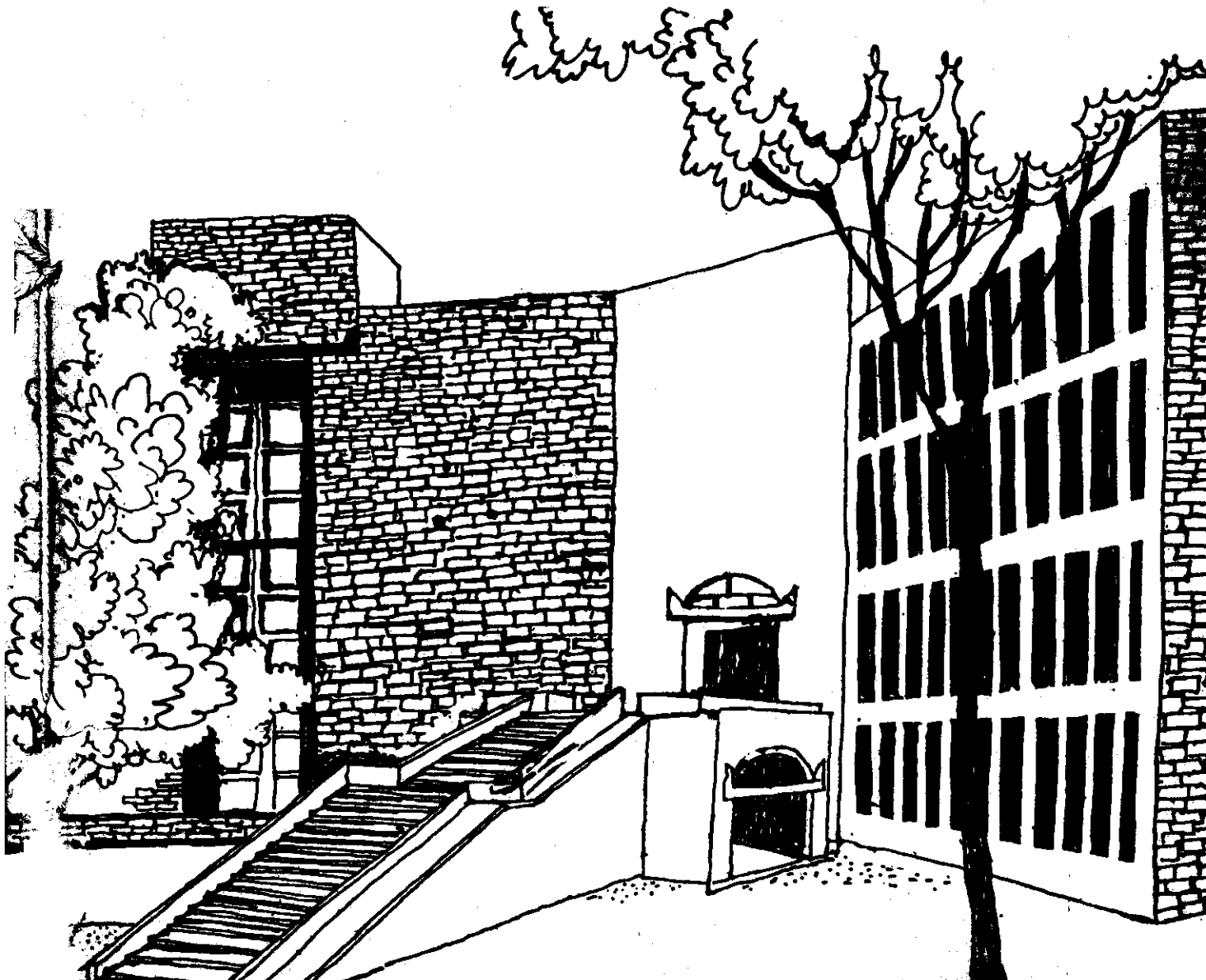# Working Paper

OB FOR SOCIAL DEVELOPMENT :
A POSITION PAPER

By

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OB FOR SOCIAL DEVELOPMENT : A POSITION PAPER*

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Abstract

The thesis of the paper is that OB can contribute richly to socio-economic development of poor Third World societies. It can do so through research on OB-related problems of the strategic organizations of these societies and on the strategic individuals and groups in these organizations. The concept of the strategic organization, individual, and team is expounded. Interesting OB research questions pertaining to strategic organizations are delineated in the areas of motivation and control, coordination and collaboration, boundary management, management of growth, institution building, innovation and change, and sickness and revitalization.

OB FOR SOCIAL DEVELOPMENT : A POSITION PAPER

OB and the Third World

Organizational Behaviour (OB) is a field of knowledge rather than a
unified theory. It consists of a growing clutch of concepts, approa-
ches, models, and tools pertinent to the structure and functioning
of organizations within their socio-economic contexts, and the study
of individuals and groups within their organizational contexts.[1]
Thus, OB spans macro-organizational concerns like inter-organiza-
tional system and organizational level goals, strategies, climates,
cultures, structures, management styles, and performances, and how
these are influenced by one another and by task environments, socie-
tal values and institutions, technology, size, dependence, etc. OB
also looks at organization - wide processes like decision making,
socialization, and institution building. OB is equally concerned
with the motivations, attitudes, skills, and interactional dynamics
of individuals and groups operating within organizations, and the
linkages between macro-organizational variables and these micro-
organizational concerns. OB is a highly differentiated field, rife
with contending theoretical perspectives, multiple levels of analysis
and diverse research philosophies and methods.[2] It has generated a
rich variety of management tools and technologies. These range from
OD types of interventions to various kinds of training, MBO, human
resource management systems, modes of decision making, ways of making
the job more interesting, organizational design gestalts, etc. Some
of these tools and techniques are indicated in Table 1.

(Table 1 about here)

The organizations of poor societies seeking development tend to be replete with "people" problems. The combination of scarcity-ridden economies, high development aspirations of social elites, and the traditionalism and kinship orientation of the "masses" is a fascinating context. It often spawns bizarre organizational behaviour. Scarcity breeds, under a proactive social leadership, institutionalised means for alleviating it. Thus, a broad range of governmental, quasi-governmental, voluntary, and private commercial organizations come into existence with scarcity-alleviation goals. But these organizations are commonly staffed by members of the traditional, kinship-oriented, impoverished masses, and often the clients of these organizations are also segments of the masses. Add to that public funding of many of these organizations, and what emerges is a queer cocktail: of organizations with entrepreneurial, developmental aspirations at the top, bureaucratic structures, nepotistic staff cultures, fairly modern operations technologies and installation of some professional management tools and systems. The organizations of developing societies, especially the larger, strategic ones, tend to be melting pots struggling to understand the modalities of internal coherence. They are the microcosms of the growth adventure of some 3000 million human beings.

Most of the tools and techniques of OB have originated in the West; but they have become important elements of management software in many of the larger organizations of the Third World.[3] In India, for instance, such tools as survey feedback, action research, organization development (OD), management by objectives (MBO), human resource development systems (HRDS), stress management techniques, achievement motivation training, creative problem solving training, etc., have been used

in a number of organizations.[4] While selective use of these tools
and techniques in appropriate organizational situations is unquestio-
ned, there are doubts about their wholesale applicability in Third
World countries because of their apparent conflicts with the cultural
economic, and political realities in these countries.[5]

The main normative focus in OB is on effectiveness. At the organiza-
tional level, criteria used in Western research have, by and large,
emphasised organizational performance variables like profitability
and growth rate, system effectiveness variables like adaptability and
success in acquiring resources, staff well-being, and occasionally
also corporate social responsibility-related criteria.[6] A criterion
of special relevance to the developing world is the effective contri-
bution of the organization to socio-economic development.[7] Develop-
ing countries commonly suffer from scarce managerial skills, low work
ethic, a weak cooperation ethic, high dependency proneness, conserva-
tism, and so forth.[8] Organized action - as distinct from sporadic.
individual or group level action - offers vast possibilities for ex-
pediting socio-economic development. This is because the formal orga-
nization brings under one roof all the human, material, financial,
and technological resources needed to undertake relatively unfamiliar
long-range, nation-building tasks. Also, formal organizations have
the intrinsic ability to build up rapidly whatever additional resour-
ces they need. Indeed, most developing societies have set up a varie-
ty of special-purpose organizations whose main objective is contribu-
ting to various facets of socio-economic development. In India, for
example, early after Independence, the government set up the Planning
Commission at the national level, and organizations to promote commu-
nity development in the rural sector, organizations to provide projec

finance to new industries, and organizations to produce goods and
services basic to rapid industrialization (such as steel mills,
equipment producing organizations, basic chemicals producing units,
etc.). Besides, most governmental administrative organizations were
sought to be reoriented from merely providing routine services like
revenue collection and maintenance of law and order to also contri-
buting to socio-economic development by drawing up developmental
plans.[9]

Concept of the Strategic Organization, Group, and Individual

A large amount of work has been done in OB on different kinds of
organization, and on different facets of organizations and their
functioning.[10] But work on the strategic organization, as a separate
category, has been negligible. If, within each class of organiza-
tion, we were to array organizations on their potential contribution
to positive change and development within their respective domains
or sectors, then strategic organizations would be the top scorers in
each array. Thus, organizations that are research and development
oriented, organizations that pioneer into a sector needed products,
services, and technologies, organizations attempting a change in the
social status quo, organizations in the business of modernizing
social values and attitudes-in short, organizations whose outputs
and actions have a long term, developmental impact in their domains-
may be considered strategic organizations.[11]

The potential of organizations to contribute to socio-economic deve-
lopment of poor, under-developed societies may vary enormously. To
survive, all organizations need to meet some social need or the

other.[12] But there is a special need that only a few organizations
are primarily concerned about: society's need to transform itself
towards some ideal. While societies surely differ on cherished
utopias, the consensus appears to be to equate socio-economic deve-
lopment with greater strength and autonomy for the society as a
whole as well as for individuals and groups in that society, greater
social justice and equity, and greater per capita availability of at
least essential goods and services.[13] Inter-organizational compari-
sons on the "fuzzy" criteria of social development are difficult.
However, it is possible to say that an administrative organization
set up to promote literacy or family planning or adoption of better
health practices is more strategic than one collecting revenues or
keeping civil peace; or that an organization set up to identify,
develop, and disseminate new products, processes, and practices in
an industry is more strategic than most firms in that industry; or
that voluntary organizations seeking to conscientize the exploited
and mobilize them for collective amelioration and development are
more strategic than voluntary organizations merely promoting the
interests of privileged castes or communities; or that organizations
producing the means of further production, such as machinery, are
more strategic than organizations producing cosmetics; and so on.

This is not to say that non-strategic organizations are unimportant --
on some criteria they may well be even more important. The army, the
tax department, and the corporation marketing cigarettes and contribu-
ting billions in taxes to government coffers are obviously important.
However, their importance vis-a-vis the developmental and transforma-
tional goals of a society may be less, or less direct, than the
research laboratories, the institutes for training technologists,

professional managers, and developmental administrators, social deve-
lopment programme organizations, and public enterprises producing
equipment for the chemical, fertilizer, engineering, and metal indu-
stries. Table 2 lists, for illustrative purposes, some strategic
Indian organizations.

(Table 2 about here)

Strategic organizations cannot be evaluated on just the more common
criteria of organizational effectiveness, namely, financial perfor-
mance, growth, staff well-being, system viability and adaptability,
or good corporate citizenship.[14] They need to be evaluated also -
perhaps primarily - on a new class of criteria pertaining to their
socio-economic developmental impact. The latter may be measured in
terms of how far they have pioneered or innovated new (but appropriate)
products and technologies of production as well as management, stren-
gthened (and not merely exploited profitably) underdeveloped client
systems, created significant positive externalities, collaborated
with other organizations in furthering national priorities, promoted
social change and awareness about alternative, more science-based
life styles, inculcated a culture of innovation, achievement, social
concern, meritocracy, and participative decision making, etc.[15] Not
that every strategic organization should be evaluated on all these
criteria, but as a reinforcement mechanism, evaluation should be
tilted in favour of the appropriate development-related criteria.

Just as there are strategic and non-strategic organizations, we can
think of strategic and non-strategic organizational members and groups.
Those individuals and groups within organizations that have the greates

potential for achieving the developmental, strategic objectives of these organizations may be deemed, respectively, strategic individuals and strategic groups. Thus, strategic individuals may consist of an assortment of managers, technocrats, stakeholders, and union leaders; and strategic groups may also consist of such diverse teams as the top management team, the corporate planning group, the research and development group, the human resource development group, the market research group, and so forth. Of obvious importance are strategic individuals and teams in strategic organizations, and from an OB point of view, their skills, values, attitudes, and motivation.

The thesis of this paper is that OB can most contribute to socio-economic development of the world's poorer societies by greater concentration on their strategic organizations, and within these strategic organizations, on strategic individuals and groups. Making this sort of an impact through OB implies a program of research on the structure functioning, adaptation, boundary spanning, effectiveness, and revitalization of strategic organizations, on the leadership, communication, innovation, and institution building processes within these orga nizations, on the values, motivations, attitudes, skills, and competency of strategic individuals and teams, and on the interretions of these variables.[16] It implies greater emphasis on OB as a tool of social transformation. And it implies that OB scholars and practitioners must get busy developing, testing, and deploying the technolog of transformation.

In the following sections I have tried to probe into the nature of the strategic organizations of developing societies, and explored

briefly key OB-related issues in their design and functioning in order to identify some high potential research areas.

The Nature of Strategic Organizations in Developing Societies

A better understanding of the nature of strategic organizations in developing societies may clarify how OB could be pressed into their service. Most strategic organizations in the developing world are likely to share three characteristics: (1) resource dependency on the government; (2) transformational or developmental role; and (3) unfamiliar tasks.

Resource dependency on the government

Throughout the developing world, many strategic organizations have been created by governments. As an example, the Government of India has set up, in the last 30 years, over 200 public enterprises, most of which could be regarded as strategic organizations. These account for roughly half of the nation's total industrial production, and a higher percentage of goods and services considered basic to rapid industrialisation.[17] The provincial governments in India have set up perhaps three times this number.[18] But this is scarcely all. A number of project finance institutions have been set up, and these in turn fund hundreds of strategic organizations in the private sector. Additional strategic organizations in the cooperative sector, the voluntary sector, the health and educational sectors, etc., are all heavily dependent on government funding. In India, and possibly throughout the developing world, the vast majority of strategic organizations are either government - spawned or heavily dependent upon the government or its agencies for fun

The implication of resource dependency on the government is exten-
sive government control, that is, political and bureaucratic control
over strategic organizations. In turn, these have further implica-
tions : the appointments and tenures of the top executives of stra-
tegic organizations are often politically mandated; and there is a
nearly irresistible pressure on strategic organizations to adopt
the bureaucratic structures and procedures of the government.[19]
The usually large size of strategic organizations provides further
impetus to bureaucratisation.[20] Thus, strategic organizations often
are prone to the well-known dysfunctions of the bureaucratic organi-
zation, namely, rigidity, suboptimization and interfunctional con-
flicts, close supervision and staff alienation, the emergence of a
conformist, bureaucratic staff personality, etc.[21]

On the plus side, being strategic, and therefore enjoying high
social priority and legitimacy, also implies a large capacity to
raise resources, and therefore, a large loss-bearing capacity.[22]
This resource abundance in a scarcity-ridden poor society and this
large loss bearing capacity make it possible for the strategic orga-
nization to be venturesome.

Developmental role and unfamiliar, non-routine tasks

While strategic organizations tend to get bureaucratised, and to
suffer from the dysfunctions of bureaucracy, they must, paradoxically
operate in entrepreneurial and organic modes in order to fulfil
their developmental missions and to cope with unfamiliar, non-routine
tasks.[23] These strategic organizations, given their developmental

missions, programs, products, technologies, and processes must
innovate; they must make bold moves; they must take calculated risks;
they must be impelled by a social vision rather than by just mundane
considerations; they must operate flexibly in an unfamiliar terrain;
they must operate as "open" and participative systems; they must win
over their often conservative, traditional, poorly educated, and
ignorant clients by persuasion and participative methods; they must
adapt to local situations and resist excessive standardization; and
they must instil in their rank-and-file the kind of work, cooperation,
and innovation ethic so vital to mission accomplishment.

To summarise: Strategic organizations in developing societies usually
have access to large governmental and government - controlled re-
sources. Their missions and their loss-bearing capacity enable them
to make entrepreneurial moves; but they are freequently hobbled by
bureaucratic structures and dysfunctional practices generated by
large size and resource dependency on the government, and afflicted
by weak organizational work cultures and resistance from conservative
beneficiaries.

B Issues in Strategic Organizations

Strategic organizations should become a major arena of OB research
and effectiveness technology. I have briefly examined below several
fairly well-worked OB issues for their research implications for
strategic organizations in developing societies. These issues are:
motivation and control; coordination, collaboration, and conflict
resolution; boundary management; management of growth; institution
building; innovation and change; and revitalization of sick organi-
zations.

Motivation and control in strategic organizations

Motivation of organizational members is one of the more extensively researched areas in OB.[24] People join organizations to satisfy their needs. The organization employs people to achieve its goals. It does so through structures, procedures, and systems that often frustrate human needs by making work monotonous or meaningless. So long as the psychic and monetary inducements offered by the organization balance the psychic and monetary contributions made by the staff, so goes Western theory, there is motivation to remain with the organization; and so long as the employee expects that the organization will meet his or her needs if he or she meets the organization's demands, he or she would be motivated to contribute to the organization.[25] Western motivational models have incorporated the concept of a hierarchy of needs,[26] a dynamic aspiration level as an influence on the strength of motivation,[27] early socialization into certain enduring motives like the achievement, power, and affiliation motives, etc. In conceptualising motivation in work situations, distinctions have been drawn between durable "intrinsic" motivators like challenge in job, and more ephemeral "extrinsic" motivators like pay and authority.[29]

Strategic organizations, thanks to their governmental links, tend to have restricted capacity to offer attractive hiring terms, to fire staff at will, or to remunerate staff handsomely for outstanding performance. In other words, their capacity to provide attractive extrinsic motivators is limited. But their mission and social relevance, and their pioneering, innovative, and developmental activities can provide powerful spurs for the idealistic and the enterprising. Generally speaking, therefore, strategic organizations may have few

charms for the money-minded but ample attractions for those with a

high need for socially relevant achievement. Those strategic organi-

zations that stress opportunities for challenging work, for learning

on the job, for socially relevant work, etc., are likely to be able

to attract, retain, and energise staff; those that fail to do so, may

be blighted by an alienated or apathetic staff, high absenteeism,

etc. Further research on work dedication, work commitment, achieve-

ment need, the pioneering-innovating motive, extension motivation,

and social conscience may help the strategic organizations of develop-

ing societies to recruit and promote the right kinds of staff.[30]

Performance control in bureaucratic organizations tends to be effected

mainly through hierarchical supervision, budgets and quantitative

targets, and emphasis on following laid down procedures.[31] Strategic

organizations, too, therefore tend to rely heavily on these control

mechanisms. But an over-emphasis on these mechanisms may lead to

staff alienation, and to such distortions as short term targetry,

neglect of quality, neglect of hard-to-quantify developmental obje-

ctives, etc. 'However, important additional means of control are

available to strategic organizations. The first is control through

pre-entry socialization,[32] commonplace among professionals, and

possible in a strategic organization because of its need for profe-

ssional expertise. The second is control through careful selection

of staff with a strong identification with the missions of the orga-

nization,[33] also available to the strategic organization because of

its missionary goals. The third is peer group control, also availa-

ble to the strategic organization because developmental tasks are

often best accomplished through work teams. Thus, the distortions

wrought by hierarchical, budgetary, and procedural control can be limited by the strategic organization emphasising self, peer, and ideological control. Greater research on strategic organizations that have successfully harnessed these latter forms of control should yield good dividends.

Coordination and collaboration in strategic organizations

The very character of formal organizations - vertical differentiation due to a hierarchy of authority and horizontal differentiation through extensive functional specialization, role specialization, and division of labour - predisposes organizations to coordination difficulties. Western research has uncovered a variety of structura as well as behavioural mechanisms of coordination, conflict resolution, and collaboration.[34] Structural mechanisms include the hierarchy of authority, division or profit center concept, standardised operating procedures governing relations between potentially conflicting work groups, advance joint planning of operations to anticipate and rectify potential areas of conflict, profit sharing systems etc. Behavioural mechanisms include participatory decision making in which people with potentially conflicting interests come together to tackle problems jointly, training in interpersonal competence and team building, accentuation of superordinate goals, confrontation meetings to articulate and iron out differences, organizational socialization and identification creation, etc.

Strategic organizations tend to be large and have diverse goals. Therefore they tend to have relatively high levels of functional and role specialisations.[35] This may impede inter-role and inter-functi nal coordination. On the other hand, strategic organizations tend t

have missionary goals, and these superordinate goals can engender identification with the organization and promote cohesion within the staff. Continuing emphasis by management on the organization's strategic missions, and on communication to the staff of performance on mission-related objectives should offset conflicts engendered by specialization.[36] Besides, adroit institution building can create a distinctive organizational "clan" culture[37] that tends to contain inter-role and inter-personal conflicts.

Strategic organizations in developing societies often face a couple of distinctive coordination-related problems. As strategic, government-funded organizations, they find it difficult to practice nepotism. Norms of qualifications-based hiring tend to imply a culturally polyglot organizational membership. In these islands of cultural "cosmopolitanism" work relationships and kinship - based relationships often get out of step.[38]

A second problem area is the generation gap that some of these strategic organizations in developing countries suffer from. This generation gap arises because in many developing countries the strategic organizations set up during the initial period of planned development are staffed by the available senior bureaucrats or generalists with little technical training, but staffed at lower rungs by young technocrats, and later by professionally trained managers. The work identities of the senior managers may differ sharply from the work identities of the junior managers.[39] The former may be more traditional and obedience seeking, possibly more intuitive as decision makers, while the latter may seek change, innovation, growth, participation, and professional ways of decision making.

Greater research on how some strategic organizations have melded
polyglot personnel, and how they have bridged the generation gap
could lead to more effective strategies of organizational integra-
tion.

Boundary management

Operating as "open systems", organizations must create structures and
processes for obtaining the needed inputs and for marketing their
outputs.[40] Besides, they must establish their institutional legiti-
macy with the outside world.[41] For controlled organizations it may
be especially important to manage their interface with their contro-
llers.[42] Thus, the management of the various boundaries of the orga-
nization is an important element of organization design.[43]

As far as strategic organizations in developing societies are concer-
ned, there are several interfaces with the environment that are
particularly critical. The first is the interface with the control
environment, usually the government and its agencies and institutions.
The second is the interface with the intended beneficiaries of the
strategic organization, its client system. The third is the interface
with the suppliers of technology or know-how. The fourth is the inter
face with networks of organizations useful for accomplishing the
missions of the strategic organization.

Concerning boundary management vis-a-vis the control environment,
there are two facets: the management by the control environment of
the interface with the strategic organization, and the management by
the strategic organization of its interface with the control environ-
ment. As progenitor and main purveyor of resources, the control

environment has a legitimate interest in mission performance by the
strategic organization. This generally translates into periodic
performance reporting by the strategic organizations, appointment by
the control environment of the top executives and board members of
the strategic organization, etc. Additional useful mechanisms may
be periodic review meetings with the top management of the strategic
organization, some sort of performance related contracting between
the control environment and the strategic organization,[44] participa-
tive fixation of the goals of the strategic organization that takes
realistic note of the latter's situation, considerable operating
autonomy for the strategic organization, great care by the control

environment in picking the right kind of dedicated professionals for
top posts in the strategic organization, and a simultaneously nurtu-
rant (in crises) but demanding (in normal circumstances) treatment
of the strategic organization.[45]

The strategic organization also needs to know how to deal effectively
with the control environment.[46] It need not be obsequious; but it
pays to cultivate powerful elements in the control environment and
create a support network in it. It pays to take the control environ-
ment early into confidence about impending difficulties or crises.
It also pays to educate the control environment about the traits of
the strategic organization or of its operating environment that re-
quire special consideration.

Another boundary management that needs special study is the management
of the interface with client systems. Many strategic organizations
are set up to develop tradition-ridden,apathetic client systems -

NDDB, IRDP, ATIRA, block development administrations, etc., are
ready Indian examples of such organizations. Too often, however,
clients are seen as objects for head counts, so that physical or
financial targets may be met but the essentially human, change and
development targets are not.[47] It may be useful to coopt represen-
tatives of clients into the strategic organization's decision making
processes. An even more radical possibility may be to set up special
organizations whose business it is to organize fragmented and apathe-
tic clients into making demands on the strategic organization. Thus,
in developing societies, a prerequisite for developing the client
system may be to conscientise it, and make it more cohesive and
vociferous.[48] Such an investment may pressure the strategic organi-
zation not only into providing better services, but also may make it
more dynamic, progressive, participative, etc. This external pressure
may be a good substitute for the commonplace lack of competitive
pressure on the strategic organization. Besides, if there is compe-
tition, a strong client system would tend to induce greater competi-
tion, and thereby improve both the performance and management of the
strategic organization.[49]

Know-how and technology are highly valued resources of many "high
tech" strategic organizations of developing societies. These are
usually availed of from developed countries. Technology acquisition
is a complex process, with the strategic organization, the host
government, the supplier's government, and the supplier being often
involved in protracted and fluid interactions.[50] A significant
boundary management problem for the strategic organization is to
familiarize itself with the global technology market. A useful

technology choosing heuristic in the early phase of the organiza-
tion may be to "satisfice" : confine choice to "reputed" suppliers
in "friendly" countries; formulate some broad cost and performance
criteria; and choose the first supplier who meets these criteria.
Further, as experience and skills accumulate, the technology acqui-
sition decision can be delegated to specialists, comprehensive cri-
teria can be formulated, and the attempt made to optimise on these
criteria through global, systematic technology shopping.[51]

Finally, the strategic organization, though often a monopoly, is
often just one element in a multitude of organizations that must
collaborate for optimal mission accomplishment. Take the ambitious
Integrated Rural Development Programme of India. Unless the pro-
gram organization elicits the cooperation of the nationalised banks,
the local governmental administrative organizations, the local self-
government organizations, and so forth, there would be minimal
impact in the target area on the target population. Thus, the
strategic organization must be competent at networking vis-a-vis
the other organizations on which it is dependent for mission accom-
plishment but over which it has often no formal authority at all.[52]
It must be able to play a change agent role in an inter-organiza-
tional network through appropriate environmental sensing, opportu-
nity spotting, achievement drive, creativity, resourcefulness, colla-
boration, horse trading, planning, etc.

To summarise : some very significant areas of OB research on stra-
tegic organizations in developing societies pertain to effective
management of the interface with the control environment, with
development - oriented interface with the client system, with

foreign purveyors of technology, and with inter-organizational net-
works critical for mission accomplishment.

Management of growth

The management of growth has become a significant topic of the field
of both business policy and organization theory. Western work has
explored strategies of diversification and their structural conse-
quences;[53] phases of growth and their organizational implications;[54]
entrepreneurial strategies;[55] modes of strategy making,[56] etc.

As far as strategic organizations in developing societies are con-
cerned, there are some distinctive features to their growth manage-
ment. first of all, the goals of growth differ. Wealth, size, or
profit maximization (subject to constraints) may be the principal
goals of Western corporate growth management; maximization of posi-
tive externalities and development of targetted socio-economic
sectors (subject to viability constraints) are the usual principal
goals of strategic organizations in developing societies. Often,
therefore, strategic organizations go in where corporate angels may
fear to tread.

Second, the charters of strategic organizations tend to be more res-
tricted; so opportunistic conglomerate diversification is less fea-
sible for strategic organizations.[57] This may be fortunate because
conglomerate diversification has generally been found to lead to
poorer performance than related diversification.[58]

Third, subject as strategic organizations in developing societies are to governmental controls, effective boundary management for growth and diversification vis-a-vis the control environment is extremely important.[59] Establishment of goal congruence with the control environment before embarking on growth plans is an essential step.

Fourth, given government-mandated ceilings on remuneration, strategic organizations in developing societies tend to have poor availability of, and access to, top class growth managers.[60] This, combined with being very much in a learning situation vis-a-vis professional management systems, and relative unfamiliarity with daunting developmental missions, implies great emphasis on a speedy and effective organizational learning strategy. Thus, learning through pilot projects, often in the most difficult operating terrain, starting in a modest way with a single goal rather than starting in a big way with too many goals, "sticking to the knitting"[61] until management capabilities are built up, phasing expansions investing in good performance feedback systems, etc., may be elements of an effective learning strategy.[62]

Fifth, their developmental thrust and client heterogeneity imply that the impulse to expand by replicating programs or products must be kept in check. Much growth needs to be decentralized to tap local opportunities creatively.

Finally, limited managerial and other resources imply a strategy as much of penetration as of withdrawal from areas in which the developmental missions have been achieved. The strategy is not just of

withdrawing from "loser" activities, but also from "winner" activi-
ties that now some other organization(s) can handle reasonably well.

Effective corporate growth management of the Western variety may
have only limited relevance for growth management by strategic orga-
nizations. Research on how effective strategic organizations mana-
ge growth, especially their learning strategies, and how they dis-
engage from a sector once their missions are accomplished, should be
rather useful.

Institution building in strategic organizations

Institution building is the gradual transformation of the formal org
nization with its mundane concerns into a distinctive, well-accepted
social institution that stands for some core values.[63]   corporatio
for example, becomes an institution when beyond its customary profit
or growth goals, it internalizes values like being a path breaker,
or dedication to national priorities, or the growth of its human
resources, or   trusteeship, etc. These values are held not just
by the top management; they are shared by the rank-and-file, and con
cretely express themselves in the organization's policies and inter-
nal as well as external transactions. Criteria for assessing the
effectiveness of institution building may be diverse; some that have
been suggested are capability development, innovative thrust, and
domain penetration.[64] A number of processes and choices that contri
bute to institution building have been identified. These include
birth processes such as idea origination and nurturance, and choice
of institutional form; developmental processes, such as culture
creation through initial recruitment, decision-making, leadership,

structuring, boundary management, etc.; renewal processes encompassing leadership changes, mission redefinition, etc.; and institutionalisation processes such as relevance building and environmental impact.[65]

Institution building is of obvious importance to the developing world, for formal, strategic organizations are the instruments of the developing world not only for achieving specific developmental missions but also for charging traditional and conservative societies with the new values of innovation and science-based modernization, democratic functioning, primacy of human growth, professionalism, and the growth and development of under-developed client systems.

Vis-a-vis institution building, strategic organizations in a developing society are at an advantage; for, compared to a run-of-the-mill corporation or a government bureau, they start with transformational missions. The initial choices, however, are important. If persons with bureaucratic or political orientation are put in charge of the fledgeling strategic organization, the chances are that the organization will get 'set' as a bureaucracy or as a "spoils system". If, however, persons with a sense of mission, a team building, participative decision making orientation, and strong networking capabilities are put in change, it is likely that they will recruit like-minded persons, and institution building values will get set.[66] More often than not, the resource dependency of the strategic organization on the government takes its toll, and the strategic organization degenerates into a sick organization, heavily bureaucratised and politicalised. Thus, the strategic organization may have two sharply differing

alternative life cycles:[67] an organic youth with a bureaucratic

or political head, goal displacement,[68] the institutionalisation of

bureaucratic values or the values of the "spoils system", decay and

degeneration into sickness; versus, an organic youth with a dedica-

ted, participative professional as head, capability development,

team building, goal elaboration, innovative thrust, and market or

doman penetration and impact.

Research on alternative institution building life cycles should pro-

vide many insights into effective transformation of blueprints and

bureaucracies into living bridges to human growth.

Innovation and change in strategic organizations

Large and bureaucratic though the strategic organization may often

be, its business is innovation and change culminating in socio-eco-

nomic development. As perceptive observers of bureaucratic organi-

zations have noted, their bureaucratisation impedes introduction of

innovations; but once the initial resistance is overcome, the pre-

ssure for standardisation can expedite organization-wide adoption

of the innovation or change.[69] The trick, therefore, is to create

a precedent. Thus, attempts to create innovative precedents in

marginal parts of the bureaucratised strategic organization or in its

marginal activities should facilitate the diffusion of the innovation

in the rest of the organization. Decentralization and local action

research should, therefore, be useful.[70] The organizational leader-

ship may play a critical role; whether it is entrepreneurial and de-

velopment oriented or conservative and bureaucratic should make a

very large difference to the strategic organization's innovativeness

Preference for novel outputs, creativity, experimentation, dynamic

young managers, and simultaneously for discipline and efficiency
may be the strategic policy choices needed to generate a powerful
innovation impulse in the organization.[72]   A relatively flat stru-
cture, the creation of small work groups, and a reasonably effective
formal as well as informal information, control, and planning system
may be the structural devices necessary for innovations to take
place.[73]   Certain mechanisms can speed up organizational learning in
new ventures, such as pilot projects and phased expansions, parallel
efforts and "shoot outs".[74]   Like other large, bureaucratic organi-
zations, strategic organizations tend to accumulate once useful,
currently obsolete practices, policies, and structures. A major
opportunity for innovation may be for management to ask periodically
the question: .f the organization were to start all over again,
which of its products, technologies, goals, strategies, policies,
structures, and practices that it now has would it acquire."[75]   Such
a question opens up vast opportunities for spring cleaning, and for
replacing the obsolete with the currently and futuristically useful.
Periodic informal meetings between the top level managers and junior,
younger managers may be productive. ʌt these, the latter may be
encouraged to share their aspirations and ideas for the organization,
and the top level managers may provide briefing on the organization's
missions, goals, opportunities, threats, and constraints. Such
meetings would help institutionalise a culture of innovation. The
diffusion of innovations within a strategic organization (or a group
of similar strategic organizations) can be expedited if details of
innovations, both successes and failures, are quickly circulated
throughout the organization (or group of organizations).[76]

There may be much potential for innovations at middle management levels in strategic organizations because these levels are commonly staffed by relatively young technocrats and professional managers raring for change. But the adoption of innovations at lower rungs may be a difficult process in strategic organizations because it requires considerable coalition building activity that cuts across functional and role specialization barriers. Innovation agentry may require a variety of skills relatively scarce even in professional managers : ability to diagnose innovation opportunities; generat creative
/   and relevant ideas; market ideas to colleagues and superiors; understand and manage the politics of innovation; build a team for implementing the innovation, etc.[77]

Some important research areas vis-a-vis innovation and change in strategic organizations are how centralization and decentralization affect the adoption of what kinds of innovations, the role of top management ideology, spring cleaning as a spur to innovation, vertical two-way communications and innovation, strategic policy choices and innovation, and effective change agentry at middle management levels.

Revitalization of sick strategic organizations

Organizational sickness may have become a global phenomenon. Organizations, even in the developed West, despite easy access to high quality technocrats and managerial personnel, fall victims to too fast a change, too much complexity, too much competition, or too many restrictions.[78] Sickness seems to be rampant in the developing world. In India alone nearly 10000U manufacturing units (mostly

small-scale units) are sick; a significant percentage of its public
enterprises remain loss making; and sickness in its large, quasi-
governmental institutions and governmental departments seems rampant.
Fortunately, turnaround research, both in the West and in the Third
World, especially in India, has led to the identification of useful
models of effective turnaround management.[80]

Because of large size, complex, unfamiliar, long-term missions, and
a strong interface with the government, strategic organizations are
quite prone to organizational sickness, manifesting as low morale,
in-fighting, a poor public image, sacrifice of quality for the sake
of targetry, and mission failure. Given the often fuzzy goals of
strategic organizations, the recognition of sickness itself may take
a long time.[81] If a spoils system has got installed, the benefi-
ciaries in the political system and in the organization may resist
curative actions. Therefore, even if there is recognition of sick-
ness, an effective consensus to do anything may take long to emerge.
These delays may, of course, aggravate sickness. It may not be easy
to find the right person to revive a sick strategic organization,
partly because of the high risk of failure, but partly also because
the kind of manager needed to revitalize a sick organization may be
very different from the run-of-the-mill professional manager.[82] The
turnaround manager needs to be something of an entrepreneur who can
quickly see, and seize, opportunities in a murky situation, something
of a missionary who can mobilize a demoralised work force for the
heroic efforts required for turnaround; something of a team builder
who, through participative decision making, can put together a team
of dedicated managers for operating the turnaround; something of an
expert negotiator who can negotiate concessions and support from the

organization's various stakeholders for speeding turnaround; some-
thing of a professional manager who can plug the biggest loopholes
in the operating management systems; something of a creative learner
who comes into an unfamiliar organizational system, learns the
ropes fast, and puts together a custom-tailored turnaround strategy;
and something of an institution builder who gives a great deal of
importance to the values he or she prizes, and disseminates them
by setting a personal example. A right sort of top management team,
instead of an individual, may find it easier to turnaround a sick
strategic organization.[83] It may make sense for developing coun-
tries to raise a cadre of turnaround managers.

A number of research questions come to mind. Why is it that a
disproportionately large number of strategic organizations do not
seem to have an internal capability to prevent sickness or cure
themselves and must pathetically wait for outsiders to set them
right?[84] What could be the sizing up strategies of strangers who
come in as rescuers? What initial actions of rescuers could
unfreeze a sick organization; what actions would ensure a direct-
ion change; and what actions could consolidate a turnaround? How
can a society provide its strategic organizations with the right
kinds of turnaround managers?

Concluding Comments

OB for social development is an exciting and over due paradigm shift
from organizational narcissism. The primary instrumentality of this
paradigm shift is research focus on the strategic organizations of
the developing world, especially on motivation and control, coordi-
nation, boundary spanning, innovation and change, growth management,

institution building, and sickness and revitalization. Such a
paradigm shift would not only make OB immeasurably more relevant to
over two-thirds of the globe's population, it should bring in its
train exciting new concepts, approaches, data, and techniques that
may revolutionise OB.

Fortunately, the opportunities for studying strategic organizations
in Third World countries may be sizeable. The strategic organization
tends to be rife with "people" problems thanks to its daunting ·.... ..
missions, bureaucratic structure, kinship oriented staff, and conser-
vative clientele.   Both the control environment and the strategic
organization's management should generally be keen to get whatever
help they can from the social scientist in order to tame the beast.

Besides this, the strategic organization in a developing society is
perpetually trying out something or the other. One year it is
diversification; another year it is computerisation; a third year
it is structural reorganization; a fourth year it is MBO, or quality
circle, or T-group, or stress management, or creativity training,
or OD, or whatever else. The point is that strategic organizations
of developing societies offer exceptionally rich sites for natural
experiment type research. All that the OB researcher has to do is
to contact the strategic organization intending to do an experiment
and negotiate "before" and "after" measurements of structure, stra-
tegy, style, culture, leadership, values, or whatever else the OB
researcher fancies. An extensive natural experiment based research
strategy should provide invaluable causal grist for OB conceptualising
and technologising.   Table 3 summarises some significant OB research
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(Table 3 about here)

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TABLE 1

ILLUSTRATIVE OB TOOLS FOR USE IN STRATEGIC ORGANIZATIONS

Diagnostic tools: action research, survey-feedback, search conference.

Individual level tools: Leadership and supervisory training, achievement motivation training, creativity training, stress management training, entrepreneurship training, change agentry training, job enrichment and task design.

Group effectiveness tools: Participative decision making, team building, process consultation, confrontation meeting conscientisation.

Structure-related tools: Role clarification, decentralization, differentiation and integration, design of organizational chart.

System tools: Management by objectives system, human resource development system.

TABLE 2

SOME EXAMPLES OF INDIAN STRATEGIC ORGANIZATIONS

Government

Planning Commission; the cabinet; the various ministries, especially the development - oriented parts of these ministries.

Financial Institutions

The apex financial institutions, especially IDBI, IFCI, ICICI, LIC, Unit Trust; the nationalized banks, particularly their merchant banking divisions.

Manufacturing

Public enterprises set up to produce means of further production or to pioneer new products and technologies; private enterprises operating in the "core" sector of the economy or in "sunrise" industries; research and training institutions set up for industries (e.g. ATIRA, CMERI).

Services

Key educational institutions like the IITs, IIMs, and research oriented post-graduate university departments; key health institutions, especially the research oriented ones; development-oriented voluntary organizations and cooperative societies.

TABLE 3

SOME OB ISSUES AND RESEARCH OPPORTUNITIES VIS-A-VIS

STRATEGIC ORGANIZATIONS

OB Issues in Strategic Organizations	Significant Opportunities for Further OB Research
1. Motivation and control in strategic organizations	1. Capacity to offer extrinsic and intrinsic motivators, particularly challenging, socially relevant jobs
	2. Research on such other powerful and durable motivators as work dedication and conscientiousness, extension motivation, patriotism, pioneering-innovative motivation
	3. Research on inspiring, charismatic, missionary type of leadership found more commonly in military organizations in war time and among political leaders of revolutionary movements
	4. Predisposition to use bureaucratic forms of performance control (hierarchy, budgets, rules). Potential for using self, peer group, and ideological forms of control.
2. Coordination, conflict resolution, and interpersonal collaboration in strategic organizations	1. Effect on coordination and collaboration of functional and role specialization, "fair",qualifications based, non-nepotistic hiring practices, "generation gap", etc.
	2. Potential for improving coordination and collaboration through greater emphasis on missionary motivation of selected personnel, indoctrination of staff into organizational mission, institution and team building processes
	3. Need to research the right mix of bureaucratic, behavioural, and culture - specific coordination, conflict resolution, and collaboration inducing mechanisms

, Boundary management in strategic organizations

1. Control environment's management of interface with strategic organization

2. Strategic organization's management of interface with control environment, especially networking within the control environment for support to the organization

3. Client development by human services oriented strategic organizations

4. Technology acquisition management by "high tech" strategic organizations

5. Networking with other organizations for mission accomplishment.

. Growth management in strategic organizations

1. Rapid organizational learning strategies for growth in unfamiliar areas (pilot projects, single goals, phasing, starting small, starting small in the most difficult part of the domain)

2. Organizational strategies for withdrawing from domains in which developmental missions are completed

3. Establishment of criteria of success for mission accomplishment

4. Negotiation of support from control environments for growth goals and initiatives

5. Implications of growth for organizational structure, staff motivation, coordination, etc.

6. Leadership needed at operating levels to manage growth.

, Institution building in strategic organizations

1. The long-term effects of initial policy, structure, and other choices for institution building

2. Socialization processes for institution building

3. Leadership style for institution building

4. How strategic organizations can capitalize on their inherent external legitimacy

5. How core values get introduced and institutionalised in the strategic organization

6. How institutionalised core values affect the strategy, structure, performance pattern etc., of the strategic organization.

7. Alternative institution building life cycles of strategic organizations.

6. Innovation and change in strategic organizations

1. The role of precedents in the diffusion of innovations within strategic organizations. Facilitators of precedent creation.

2. Creation of a culture of innovation in the face of bureaucratic structure. The role of top management leadership, strategic choices

3. Organizational structure and control systems that are congruent with innovationist emphasis

4. Innovation spurring practices-periodic junking of obsolete practices, periodic informal meetings between top level and junior managers, circulation of diagnoses of organization successes as well as failures within the organization, etc.

5. Innovation change agentry within the strategic organization at operating levels.

7. Revitalization of sick strategic organizations

1. Proneness of the strategic organization to fall sick (because of large size, bureaucratisation due to external dependency, etc.)

2. Internal and external recognition of the sickness of the strategic organization and the development of indicators of organizational sickness

3. Traits and abilities of effective turnaround managers/teams

4. Initial actions for "unfreezing" a paralysed strategic organization

5. Actions for initiating a change of direction

6. Actions for consolidating a revitalization

7. Mechanisms for preventing recurrence of sickness.