving, what do you do when the two warring parties refuse to move? And the classical approach is, that it is all right, but, then begins the same cycle - that is all right, but, let us see who is the stronger; then violence, then a decision on who is the stronger? Then, any person who went into that conflict so unthinkingly, will surely not create a peace, which is a thinking peace. You have already shown, shown, the way, you have already sown the seeds of the next cycle and so it goes on. This is not development, but even to understand this is not development, you need open-mindedness, because again people think in terms of their life spans.

I was consulting for this organization, a major organization worth about 27,000 crores with a very poor order book. So, I said, if it continues this way, it will be a sick

organization soon, and they were all general managers and above. So, somebody raised his hand and asked, can I ask a question? I said yes, certainly; he said how long do you think this will take? I said, oh! anywhere between 3 to 5 years. So, he sat down with a huge smile on his face. I said, you felt so good with my answer, he said, yes as a matter of fact I did. I said, why? He said, I am going to retire in 2 years. Now, if that is the kind of happy attitude you have, all talk of management of change and organization development is nonsense. You cannot measure change in terms of your own life span and people whose yardsticks are their own point of time **in life, for what they do, you get into a job as**

Some of you may relate to the story I am going to tell you, if you have any work experience, there was this CEO who was about to demit office and there was this young man who was taking over from him. And when the young man approached him, the outgoing CEO said yes, yes, I know what you want to ask. All your answers are there in an envelope. I have put in 4 slips there. So, he said, what do you want me to do with those slips? He said open them when you meet with a crisis. I do not have anything to tell you, oh! he said jolly good, jolly good. So, he came in and first 6 months, you know, as a head of the department, as a CEO you can always spend 6 months to 9 months saying, I am trying to understand the situation, I am settling down, I am trying to get a feel, I am meeting people. You appear very profound without a clue on what is happening. So you have already spent 6 months.

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The Maturity Phase

- Slowdown in growth
- Organizations become more formal and bureaucratic
- Slower and conservative decision making causes organization to be less adaptive to changes in external environment
- Typical streamlining intervention might be required

NPTEL

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So comes the first crisis, after 6 months of honeymoon is over. So, he went to the large envelope which had 4 slips. So, he took out the first slip numbered 1; it said: set up a committee. So, he came back and set up a committee and the committee got to work. So, the for the sake of brevity and getting to the point, I will put it all in installment of 6 months. The committee met for 6 months, nothing was solved. So, they had Bharat Darshan, they went around the country, 5-star hotels, business class travel, great aarathis wherever they went and they were all very happy with life, and then ultimately they had very few recommendations beyond saying that: yes, better management of finance is necessary, technological upgradation is necessary, better marketing is necessary, and human beings are our biggest assets. Therefore, we should pay more attention to training and development; the sort of report which could be written without knowing a thing. So, the report came in and he tried to implement it and obviously nothing came out of it. So, he said, no, the committee did not work.

So, he took out the second slip, and remember, by that time he had spent a year. So, he took out the second slip and it said: call for a financial review. So, he called for a financial review. The costing was examined, the pricing was examined, the whole throughput process was examined, everything was examined and of course, the finance people had a walloping good time. They became the promoters and nothing changed. Financial reviews do not produce any change, they just annoy everyone because ultimately they start saying - cost saving. So by which time it was a year and a half. So he said this does not work.

So, he went back to the bigger envelope, took out the third one. It said: call for a restructuring of the organization. So, he called for a restructuring of the organization. So, restructuring committee was set up and to cut short the rest of the story, they spent another 6 months. The organization was restructured, nothing happened, by which time 2 years have passed.

So, he went back to it and he said this must be the final solution, the fourth one. He took out the fourth slip and it read, son it is your time to write out your 4 slips and handover to the next man.

Now, if you do not understand, you do not have to solve. You want patented problems having patented solutions, it does not work. No solutions work for two people.

Therefore, I always feel very amused when somebody says: sir, what are the best practices? I do not know. One of my aunts only responds when my uncle goes half mad and then he starts yelling and then she behaves herself. The other aunt behaves only when the uncle gets her a sari, and the third one behaves herself, only when there is total silence from the uncle. I do not know which the best practice is. I practiced all three with my wife and she said you did not read the story about the 3 slips which you love to narrate. I said: no, then she said: let me do the driving and it will be all peaceful, I said: God bless you. Why did not you tell me to begin with? Now, if you think that really happened, it is your problem.

What I am saying is really, there is no best practice; it is always context specific. You cannot teach a management like physics, you cannot even teach management like chemistry, and worse you cannot understand management like chemistry, because the valency of hydrogen varies in management from New York to New Delhi. It is only in chemistry that it does not vary. Now, you will ask, how does valency of hydrogen vary in management? It varies because people have different levels of getting upset. I called a high commission today; I wanted to speak to deputy chief of mission and of course, the Indian works in the embassies, **the embassies is a different breed altogether**. So, the phone kept ringing. The person did not answer and the person who put me through did not bother to check. So I called back again, I said: you put me through the phone kept ringing, nobody answers. Do you think I am to blame for it? I said: I never said you were to blame for it. So, there is the voice on the end, said: your tone said so. So, I could not resist myself. I said: I did not know that you know phonetics, by which time the person was quite upset, hung up. So, I called a second time and before I could say anything, the person puts me through another line, and that kept ringing and this time, this person was noticing and 4 rings came back and said: I have tried all the extensions, nobody is working. You keep trying and call back after half an hour or one hour or whatever you, back again.

I happened to talk to the high commissioner at 1 o'clock and I said: if these are the people who represent your high commission, then God bless you. He got my point. He said: I know where you are coming from, I know what you're saying and what you are saying essentially is this person is representing the high commission; he is not representing oneself. Therefore, the identification between the crazy character of a

person who works for an organization and the damage which it can do to the organization is systemically related. And obviously, the person was answering the phone was not even bothered to find out who was it that was calling. It could have been a visa seeker, it could have been an **open** call, it could have been somebody's secretary, it could have been somebody very important; to that person, it did not matter at all.

So what is the best practice? How do I create a template? Which is why I said the valency of hydrogen in management is not constant from New Delhi to New York. And what I mean by hydrogen, is the people factor. So, how do I write a paper on management in India and get it published in America to get my promotion here, because what I am finding as a problem of Indian management is of no interest to the readership of this magazine, however, celebrated it be in America, because that magazine or that journal has an obligation to respond to its own readership, which is predominantly vested in American. They are not interested in a solution which works in India. But to get my promotion, I must get my paper published in an American journal. Therefore, I must work on an American problem. What am I trying to tell you? You cannot work as a specialist on organization management and organization development, unless you are context specific. And if the system in which you work makes it necessary for you to do irrelevant research, then all I can say is, bless you and bless the system.

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The Revival Phase

- **Not all organizations pass through this phase**
- **Diverse array of products for different markets**
- **Separate divisions become responsible for developing , marketing and producing their own lines of products**
- **Segmented structure needs maintaining good communication and cooperative effort**

Teambuilding and co operation necessary during this phase

8

So, a typical streamlining intervention may be required. Not all organizations pass through this phase; diverse array of products for different markets; separate divisions become responsible for developing marketing and producing their own lines of products. And incidentally, for those of you who bother to read and I would strongly suggest that you read Malcolm Muggeridge's autobiography ((C)) volumes and if I might say so, with special commendation his volume which is entitled The Wasted Years, you will understand a little more of marketing than you do otherwise. In fact, it is my belief that you cannot be a good manager without having extensive reading habits. Call me old-fashioned if you will, but I plead guilty to it. And Malcolm Muggeridge makes a very simple point: the same perfume packaged in a fancy carton will fetch you three times the price as the perfume which is sold without that fancy carton.

Therefore, you must understand the separate divisions become responsible for developing, marketing and producing their own lines of product. And own lines of products need not be different from one to the other in a substantive sense; what sells is something totally different. You may decide to get as wife, somebody who gyrates beautifully on the floor. It has got nothing to do with that quality as a wife, she may not know how to down your socks, or how to put on that button when you are rushing away to office and you do not know how to put it.

Now, in an era of gender equality, the answer would be - why must I put on your button, you put it on yourself. You know, in the previous era, the woman used to say, fix your own breakfast, now they say fix your own button. You sure I will fix my own button? But the question is marriage requires certain qualities both ways of which gyrating on the dance floor, may be a useful optional extra, but is not central to that act. In other words, recruitment, selection, promotion, training is central to organizational health and organizational change. If you are not able to marry the two, forget about organizational effectiveness and that is the proposition which I am trying to push across to you.

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Segmented structure needs maintaining a good communication and cooperative effort, and good communication and cooperative effort are the heart of organization management and organization development. Unless you can communicate with each other, do not have people in it. And unless people are willing to cooperate, you might as well close down the organization. In a nation, it causes a civil war; in an organization, it creates total disfunctionality leading to closure. Team building and cooperation are necessary during this phase.

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The Decline Phase

- **Markets decline and products become obsolete**
- **Organizations become risk averse and less innovative**
- **Top management operates in a crisis mode that prevents strategic long term planning from being completed.**
- **Streamlining strategic planning, and fostering innovation are critical issues**

 **during this phase**

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In the decline phase, markets decline and products become obsolete. You merely have to look at the entertainment industry as it exists today to understand what has happened to the DVD. Home entertainment is so technology prone that the content has been transferred on to pen drives.

The technology of display has changed. You have the Bluetooth, you have direct-to-home telecasting and now very soon you will have it on your mobile. Who is interested in a DVD?

Product obsolescence may have to do with market change. You will call it market decline only because your product is on the decline. So, again goes back to the classical question. You are passing; time is not passing. The market has changed. Your product has declined; the market has not declined. **Now, where** to look for the issue?



Organizations become risk, averse and less innovative in a decline phase. Top management operates in a crisis mode that prevents strategic long planning from being completed. Streamlining, strategic planning and fostering innovation are critical issues during this phase. Therefore, organization development is a close cousin of strategic planning. You cannot have an organization development without linkages with strategy.

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The Paradox?

- **Much of what we have constructed inherently opposes change**
- **Companies are designed in a manner that often makes change difficult**

What then, does change mean in the context of organizations?



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Much of what we have constructed inherently opposes change. Companies are designed in a manner that often makes change difficult. What then does change mean in the context of organizations? I am going to take that up in the next session.