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THE CHALLENGE OF CHANGE - MANAGEMENT STRATEGIES FOR TRANSFORMATIVE TIMES

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ABSTRACT

Reviewing the current status of the Discipline of Management, this paper raises questions about the relevance of theories and models in management, developed on the basis of western experience, to the realities of developing societies. Management as a discipline has to have a new paradigm that would provide adequate explanatory and conceptual strength to relate management to the social power structure and social relations within which they exist in a given society. A realistic approach to management pre-supposes the study of organisational behaviour not in isolation of its socio-cultural matrix but as shaped and conditioned by it. Unfortunately management studies and research have failed to resolve the crisis. India today finds itself in a historical transition that is not meaningfully understood and tackled through conventional organisational analysis. The present paper is primarily devoted to the discussions of certain broad structural changes taking place in the context of globalisation and provides a conceptual framework for management of organisations in the changing economic environment.

Introduction

During the past few years India has been going through unprecedented changes. The drawing of our country into the global market and global communication and information system is fast eroding national boundaries. Globalisation, liberalisation and competition have shaken up the corporate sector. The emergence of the 'borderless world' has suddenly widened the horizons of competition. Business, in India, is entering a new situation. New entrants from other countries now compete in India with locals. The cost of failure is very high, as is the reward for success. Managing enterprises has acquired new meaning compared to what we have been traditionally trained to deal with.

Periods of massive social change of this kind throws everyone a little off-balance but also stimulates our vision. Reviewing the current status of the Discipline of Management, this paper raises questions about the relevance of theories and models in management, developed on the basis of western experience, to the realities of developing societies. The major methodological limitation has been its concern with immediately observable fact - with phenomena in their appearance and isolation - which have failed to see their underlying inter connection with the larger social reality. A re-assessment of the direction of management research is necessary and this must be undertaken within an inter-disciplinary universe of discourse. Management as a discipline cannot remain detached from life -rather it must respond to the realities of third world society.

India today finds itself in a historical transition that is not meaningfully understood and tackled through conventional organisational analysis which have been dominated by the scientific-logico tradition that ignores the dimension of culture. The principles of Western theory are regarded as universal, generalisable and applicable irrespective of time and space. Management, as a discipline, has to have a new paradigm that would provide adequate explanatory and conceptual strength to relate management to the social power structure and social relations within which they exist in a given society. A realistic approach to management pre-supposes the study of organisational behaviour not in isolation of its socio-cultural matrix but as it is shaped and conditioned by it. Unfortunately management studies and research have failed to resolve the crisis because of its increasing dependence on western theory.

In the present turbulent and competitive landscape the creation of responsive management is of paramount importance. An innovative organisation requires an open, collaborative and participative culture in which all levels of managerial personnel can exercise initiative. The basic task of management, therefore, lies

in providing systems and procedures which nurture creativity and generate a climate which allows new ideas to germinate, flourish and flow upward. Unfortunately, the traditional structure and climate of organisations in India were not conducive to the development, nurturance and utilisation of creative talents. A worthwhile policy in this context would arise from an understanding of the nature of Indian Management and build upon unique spaces and opportunities for future action. It is, therefore, necessary to have a true understanding of the nature of Indian Management and its potential for change and the spaces it creates or could create for transformational leadership.

With this in view, the first section of the paper discusses the evolution of Management in the West. The greatest lacuna of the discipline as it developed in the West is that management theorists have viewed the industry in total exclusion of its socio-economic environment. Section II delienates the historical context of India's industrialisation and highlights the management practices in India. Section III is primarily devoted to the discussions of certain broad structural changes taking place in the context of globalisation which makes innovative and flexible management imperative. It provides a conceptual framework for management of organisations in the changing economic environment.

Genesis of Management

In economic history, what is known as Industrialisation had its beginning in the West. It would, therefore be interesting to have a glimpse of industrialisation and the concept of Management in the West. In the process it would be necessary to examine the mutual relationship and interaction between economic development and industrialisation, on the one hand, and nature and state of society, on the other.

Industrial society is conceived as derivative of modern technology. Sociologists associate industrialisation with macro-social change and adoption of a rationalistic - universalistic frame of values in everyday life. In Europe, industrialisation ushered in a great transformation the social roots of which lay in the secular disengagement of individual from his primordial ties. Its course ran through the Reformation, Renaissance and Enlightenment and called for the celebration of science and reason. Hence, in the European context, industrialisation and Management meant not only the logic of technical usage but the permeation of the rationality as a culturally construed skill.

The industrial revolution was one of the most significant event in human history as it led shaping of Western views of man, organisation and society. The industrial revolution, with its invention of mass production technique, diminished the importance of skilled traditions and trade and social affiliation through them.

Correspondingly, this reaffirmed the lingering lesson that once spiritual and social life should reside outside the workplace. The concept has persisted in western thinking even today.

The large corporation began to emerge as a dominant organisation in society around the turn of the century. Simultaneously, the concept of professional management began to establish itself and the formal discipline of management evolved. Since the West tended to lead the rest of the world in spawning such enterprises, it is not surprising that the idea of Modern Management as we know, is largely a Western creation. The principles of Western Management are regarded as generalisable and applicable irrespective of time and space. Yet industrialization in India was super imposed on traditional and authoritarian social structure. Therefore implanting of techniques of management evolved in highly advanced countries without adequate understanding of social and cultural context may not always be the right answer to the problems of management in developing countries.

Development of the discipline of Management, however, over the years has been in total isolation of the socio-cultural context. In a sense it was inevitable owing to the rationalistic and universalistic claim of the science of management. Consequently, while Management sciences have made considerable advance, knowledge about society and culture and relationship of these to practice of Management have not progressed much. This is essentially a historical attitude that separates management from 'social' and 'cultural context' and is inclined to be indifferent about the issues covering management and society however scientific it might appear to be and has resulted in an inadequate diagnosis of the problem.

Management Practices in India

It is against this backdrop, an attempt has been made to highlight the management practices in India. For most part, the discussion has been confined to Management practices in the Indian industrial enterprises. What has been attempted is a synthesis of a large number of scholarly works covering a broad range of subjects related to management practices. Although, these scholars differ with regard to details, an essential point of agreement among them is that the behaviour and motivation of managers are influenced by the surrounding social and cultural environment in which they Operate.

The Indian Manager is obviously a product of Indian culture. Recent writings on comparative management suggest that environmental and cultural variables play an important role in shaping Management practices in a given country. The need for a proper understanding of the cultural milieu as a prerequisite for

understanding managerial behaviour as has been stressed by sociologists. At the centre of the discussion of relation between managerial practices, on the one hand, and socio-cultural system, on the other, is a much larger debate on management theory as applied to management practices.¹

As already stated, the development of the management discipline has proceeded in almost total isolation of the socio-cultural context. Especially in India, studies of management processes have largely been founded on Western theories and concepts which, notwithstanding the claims to the contrary, are culture specific. As there are not many empirical studies of the sociological aspect of corporate management, the present discussion will be largely confined to the theoretical studies aiming at providing the historico-cultural background of management in India. In the view of Kamini Adhikary, the managerial function, like other work functions is an integral part of the society which is the object of study. Its concern, therefore, is with a multifaceted understanding of Indian society and within that of the place of industry in its trend of development; with that in turn, of the place of management functions and of the role and purposes of industrial management. In other words, the emphasis is on understanding the relational aspects of management functions. It is suggested that the greatest lacuna in the analysis of management processes is with the treatment of social relations in which they exist in a given society (1980: 278).

Before we discuss the relevance of the socio-cultural milieu, it would be appropriate to examine the management practices that have emerged from the historical background of industrialisation in India. As a matter of fact the early response to Industrialization in India itself was shaped and influenced by certain social and cultural factors. Therefore, the attempt to correlate the emergence of management patterns to the evolution of corporate enterprise in India is bound to lay bare the underlying factors behind many of the specific features of corporate management in India today.

The character of private sector, in general, exerts considerable influence on the management practices of the corporate sector. The basic units in Indian private business were business houses, most of which were controlled by families who belonged to a small group of castes whose traditional occupation was trade. For an explanation of the management patterns and practices, it is important to understand such familial or caste ties and identities prevalent in the business houses. Industrialisation in India was pioneered by the Managing Agency System and, therefore, a study of management in private sector must begin with an understanding of the role of Managing Agents - a system of management uniquely developed in India over a century and a quarter. Though the managing

agency system has been abolished, its heritage still lingers on and continues to exercise considerable influence over the practices of management in the private sector. The managing agencies were generally family units in which all the officers belonged to the same family or to the same caste. The typical organisation of managing agency can be described as highly centralised and personalised with a rigid social structure, where decision-making is concentrated in a family, caste or community group (Nigam, 1985).

William A. Long and K.K. Seo are of the view that India has two management systems operating side by side in the private sector, which may be labelled as 'paternalistic' and 'bureaucratic'. The paternalistic² structure is more common in private enterprise. The patrimonial organisation is identified by extremely centralised authority, de-emphasis on professionalism, vague policies and procedures and loyalties to persons rather than roles. The typical private sector management is still highly centralised and personal as compared to the West's decentralised and impersonalised bureaucracies (Long and Seo, 1977 : 257-258). This becomes more evident in view of Sengupta's assertion that "despite legislative measures in recent years seeking to introduce drastic changes in the pattern of management, there is in India the persistence of a sort of 'divine right' of management to continue in management and seek its own replacement" (Sengupta, 1983). The centralised decision-making and highly personalised style of management has also been commented upon by Hazari, who feels that the dispersal of ownership of shares has not brought about any fundamental change in the style of management (1966).

The Public Sector in India which came into being after National independence, could have ushered in a new era in the history of industrial management in India by introducing enlightened and professional Management. However, this has not happened in reality with the result that the managerial practices in the public sector are no different from those in the private sector. As commented by Sharma, if private sector has patrimonial management, the public sector has 'political management'. Political considerations and goals influence management. Such a management, in his view, cannot perform the intricate tasks, and, having no financial stake, is even less competent than the private sector patrimonial management (1982 : 33).

The public sector in India has failed to evolve a system of management commensurate with its philosophy and goals. The pattern of management in public enterprises, according to Chowdhry, is similar in many ways to that of the Managing Agency or that of subsidiaries of foreign firms. Authority is centralised and key positions are given to civil servants whose major experience has been in Government rather than in Industry (1971, 522):

Having discussed the historical background, it would be interesting to analyse the socio-cultural milieu in which management in India operates. The lack of fit between the values of industrialisation and the institutionalised value system of the larger society in India has been commented upon by various writers. Arabindo Ray has remarked that while professional management in India is on the increase, the Indian manager is still in search of a style. The Indian managers operate in a society where business has not been honoured by tradition. The successful manager will not be honoured unless he has his roots in the society (1967: 2204).

Prakash Tandon has analysed the Indian value system and shows that it is in complete variance with the value system of the West from where it is trying to import technology (1986 : 5). How Western models of industrial organisation and principles of management become dysfunctional in a different socio-cultural context and how in the course of actual practice these come to be moulded so as to be in conformity with the structural features of the larger society has been highlighted by several scholars. Sudhir Kakkar has highlighted the socio-cultural and historical background of the paternal form of authority relations which are prevailing in many Indian organisations. He has explained the autocratic, managerial behaviour in organisations in terms of the colonial legacy and India's long association with British rule. In his view, the administrative practices and methods of Indian organisation were in general modelled after the British pattern, the practices relating to authority relationships exhibited a special twist. The authority equation was not only one of superiors and subordinates, but of British superiors and Indian subordinates. This model of superior behaviour emotional aloofness combined with high control of subordinates - has persisted in Indian work organisations in the post-independence era and has become the ideal of managerial behaviour in supervisory positions. It has been suggested that though the existence of paternal ideology of authority may be related to indigenous socio-cultural factors in the Indian tradition, the dominance of assertive superior within this ideology can be best explained by a consideration of the historical legacy of Indian work organisations (Kakkar, 1971: 486-487).

The wide gaps between the levels of Management have been commented by various scholars. Sreenivasan points out that there is, generally speaking, in Indian industry a very wide gap between one level of management and another. These distinctions are not confined only to the higher levels of management but are present at all levels. They affect the degree of confidence one level has in another and influence communication as well as delegation of authority at different levels. Consequently, the links in the management chain are not very strong. Authority tends to be centralised and all managerial personnel, irrespective of levels, look for orders from the top (1964 : 129-31).

G.L. Mehta, the distinguished economist and former Indian ambassador to the United States, remarked in 1947: "The borderlines between authority and autocracy still elude us. We lack the rudiments of organisational capacity and are far from having mastered the technique of building and managing institutions. Our industrial organisation, for example, is still largely in a medieval stage and we adopt and follow methods which are individualistic and haphazard"³. These observations are as applicable today as at the time they were made.

The source of authoritarian attitude and behaviour in the Indian industry has been traced to the very nature and constitution of the Indian family and the process of early socialisation. Kamla Chowdhry has discussed the influence of the family system on managerial practices in India. According to her view, the authority relations and the peer relations prevailing in the extended family are especially influential in shaping management styles. The autocratic head of the Indian joint family takes decision, but only after consulting all male members of the family even though they have no power to make a decision. Consequently a young Indian manager wants to be kept advised about everything that is going on in the company. Whether or not it has anything to do with his own responsibility. His Western counterpart would say, "That has nothing to do with me, let the one with authority and responsibility decide it", but the Indian manager wants to be consulted about everything. That is why delegation works better in the Western cultures where authority and responsibility are more clearly defined. The organisation is not bedevilled by constant consultation merely to keep people happy. The lack of competitiveness on the one hand and strength of peer relationship on the other, in Chowdhry's view, have great relevance to the style of leadership and management practices in Indian business and industry. The emphasis on authority and obedience has not developed or provided sufficient opportunities to practice initiative and decision-making in situations requiring new and modified ways of behaviour and doing things (1966 : 33).

The influence of early socialisation process on the perpetuation of authoritarianism has been emphasized by Kakkar. He made a content analysis of stories in children's text books and found that hardly ever is the superior (e.g.. parent) depicted as permissive and equalitarian in the Indian society. This empirical evidence, in his view,-indicates that the nature of materials on which growing children are fed perpetuate authoritarianism.¹

It is in the sphere of decision making, however that the cross-cultural differences in managerial practice become most apparent. The authoritarian attitude of the Indian manager is reflected in the decision making process. Referring to the process of decision making in Indian organisation, Moddie concludes that

decisions ultimately emerge at the top level, seldom in the middle, almost never at the lower level of public and private management, beyond the routine (1970: 45). In Japan on the other hand, decision making is a group affair and the ultimate decision represents the consensus of the group. This group decision making has been formalized by the Japanese practice or ringi. Action which requires a decision is proposed by a middle manager who prepares a ringisho or formal proposal. Then the ringisho works its way up to the top management for approval, but in the process it undergoes thorough and extensive horizontal discussion and co-ordination at every level. By the time the ringisho reaches the top, it represents a decision that everyone has agreed upon.

In the view of William A. Long and K.K. Seo (1977), the ringi system of decision making is a uniquely Japanese way'

ay of delegating authority for making, or at least for initiating decisions at the level which will be most involved in implementation. Decision making by consensus fosters a general sense of participation by all who will be affected by the decision, and consequent increase in morale. It enables very rapid implementation once the decision has been made.

True from the point of view of the emerging professional urban strata, corporate management positions are coveted apples. As the corporate sector expands and becomes sophisticated, the so called professionalisation of management (i.e. formally educated and trained management without direct familial connections and a given sociological complexion) is bound to increase. Yet, in the view of E.A. Ramaswamy, " ...most managers no longer have the power they are supposed to possess. They have power neither over the affairs of the organisation nor over their own affairs as its member" (1984 : 23).

The adaptation to change has been commented upon by several writers. Chowdhry has observed that the introduction of industrialisation in developing countries entails many profound changes in the social and cultural life of the people. The rituals that agricultural society had developed to deal with the problem of growth and to cope with anxiety and tension are no longer appropriate in a technological age. One of the significant characteristics of an industrial society is the rate of technological growth and change. For managers (and those related) it means living in an, environment which is full of changes and uncertainty. This often leads to anxieties, stresses and strains and problems of identity (1971, 526).

This lack of identity is at times sought to be overcome by associating oneself with the case, communal and regional groupings to which the individuals belong. This association, it is claimed by observers, is not compatible with the work culture of a modern industrial organisation. It has been observed that the social identities of Indians - their identification with their family, caste, linguistic

and religious groups are so strong that their teamwork suffers in a multicultural selling. Thus in large public or private sector Corporations or other Government undertakings, where norms of professionalism require merit or qualification - based recruitments, people drawn from diverse cultural backgrounds tend not to collaborate with one another and indeed they tend to fight each other by forming tight cultural cliques. It has been claimed that Indians have a low work ethic but a strong affiliation ethic.

Gourango Chattopadhyay is of the view that, "age, sex, caste, kinship and regional connections have dominated life in India more than such achievement criteria as skill, knowledge and innovativeness. Despite the value on ascription, such comparatively modern organisations as banks and industries have been functioning for quite some time now. The value on ascription learned at home among primary groups like the family, the village caste council or neighbourhood units ... have been carried into the modern organisations" (1972: 35). These instead of facing the problem created by the fact that modern large organisations like bank and industries are essentially secondary groups and therefore demand a different sort of values, the rules and procedures of the organisation are being used as instruments for upholding the older values.

J.P.B. Sinha (1988) is of the view that Indians lack the commitment to work. It is now well recognized that a disciplined work force (management and labour) is vital to the pursuit of industrialisations particularly its external market orientation as is required and management's role to bring about this is crucial. Unlike Japan, in India, a soft work culture prevails. Those who are employed often come to the office late and leave early unless they are forced to be punctual. Once in the office they receive friends and relatives who feel free to call at any time without prior appointment. People relish chatting and talking over a cup of coffee while their work suffers. In a similar vein Kapp declares that Indian organisations lack discipline and orderliness.

The Shifting Focus

From the above discussion, it is evident that Indian management has been hierarchical and authoritarian which has hardly encouraged any creativity, initiative and innovativeness. The critical question we need to ask today is that does our organisation culture support the present objectives? Attention to culture is important because, as the international environment changes, the strategy has to change, but often the culture tends to stay the same giving rise to a discrepancy between required strategy and corporate culture. A few decades ago, corporate leaders were thinking only locally, but the corporate leaders today need to think globally. In the new liberalised competitive ambience, where

multinationals and other global players will compete in the domestic markets with monopoly players of the past, management will be expected to be much more productive, innovative and efficient for survival. Developing a managerial culture, which encourages teamwork, collaboration and flexibility is, therefore, the greatest challenge.

The problem that Indian society faces today is very complex because of the functioning style of Indian organisation and behavioral disposition of managerial community (Singh and Bhandari). The prochange forces are dormant in Indian organisation and need to be activated and catalysed. For this, the mindset of individuals need to change. How do we bring about the paradigm shift? Infact in todays scenario the turnaround would essentially consist of departure from old practices, archaic method or reactive style. In the changed context organisations must restructure their management processes and adopt total quality culture.

In the contemporary scenario in India what we need today is a Leader and not a Manager. Todays transformational leaders need to steer the organisational forces towards change. They need to be Team builders - having the power to enthuse and build confidence in people, with a view to channelising their energies to elevate people to a higher level of consciousness and convert despair and despondency into new hopes, new meanings and dream. (Sing and Bhandari)

Traditionally, Indian Society has been dominated by hierarchies. Employees bring to their work setting this societal conditioning. There is a need for organisations to empower people by delegation of power. One of the pay problems relating to the style of Indian Executives is their inability to empower subordinates (Waterman, 1987). Empowerment energizes the workforce and helps them to translate their visions to reality and build their self esteem. Eight dominant and accepted values collectively known as OCTAPACE help empowerment to flourish. (Pareek, 1987). These values include openness, confrontation (facing problems), Trust-honouring mutual obligations and commitments, authenticity - congruence between feeling, saying and doing, proaction - preplanning, autonomy collaboration and Experimentation

Sinha (2002) outlines an alternative strategy to build what he calls work-centric nurturant organisations characterised by an ethos of welfare combined with work orientation. Such a culture will encourage a familial ethos and nurturance of employees combined with a strong work orientation.

As there are not many studies of corporate management in this area, there appears to be many open issues in the field in which empirical research studies are greatly needed. A lot of theoretical work in the field of management is

throwing up and array of hypothesis which need to be examined with the great potential of practical pay off.

Endnotes

1. Casey (1979) writes, "Followers of what is called Convergence Theory argue that all countries in the world are moving towards developed status or a later stage of high technology society." Implicit within the view is that indigenous factors at work will gradually be replaced by more universal attitudes. On the other hand, those who espouse a different approach remind us that values are embedded in the culture of the country and cannot be so easily replaced and may in fact be critical to the success of a business enterprise.
2. The welfare aspect of paternalism has never been strong in Indian industry, unlike in Japan. The welfare aspect of paternalism is deeply embedded in Japanese society. The economic group (company) of which the Japanese worker is merely an extension provides him with job and income security unprecedented anywhere else.
3. Mehta quoted in Harbison and Myers (1959) p. 123.
4. Kakkar quoted in S.K. Roy, 1974, p. 74.

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Introduction

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It is against this backdrop, an attempt has been made to highlight the management practices in India. For most part, the discussion has been confined to Management practices in the Indian industrial enterprises. What has been attempted is a synthesis of a large number of scholarly works covering a broad range of subjects related to management practices. Although, these scholars differ with regard to details, an essential point of agreement among them is that the behaviour and motivation of managers are influenced by the surrounding social and cultural environment in which they Operate.

The Indian Manager is obviously a product of Indian culture. Recent writings on comparative management suggest that environmental and cultural variables play an important role in shaping Management practices in a given country. The need for a proper understanding of the cultural milieu as a prerequisite for

understanding managerial behaviour as has been stressed by sociologists. At the centre of the discussion of relation between managerial practices, on the one hand, and socio-cultural system, on the other, is a much larger debate on management theory as applied to management practices.¹

As already stated, the development of the management discipline has proceeded in almost total isolation of the socio-cultural context. Especially in India, studies of management processes have largely been founded on Western theories and concepts which, notwithstanding the claims to the contrary, are culture specific. As there are not many empirical studies of the sociological aspect of corporate management, the present discussion will be largely confined to the theoretical studies aiming at providing the historico-cultural background of management in India. In the view of Kamini Adhikary, the managerial function, like other work functions is an integral part of the society which is the object of study. Its concern, therefore, is with a multifaceted understanding of Indian society and within that of the place of industry in its trend of development; with that in turn, of the place of management functions and of the role and purposes of industrial management. In other words, the emphasis is on understanding the relational aspects of management functions. It is suggested that the greatest lacuna in the analysis of management processes is with the treatment of social relations in which they exist in a given society (1980: 278).

Before we discuss the relevance of the socio-cultural milieu, it would be appropriate to examine the management practices that have emerged from the historical background of industrialisation in India. As a matter of fact the early response to Industrialization in India itself was shaped and influenced by certain social and cultural factors. Therefore, the attempt to correlate the emergence of management patterns to the evolution of corporate enterprise in India is bound to lay bare the underlying factors behind many of the specific features of corporate management in India today.

The character of private sector, in general, exerts considerable influence on the management practices of the corporate sector. The basic units in Indian private business were business houses, most of which were controlled by families who belonged to a small group of castes whose traditional occupation was trade. For an explanation of the management patterns and practices, it is important to understand such familial or caste ties and identities prevalent in the business houses. Industrialisation in India was pioneered by the Managing Agency System and, therefore, a study of management in private sector must begin with an understanding of the role of Managing Agents - a system of management uniquely developed in India over a century and a quarter. Though the managing

agency system has been abolished, its heritage still lingers on and continues to exercise considerable influence over the practices of management in the private sector. The managing agencies were generally family units in which all the officers belonged to the same family or to the same caste. The typical organisation of managing agency can be described as highly centralised and personalised with a rigid social structure, where decision-making is concentrated in a family, caste or community group (Nigam, 1985).

William A. Long and K.K. Seo are of the view that India has two management systems operating side by side in the private sector, which may be labelled as 'paternalistic' and 'bureaucratic'. The paternalistic² structure is more common in private enterprise. The patrimonial organisation is identified by extremely centralised authority, de-emphasis on professionalism, vague policies and procedures and loyalties to persons rather than roles. The typical private sector management is still highly centralised and personal as compared to the West's decentralised and impersonalised bureaucracies (Long and Seo, 1977 : 257-258). This becomes more evident in view of Sengupta's assertion that "despite legislative measures in recent years seeking to introduce drastic changes in the pattern of management, there is in India the persistence of a sort of 'divine right' of management to continue in management and seek its own replacement" (Sengupta, 1983). The centralised decision-making and highly personalised style of management has also been commented upon by Hazari, who feels that the dispersal of ownership of shares has not brought about any fundamental change in the style of management (1966).

The Public Sector in India which came into being after National independence, could have ushered in a new era in the history of industrial management in India by introducing enlightened and professional Management. However, this has not happened in reality with the result that the managerial practices in the public sector are no different from those in the private sector. As commented by Sharma, if private sector has patrimonial management, the public sector has 'political management'. Political considerations and goals influence management. Such a management, in his view, cannot perform the intricate tasks, and, having no financial stake, is even less competent than the private sector patrimonial management (1982 : 33).

The public sector in India has failed to evolve a system of management commensurate with its philosophy and goals. The pattern of management in public enterprises, according to Chowdhry, is similar in many ways to that of the Managing Agency or that of subsidiaries of foreign firms. Authority is centralised and key positions are given to civil servants whose major experience has been in Government rather than in Industry (1971, 522):

Having discussed the historical background, it would be interesting to analyse the socio-cultural milieu in which management in India operates. The lack of fit between the values of industrialisation and the institutionalised value system of the larger society in India has been commented upon by various writers. Arabindo Ray has remarked that while professional management in India is on the increase, the Indian manager is still in search of a style. The Indian managers operate in society where business has not been honoured by tradition. The successful manager will not be honoured unless he has his root in the society (1967: 2204).

Prakash Tandon has analysed the Indian value system and shows that it is in complete variance with the value system of the West from where it is trying to import technology (1986 : 5). How Western models of industrial organisation and principles of management become dysfunctional in a different socio-cultural context and how in the course of actual practice these come to be moulded so as to be in conformity with the structural features of the larger society has been highlighted by several scholars. Sudhir Kakkar has highlighted the socio-cultural and historical background of the paternal form of authority relations which are prevailing in many Indian organisations. He has explained the autocratic, managerial behaviour in organisations in terms of the colonial legacy and India's long association with British rule. In his view, the administrative practices and methods of Indian organisation were in general modelled after the British pattern, the practices relating to authority relationships exhibited a special twist. The authority equation was not only one of superiors and subordinates, but of British superiors and Indian subordinates. This model of superior behaviour - emotional aloofness combined with high control of subordinates - has persisted in Indian work organisations in the post-independence era and has become the ideal of managerial behaviour in supervisory positions. It has been suggested that though the existence of paternal ideology of authority may be related to indigenous socio-cultural factors in the Indian tradition, the dominance of assertive superior within this ideology can be best explained by a consideration of the historical legacy of Indian work organisations (Kakkar, 1971: 486-487).

The wide gaps between the levels of Management have been commented by various scholars. Sreenivasan points out that there is, generally speaking, in Indian industry a very wide gap between one level of management and another. These distinctions are not confined only to the higher levels of management but are present at all levels. They affect the degree of confidence one level has in another and influence communication as well as delegation of authority at different levels. Consequently, the links in the management chain are not very strong. Authority tends to be centralised and all managerial personnel, irrespective of levels, look for orders from the top (1964 : 129-31).

G.L. Mehta, the distinguished economist and former Indian ambassador to the United States, remarked in 1947: "The borderlines between authority and autocracy still elude us. We lack the rudiments of organisational capacity and are far from having mastered the technique of building and managing institutions. Our industrial organisation, for example, is still largely in a medieval stage and we adopt and follow methods which are individualistic and haphazard"³. These observations are as applicable today as at the time they were made.

The source of authoritarian attitude and behaviour in the Indian industry has been traced to the very nature and constitution of the Indian family and the process of early socialisation. Kamla Chowdhry has discussed the influence of the family system on managerial practices in India. According to her view, the authority relations and the peer relations prevailing in the extended family are especially influential in shaping management styles. The autocratic head of the Indian joint family takes decision, but only after consulting all male members of the family even though they have no power to make a decision. Consequently a young Indian manager wants to be kept advised about everything that is going on in the company. Whether or not it has anything to do with his own responsibility. His Western counterpart would say, "That has nothing to do with me, let the one with authority and responsibility decide it", but the Indian manager wants to be consulted about everything. That is why delegation works better in the Western cultures where authority and responsibility are more clearly defined. The organisation is not bedevilled by constant consultation merely to keep people happy. The lack of competitiveness on the one hand and strength of peer relationship on the other, in Chowdhry's view, have great relevance to the style of leadership and management practices in Indian business and industry. The emphasis on authority and obedience has not developed or provided sufficient opportunities to practice initiative and decision-making in situations requiring new and modified ways of behaviour and doing things (1966 : 33).

The influence of early socialisation process on the perpetuation of authoritarianism has been emphasized by Kakkar. He made a content analysis of stories in children's text books and found that hardly ever is the superior (e.g.. parent) depicted as permissive and equalitarian in the Indian society. This empirical evidence, in his view,-indicates that the nature of materials on which growing children are fed perpetuate authoritarianism.¹

It is in the sphere of decision making, however that the cross-cultural differences in managerial practice become most apparent. The authoritarian attitude of the Indian manager is reflected in the decision making process. Referring to the process of decision making in Indian organisation, Moddie concludes that

decisions ultimately emerge at the top level, seldom in the middle, almost never at the lower level of public and private management, beyond the routine (1970: 45). In Japan on the other hand, decision making is a group affair and the ultimate decision represents the consensus of the group. This group decision making has been formalized by the Japanese practice or ringi. Action which requires a decision is proposed by a middle manager who prepares a ringisho or formal proposal. Then the ringisho works its way up to the top management for approval, but in the process it undergoes thorough and extensive horizontal discussion and co-ordination at every level. By the time the ringisho reaches the top, it represents a decision that everyone has agreed upon.

In the view of William A. Long and K.K. Seo (1977), the ringi system of decision making is a uniquely Japanese way'

ay of delegating authority for making, or at least for initiating decisions at the level which will be most involved in implementation. Decision making by consensus fosters a general sense of participation by all who will be affected by the decision, and consequent increase in morale. It enables very rapid implementation once the decision has been made.

True from the point of view of the emerging professional urban strata, corporate management positions are coveted apples. As the corporate sector expands and becomes sophisticated, the so called professionalisation of management (i.e. formally educated and trained management without direct familial connections and a given sociological complexion) is bound to increase. Yet, in the view of E.A. Ramaswamy, " ...most managers no longer have the power they are supposed to possess. They have power neither over the affairs of the organisation nor over their own affairs as its member" (1984 : 23).

The adaptation to change has been commented upon by several writers. Chowdhry has observed that the introduction of industrialisation in developing countries entails many profound changes in the social and cultural life of the people. The rituals that agricultural society had developed to deal with the problem of growth and to cope with anxiety and tension are no longer appropriate in a technological age. One of the significant characteristics of an industrial society is the rate of technological growth and change. For managers (and those related) it means living in an environment which is full of changes and uncertainty. This often leads to anxieties, stresses and strains and problems of identity (1971, 526).

This lack of identity is at times sought to be overcome by associating oneself with the case, communal and regional groupings to which the individuals belong. This association, it is claimed by observers, is not compatible with the work culture of a modern industrial organisation. It has been observed that the social identities of Indians - their identification with their family, caste, linguistic

and religious groups are so strong that their teamwork suffers in a multicultural selling. Thus in large public or private sector Corporations or other Government undertakings, where norms of professionalism require merit or qualification - based recruitments, people drawn from diverse cultural backgrounds tend not to collaborate with one another and indeed they tend to fight each other by forming tight cultural cliques. It has been claimed that Indians have a low work ethic but a strong affiliation ethic.

Gourango Chattopadhyay is of the view that, "age, sex, caste, kinship and regional connections have dominated life in India more than such achievement criteria as skill, knowledge and innovativeness. Despite the value on ascription, such comparatively modern organisations as banks and industries have been functioning for quite some time now. The value on ascription learned at home among primary groups like the family, the village caste council or neighbourhood units ... have been carried into the modern organisations" (1972: 35). These instead of facing the problem created by the fact that modern large organisations like bank and industries are essentially secondary groups and therefore demand a different sort of values, the rules and procedures of the organisation are being used as instruments for upholding the older values.

J.P.B. Sinha (1988) is of the view that Indians lack the commitment to work. It is now well recognized that a disciplined work force (management and labour) is vital to the pursuit of industrialisations particularly its external market orientation as is required and management's role to bring about this is crucial. Unlike Japan, in India, a soft work culture prevails. Those who are employed often come to the office late and leave early unless they are forced to be punctual. Once in the office they receive friends and relatives who feel free to call at any time without prior appointment. People relish chatting and talking over a cup of coffee while their work suffers. In a similar vein Kapp declares that Indian organisations lack discipline and orderliness.

The Shifting Focus

From the above discussion, it is evident that Indian management has been hierarchical and authoritarian which has hardly encouraged any creativity, initiative and innovativeness. The critical question we need to ask today is that does our organisation culture support the present objectives? Attention to culture is important because, as the international environment changes, the strategy has to change, but often the culture tends to stay the same giving rise to a discrepancy between required strategy and corporate culture. A few decades ago, corporate leaders were thinking only locally, but the corporate leaders today need to think globally. In the new liberalised competitive ambience, where

multinationals and other global players will compete in the domestic markets with monopoly players of the past, management will be expected to be much more productive, innovative and efficient for survival. Developing a managerial culture, which encourages teamwork, collaboration and flexibility is, therefore, the greatest challenge.

The problem that Indian society faces today is very complex because of the functioning style of Indian organisation and behavioral disposition of managerial community (Singh and Bhandari). The prochange forces are dormant in Indian organisation and need to be activated and catalysed. For this, the mindset of individuals need to change. How do we bring about the paradigm shift? Infact in todays scenario the turnaround would essentially consist of departure from old practices, archaic method or reactive style. In the changed context organisations must restructure their management processes and adopt total quality culture.

In the contemporary scenario in India what we need today is a Leader and not a Manager. Todays transformational leaders need to steer the organisational forces towards change. They need to be Team builders - having the power to enthuse and build confidence in people, with a view to channelising their energies to elevate people to a higher level of consciousness and convert despair and despondency into new hopes, new meanings and dream. (Sing and Bhandari)

Traditionally, Indian Society has been dominated by hierarchies. Employees bring to their work setting this societal conditioning. There is a need for organisations to empower people by delegation of power. One of the pay problems relating to the style of Indian Executives is their inability to empower subordinates (Waterman, 1987). Empowerment energizes the workforce and helps them to translate their visions to reality and build their self esteem. Eight dominant and accepted values collectively known as OCTAPACE help empowerment to flourish. (Pareek, 1987). These values include openness, confrontation (facing problems), Trust-honouring mutual obligations and commitments, authenticity - congruence between feeling, saying and doing, proaction - preplanning, autonomy collaboration and Experimentation

Sinha (2002) outlines an alternative strategy to build what he calls work-centric nurturant organisations characterised by an ethos of welfare combined with work orientation. Such a culture will encourage a familial ethos and nurturance of employees combined with a strong work orientation.

As there are not many studies of corporate management in this area, there appears to be many open issues in the field in which empirical research studies are greatly needed. A lot of theoretical work in the field of management is

throwing up and array of hypothesis which need to be examined with the great potential of practical pay off.

Endnotes

1. Casey (1979) writes, "Followers of what is called Convergence Theory argue that all countries in the world are moving towards developed status or a later stage of high technology society." Implicit within the view is that indigenous factors at work will gradually be replaced by more universal attitudes. On the other hand, those who espouse a different approach remind us that values are embedded in the culture of the country and cannot be so easily replaced and may in fact be critical to the success of a business enterprise.
2. The welfare aspect of paternalism has never been strong in Indian industry, unlike in Japan. The welfare aspect of paternalism is deeply embedded in Japanese society. The economic group (company) of which the Japanese worker is merely an extension provides him with job and income security unprecedented anywhere else.
3. Mehta quoted in Harbison and Myers (1959) p. 123.
4. Kakkar quoted in S.K. Roy, 1974, p. 74.

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