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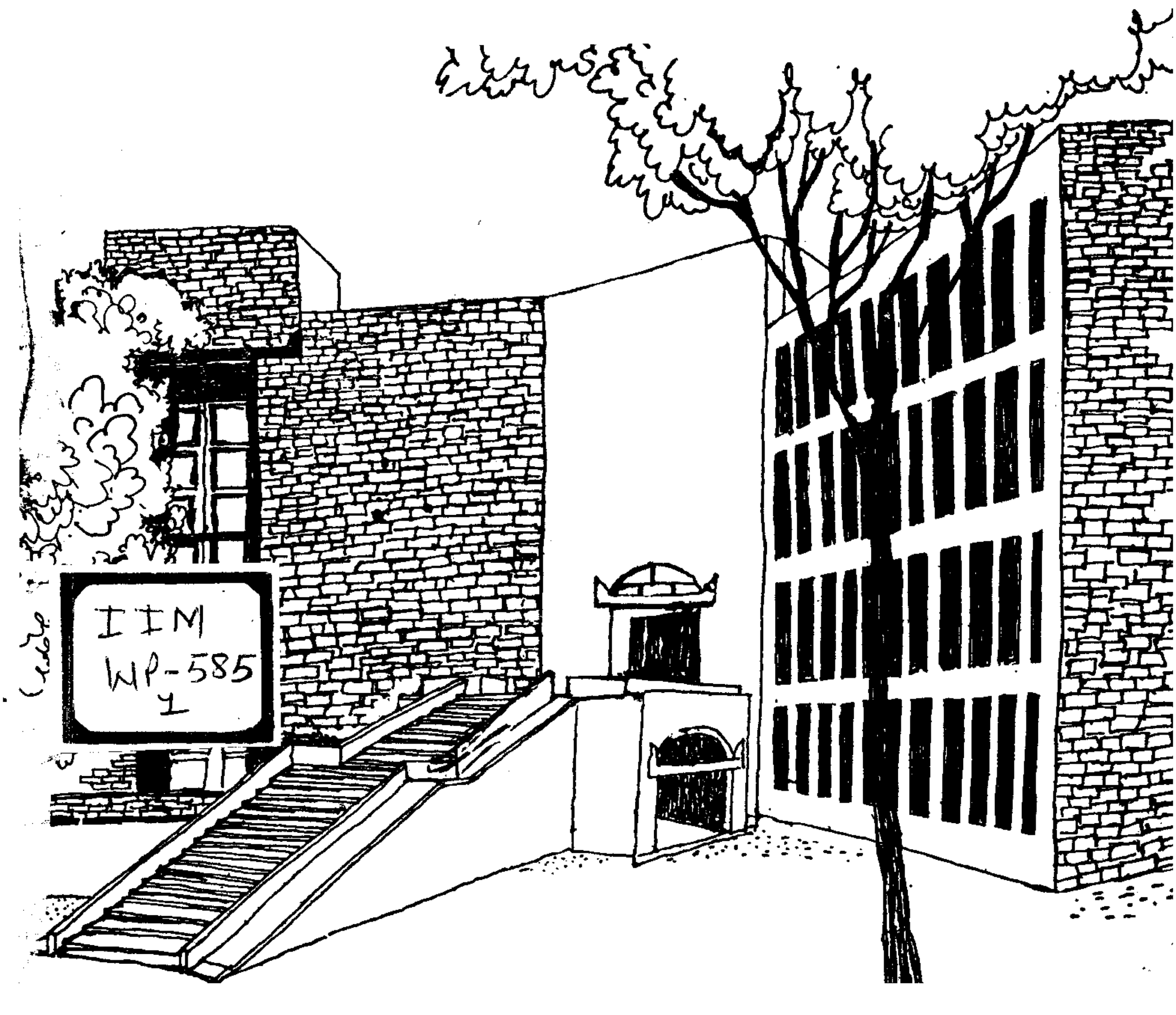

ORGANIZATIONAL EFFECTIVENESS: POST-1976 SURVEY OF INDIAN RESEARCH

By

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ORGANIZATIONAL EFFECTIVENESS : POST - 1976

SURVEY OF INDIAN RESEARCH*

Pradip N. Khandwalla

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C O N T E N T S

ORGANIZATIONAL EFFECTIVENESS : POST-1976 SURVEY OF INDIAN RESEARCH

Pradip N. Khandwalla

ABSTRACT

The paper examines the concept, determinants, and implications of the effectiveness of complex organizations in the Indian developmental context. The terms effectiveness, complex organization, and Indian developmental context are first discussed briefly. A model of organizational effectiveness drawing upon global work on contingency, systems, strategic choice, and synergy approaches is presented. Post-1976 Indian work relevant to organizational effectiveness is surveyed, with the organization as a whole rather than the individual organizational member, as the focus of enquiry. An attempt is made to examine the contribution of this work in terms of the delineated model of organizational effectiveness, with special reference to implications for the effectiveness of strategic organizations that play a vital role in socio-economic development. The review summarizes the findings on the determinants and consequences of organizational effectiveness. It concludes by identifying some major research gaps and proposes several hypotheses to spur fresh research.

A DEVELOPING SOCIETY PERSPECTIVE ON ORGANIZATIONAL EFFECTIVENESS

Organizational Effectiveness as a Construct

There are many facets to organizational effectiveness, each stemming from a particular view of the organization.

In contemporary societies, the formal organization has become a principal mechanism for articulating and satisfying human needs. Political parties, government organizations, business enterprises, educational and health institutions, cooperative societies, voluntary organizations, and so forth are all examples of formal organizations that attempt to articulate and satisfy human needs. Since they are users of society's scarce resources, economists have been concerned about their efficiency (Samuelson, 1967). Since organizations are purposive collectivities (March and Simon, 1958), and are generally set up to pursue fairly specific objectives, there has also been concern about how well they achieve their goals (Drucker, 1964; Perrow, 1970; Price, 1972). Since people work in organizations, their psychological well-being is a focus of organizational research (Argyris, 1964; Likert, 1961), especially since the very character of the formal organization - its differentiated structure, impersonality, etc. - may often frustrate human needs (Argyris, 1964). The organization has been conceptualized as an "open system" sustaining itself by drawing resources from its environment and "paying" for them by contributing its output to the environment (Katz and Kahn, 1966). Organizational researchers have been concerned about its viability as a system, especially its capacity to attract resources to sustain itself (Rogers and Molnar, 1976; Yuchtman and Seashore, 1967). As a social entity, the organization has also been conceptualized as having multiple stakeholders. Not only its owners and those who work in it, but also suppliers, customers, the government, etc., are considered to have a stake in the organization (Miles, 1980). Thus, the extent to which the organization is able to satisfy the claims of its various stakeholders has also been considered to be an aspect of organizational effectiveness. Finally, in a developing country, organizations, particularly the strategically important organizations like government agencies, public enterprises, large private sector organizations operating in the economy's core sector, the institutions of higher learning, the apex cooperative societies, the apex financial institutions, etc., may be said to have an additional mission, namely that of contributing, as change agents, to the socio-economic transformation of society (D'Souza, 1984; Khandwalla, 1984). Thus, the multi-dimensionality of organizational effectiveness is a direct consequence of the multiple lenses with which the organization is investigated.

As a consequence of the organization's multi-dimensionality, researchers have used many different measures of organizational effectiveness (Campbell, 1976; Steers, 1975). In the Indian context, Singh (1978) suggested that organizational effectiveness should be assessed in relation to the organization's efficacy vis-a-vis acquisition of inputs, the process of transformation of inputs, and the disposition of outputs, as well as the organization's ability to respond to feedback from the environment. He further suggested the use of social, economic, and behavioural criteria of assessment and indicated the need for satisfactory performance on all three sets of criteria. Chaturvedi (1980), too, advocated multiple assessment perspectives, each corresponding to a distinctive view of the organization (especially a rational, purposive system versus a naturally occurring, survival oriented system).

Besides the multi-dimensionality of organizational effectiveness, there is also the question of bias in the choice of effectiveness criteria. Different stakeholders in the organization (including social scientists) are likely to emphasize different criteria. Owners of a firm, for example, may emphasize profits and growth; managers, growth and market share; customers, product quality; employees,

[illegible] "healthy attitude" (that promotes health, or prevents ill-health under [illegible] conditions) contribute to effectiveness as viewed by each of these stakeholders?

how well they are looked after; government, how good the firm is as a corporate citizen, etc. In other words, the weights assigned to different criteria of effectiveness tend to vary, depending upon the nature of the stakeholder's stake in the organization. Besides the nature of the stake, the nature of the organization may also affect the criteria that are emphasized. For instance, in Mahoney and Weitzel's study (1969), managers tended to emphasize relatively concrete measures like productivity for assessing organization sub-units, while they tended to emphasize systemic variables like reliability for measuring the effectiveness of research and development units. In other words, assessors will tend to emphasize the short-run, relatively concrete indicators of effectiveness for units whose performance is easy to measure, and relatively subjective, system-health, long-term indicators for units whose performance is difficult to measure. Differing criteria of effectiveness may be applied depending on the phase of the life cycle the organization is in (Cameron and Whetten, 1981).

As Cameron (1978:604) has noted, "....... organizational effectiveness may be typified as being mutable (composed of different criteria at different life stages), comprehensive (including a multiplicity of dimensions), divergent (relating to different constituencies), transpositive (altering relevant criteria when different levels of analysis are used), and complex (having nonparsimonious relationships among dimensions)".

Organizational effectiveness is generally regarded as a dependent variable, that is, as an outcome of the organization's contextual, structural, strategic, or process variables. But it is a systemic variable affected by these and also in turn affecting them. For instance, high organizational performance may indeed be a result of management practices (Khandwalla, 1977 : ch.11; Likert, 1961; Peters and Waterman, 1982); but by generating slack, it may also affect management practices (Cyert and March, 1963; J.V. Singh, 1983; Williamson, 1963). Similarly, organizational sickness or poor performance may be an outcome of a rigid, authoritarian, complacent, inconsistent, or excessively gamble-taking management (Hegde, 1982; Starbuck, Greve, and Hedberg, 1978). Equally, however, massive changes in strategy, structure, style of management, etc., may be produced while turning around sick organizations (Bibeault, 1982; Khandwalla, 1983-4; Schendel, Patton, and Riggs, 1976; Slatter, 1984).

With so many possible facets of organizational effectiveness, it is unlikely that corresponding measures of organizational effectiveness would co-vary, and therefore, it is unlikely that organizational effectiveness could be reduced to a single measure or indicator. Indeed, researchers have tended to throw up their hands in despair at the messiness of the construct (Cameron, 1978), and some have even called for a ban on further work on this construct (Goodman, Atkin, and Schoorman, 1982). A less radical view recognizes the several problems with the construct (Steers, 1975; Cameron and Whetten, 1981), but suggests that it may be more fruitful to develop several models of organizational effectiveness, each corresponding to a major indicator (Chaturvedi, 1984). Thus, models that predict one indicator of effectiveness, such as profitability, may not predict another indicator, such as quality of work life, and occasionally, there may indeed be conflicting prescriptions (Dubin, 1976). This will depend on intermediate variables like dominant personality of orgnl. members.

Indian researchers have used a wide variety of effectiveness criteria. Such conventional indicators have been used as financial solvency (Bidani and Mitra, 1982), profitability and growth (George, 1984; Khandwalla, 1982a; Maheshwari, 1978; SCOPE, 1978), productivity (Khandwalla, 1981b; Minocha, 1977; Pestonjee, 1984; Sinha, 1984), and organizational health and job satisfaction (Khandwalla and Jain, 1984; Sayeed and Mehta, 1981; Sharma, 1980). So have some unusual indicators been suggested or used, such as capability development, innovative thrust, and market penetration (Ganesh, 1980), mutuality in the organization and its members "giving" to each other (Chakraborty, 1983), the ratio of energy generating to energy draining activities and other indicators of the quality of work life (De, 1982, 1984), strengthening of the client by the organization (De Souza, 1978; Gangjee, 1980), creativity and innovation (Chaganti, 1979; Khandwalla, 1984b; Mascarenhas, 1978; Morehouse, 1977; and Natarajan, 1982), the organization's ability to change society (D'Souza, 1984), and the relevance of the organization's activities to national objectives (Zahir, 1984).

Developmental Context

Organizational theories and models of the developed world, especially of the West, cannot be extrapolated in a simple-minded manner to the developing world (Britto, 1973; Gonalez and Macmillan, 1961; Kiggundu, Jorgensen, Hafsi, 1983; Oberg, 1963; Reddy, 1984). So different are the cultural, political, economic, and technological contexts in which organizations operate, that many of these theories have either no universality or little relevance in the developing world. For instance, under norms of rationality, growing organizations should decentralize to reduce the decision-making burden on top management (Blau and Schoenherr, 1971; Child and Mansfield, 1972; Khandwalla, 1977 : ch.8; Hickson, Hininge, and Turner, 1969). But in cultures, such as India's, where managerial traditions are weak, work ethic may be weak, and dependency proneness is high (Chattopadhyay, 1975; Pareek, 1968; Sinha, 1980), increasing size may not be accompanied by decentralization, and there may sometimes be greater centralization because of coordination difficulties. Similarly, technology's impact on organizational structure is well researched in the West (Gerwin, 1981). Much of the Western research is concerned with how technological explicitness and variety are related to organizational structural variables. Issues of how organizations acquire and institutionalize technology, especially foreign technology, so central to the developing world (Chaudhuri, 1980; Pandya, 1982), or the organizational implications of capital versus labour intensiveness of technology, again a matter of great importance to labour surplus developing countries like India, are more or less ignored in Western organizational research.

A contextual variable of great importance in the developed market economies is competition (Khandwalla, 1981a). Although not unimportant in the developing world, it is eclipsed in importance by government regulation (Dayal, 1967), a contextual variable of much less importance in the West. The relatively high client sophistication in the developed world implies that for success, the organization needs to be strongly customer oriented, constantly seeking to identify what the customer wants through a variety of boundary spanning mechanisms (Peters and Waterman, 1982). In the developing world, this imperative is much weaker; but the high resource dependency of organizations in the developing world on the government and government controlled organizations implies a much greater use of boundary spanning mechanisms directed at the government.

Scarcity is far more pervasive in the developing world, and deficiencies in transport, communication, power, inputs, and so forth may be far more important determinants of organizational failure than in the West. Also, scarcity conditions may predispose Indian organizations to be more centralized and authoritarian, less concerned with the needs of organizational members and more with key organizational goals like survival, than Western organizations (Das, 1981; Moudgill, 1975). When scarcity is combined with political democracy, a mixed economy, and the state's dominant role in economic development, as in India, a parallel economy arises that subverts efficiency oriented managerial rationality by a corruption oriented rationality. A commonplace consequence is organizational sickness due to corrupt management that siphons off funds (Bidani and Mitra, 1982:59). Developing societies are also societies in transition, shifting from a feudal order to a modern, industrial order. During this transition phase, organizations tend to be riven by conflicting norms (Parikh, 1979). A consequence may be far more extensive generational conflict in Indian organizations (Agarwal, 1984), a possibly important cause of organizational ineffectiveness.

Beyond the foregoing, there is a striking difference in the social responsibility of organizations in the developed and the developing worlds. In the West, social responsibility extends to keeping various stakeholders in the organization pacified and to playing the role of the good corporate citizen through pollution control, equal opportunity employment, improving the quality of work life, etc. (Heather and Surgar, 1980; Kilmann and Herdener, 1976). In the developing world, it extends beyond, to contributing to the process of socio-economic development itself (De, 1979; D'Souza, 1984; Khandwalla, 1984; Pareek, 1968; Zahir, 1984). This developmental role implies that technological, strategic, and structural choices need to be made by the organization keeping in mind not only the interests of the organization, but also the developmental needs of the nation. Thus, an organization needs to be assessed not only in terms of its performance vis-a-vis its specific goals, or the satisfaction of its various stakeholders, or its viability as a system, but also in terms of such criteria as the extent to which it has upgraded technology or pioneered new technology, penetrated foreign markets, pioneered products previously imported or innovated strategically important products, contributed to community and human resource development, etc.

Much as the integration of the needs of the organizational members and other stakeholders with the requirements of the organization has become an important organizational design issue in the West (Argyris, 1964; Dunbar, 1981; Kerr and Slocum, 1981), the integration of the developmental needs of the nation with the requirements of the organization needs to become an equally important design issue in India and other developing societies. This imperative may be particularly strong for a developing society's strategic organizations, that is, organizations whose outputs of goods or services are vital inputs to the process of socio-economic development. In India, for example, many of the public enterprises and public sector undertakings like railways and banks have this character of being strategic, as also large private sector corporations in the so-called core sectors of the economy. Besides enterprises, a number of non-commercial organizations may also be strategic, such as institutions of higher learning, organizations manning development programmes like the Integrated Rural Development Programme, and other organizations with a developmental focus, such as various economic ministries, district level developmental administration, national and state level planning bodies, apex cooperative societies, etc.

Organizational Complexity

In comparison to small units and one-man shows, or the economist's abstractions of the firm, real-life sizeable organizations are vastly more complex. Indeed, the superiority of the formal organization over other collectivities in attaining specific goals may be because of its organized complexity (Weber, 1947). The formal organization employs mechanisms of division of labour and specialization that serve to differentiate the work going on within it and to increase its efficiency; standard operating procedures and rules that, besides increasing efficiency, make work more reliable; mechanisms of coordination and integration like specific organization-wide goals, a hierarchy of authority, performance controls, socialization processes like training and indoctrination, that provide a focus to variegated organizational activities. The organization also employs management to animate the organization, which performs such distinctive functions as setting goals for the organization, planning operations in the light of forecasts, control and coordination of operations, leadership and motivation of the rank-and-file, the institutional function of securing the social legitimacy of the organization, etc. (Fayol, 1949; Parsons, 1956). Indeed, so complex is the formal organization as a system, that some writers consider it as a sort of rationally ungovernable garbage can (Cohen, March, and Olsen, 1972). Some others, particularly students of the bureaucratic form of organization, have contrasted the intended rationality with the unintended irrationalities of organizational life (Argyris, 1964; Crozier, 1964; March and Simon, 1958).

In recent years, the systems, contingency, strategic choice, and synergy paradigms have gained influence in organization theory. The early paradigm was of a single optimal organizational design for all organizations, although the nature of that design varied from author to author (Fayol, 1916; Likert, 1961; Weber, 1947). This early paradigm is still resurrected from time to time (Ouchi, 1981; Peters and Waterman, 1982), but it is on the wane. The view has gained that the organization is a complex system of interacting parts (Emery and Trist, 1960; Katz and Kahn, 1966). It is shaped by a number of contingencies or contextual factors like size (Child and Mansfield, 1972), technology (Chaudhuri, 1980; Gerwin, 1981; Pandya, 1982), external environment (Aldrich, 1979; Burns and Stalker, 1961; Khandwalla, 1972; Pfeffer and Salancik, 1978; Thompson, 1967), and culture (Hofstede, 1981; Parikh, 1979), so that different organizational designs may be viable in different contexts.

At the same time, in responding to contextual conditions, the organization often chooses its responses from among alternatives so that among a sample of organizations facing the same contingency, there could be alternative adaptations (Child, 1972; Meyer, 1982; Miles and Snow, 1978). This is the strategic choice perspective. For instance, faced with competition in an industry, a firm's responses may range from doing nothing to any one or combination of cost cutting, revenue raising, diversification, or expansion strategies. The strategic choice perspective is at odds with both the contingency theory perspective (Thompson, 1967), and the population ecology perspective (Hannan and Freeman, 1977), both of which regard the organization as a function of its environment, with relatively little freedom of choice in design and strategy.

Finally, the synergy perspective views organizational designing as a process of maximizing the good fit or synergy between elements of organizational design like goals and strategy, structure, style of management, technology, organizational climate or culture, etc. (Ansoff, 1965; Child, 1977; Khandwalla, 1973, 1977 : ch.15; Lawrence and Lorsch, 1967).

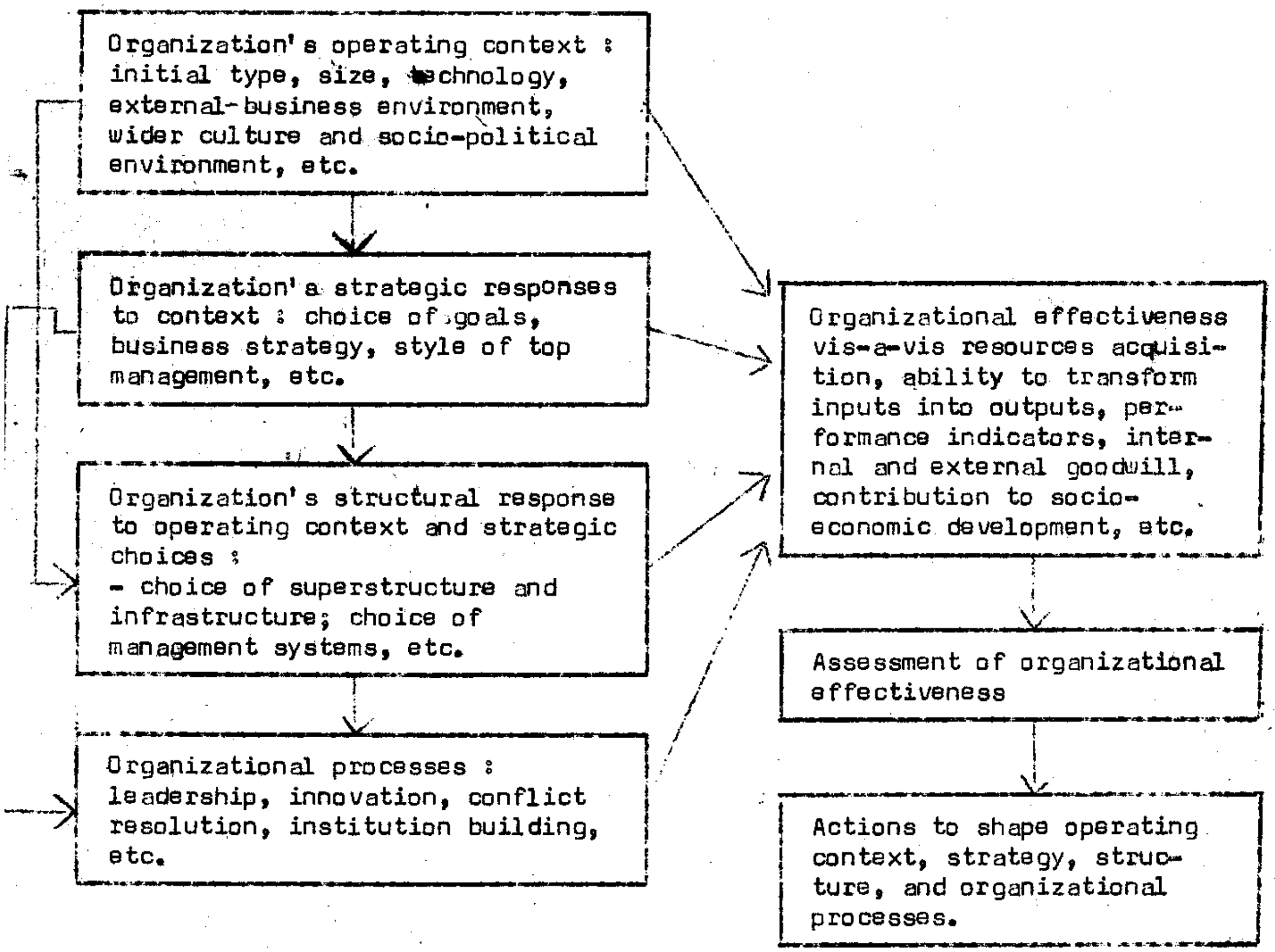
Organizational complexity may have an important implication, that of distancing the cause-effect nexus between organizational variables and organizational effectiveness. Simple minded models of organizational effectiveness, such as the economist's conception of market structure determining the firm's performance under rationality assumptions (Marshall, 1920), or the human relations model that participative leadership leads to organizational effectiveness, are not likely to be very useful. Indeed, historically, models of the determinants of organizational effectiveness have tended to get more and more complex, from the early supposition that certain organizational traits (e.g. Weber, 1947) or certain management principles (e.g. Fayol, 1916) determine effectiveness to situation specific models of organizational effectiveness, such as that organic, informal, team-work modes of management are more effective than mechanistic, bureaucratic modes in turbulent operating environments, while the reverse may be true in stable environments (Burns and Stalker, 1961); or that unless the organization is integrated in proportion to the extent of differentiation required by its task environment, it would not perform well (Lawrence and Lorsch, 1967); or that for high performance, there should be parity in the use of uncertainty reducing, differentiating, and integrative mechanisms of structure (Khandwalla, 1973).

The emerging view seems to be that (a) organization designs in a modern, democratic society differ widely; (b) unless there is a good functional fit between the design and the particular context in which the organization is operating, the performance of the organization is unlikely to be high; (c) the performance of the organization is unlikely to be high unless there is a reasonably high internal consistency among the various elements of organizational design; (d) the choice of design is a strategic choice (Child, 1972), that is, given the operating context of the organization, one out of several available designs gets to be chosen by management through internal cognitive and political processes.

These paradigms have been utilized to develop a working model of organizational effectiveness shown in Figure 1. The major systemic components shown in the model are contextual factors that often serve as difficult-to-modify constraints on the organization; strategic variables that represent long range and far reaching commitments of the organization, such as goals, strategies, top management ideologies, policies, and styles; structural and technological variables; process variables like leadership, innovation, conflict resolution, organizational climate, and institution building; and effectiveness variables. Although the linkages between and among these groups of variables are highly complicated, for simplicity, the major relationships are indicated, reflecting contingency approaches. Thus, contextual variables are shown as influencing strategic and structural variables; strategic variables are shown as influencing structural and process variables; structural variables are shown as influencing process variables. However, it is emphasized that higher order variables do not determine lower order variables, but only influence the latter by limiting choice, thus incorporating the strategic choice perspective. The particular response the organization makes to a higher order variable will effect organizational effectiveness - positively, if there is a good fit between the higher order variable and the lower order response, and negatively, if the fit is poor. This is shown by arrows going from response variables to effectiveness variables. The particular responses the organization makes to higher order variables will, of course, be determined by cognitive processes of the decision-makers (Kiesler and Sproull, 1982; March and Simon, 1958), their personality dispositions (Zaleznik and Kets de Vries, 1975), their attitudes, values, beliefs, norms, etc. (Beyer, 1981; Blau and McKinley, 1979; Sproull, 1981), and political processes among them (Anderson, 1983; Child, 1972; Cyert and March, 1963). The model is a dynamic one : it indicates that the assessment of organizational effectiveness will tend to initiate organizational action that modifies contextual, strategic, structural, and process variables.

FIGURE 1

A MODEL OF THE DETERMINANTS OF ORGANIZATIONAL EFFECTIVENESS



REVIEW OF POST-1976 INDIAN WORK ON ORGANIZATIONAL EFFECTIVENESS

Introduction

Since the last ICSSR survey reported Indian work on organizational behaviour upto 1976 (Sinha, 1981), the stress here is on post-1976 work. To avoid overlap with other chapters, only studies where the unit of analysis is the organization (rather than individuals or groups working within organizations) have been highlighted. Thus, those studies of job satisfaction, managerial attitudes and values, etc., in which researchers have reported information on individuals without much attempt to link this information with the effectiveness of the whole organization, or with other determinants of organizational effectiveness like organizational goals and strategies, organizational structure, organizational processes, etc., have generally been avoided. However, studies where the unit of analysis is the individual, not the organization, but from which some organizational level inferences are possible, have been discussed. Studies that merely describe management tools, or report their use for enhancing organizational effectiveness, but without reporting their actual impact on organizational effectiveness, have also been generally avoided. Excessively impressionistic studies and popular level articles have also, by and large, been avoided. As review criteria, quality and relevance have been emphasized over coverage. While this may have curtailed coverage, the hope is that conclusions drawn from studies reviewed may have more theoretical punch, and greater significance for future research. Since organizational-level research is still largely in a nascent stage in India, innovative or pioneering methodologies, theories, research sites, and conceptualizations have been highlighted as spurs to further work. Also highlighted have been organizational studies of high social relevance, particularly studies that address themselves to issues of socio-economic change and development. The hope here is to assist in the development of an organization theory particularly relevant to developing societies.

In the mid-seventies, a reviewer of the organization behaviour scene in India flatly commented : " ..... research in India has tended to be concept-centered rather than problem-centered. Most of the research studies are a replication of studies done in the West, and attempt to validate theories and concepts developed there..... To-date there has been no contribution of any major significance to OB knowledge from India" (Chaturvedi, 1977:16). Other reviewers, too, have commented on that imitative quality of most Indian work, the low relevance to the burning problems of Indian reality, and poor quality of research (Ganesh, 1981; Moulik, 1981; Sinha, 1981).

Several reviews of Indian organizational behaviour work have indicated the predominance of psychology-based, individual oriented studies over macro-level, organization focus studies (Chaturvedi, 1977; Ganesh, 1981; Sinha, 1981). As Chaturvedi noted, "Motivation, job satisfaction and leadership are the most researched topics..." (ibid : 16). Sinha's review (1981) of organizational behaviour work from 1971 to 1976 listed over 300 references. Of these, about a third were categorized as relating to motivation, job satisfaction, and leadership. Empirical studies with the organization as the focus of enquiry seemed a small minority, perhaps no more than 20% of the listed studies. Of the nearly 500 papers scanned by Ganesh (1981), nearly twice as many papers were identified for the 1976-79 period compared to the 1971-75 period, suggesting an acceleration in Indian research on organizational behaviour. Motivation, job satisfaction, and leadership continued to account for about 33% of the total number of reviewed studies, with an additional 17% or so devoted to the study of individual values and roles. In comparison, studies of organizational decision-making, communication, structure, change and development, institution building, climate, conflict, objectives, etc., with a largely organization-level focus, aggregated to only about a third of the total. Ganesh's review would suggest that the bulk of the organizational behaviour research in India is still molecular in its focus. This makes building of models of organizational-level effectiveness a more daunting task than building of models of individual behaviour and effectiveness in an organizational context. Besides, a majority of the organization-level studies are either sketchy case studies of single organizations, or anecdotal studies, or non-rigorous wisdom pieces, or "how to", technique oriented articles, of little usefulness in theory construction. Studies that may be useful in flashing out the elements and relationships in Figure 1 may be no more than a handful.

On the other hand, though the bulk of the OB research in India has been, and continues to be, devoted to topics in organizational psychology, and macro-level work is of modest quality, an impressive array of organizational sites, elements of organizational structure, contextual variables, aspects of organizational effectiveness, and organizational processes have been subjected to at least preliminary investigation. Sinha's review (1981) indicated that exploratory work has been done on public bureaucracies (e.g. Dayal, 1973); corporations both in the public and the private sectors (e.g. Nigam, 1971; Pathak, 1970); health care institutions (e.g. Agrawal, 1975); financial institutions (e.g. Das, 1975); academic institutions (e.g. Bhogle, 1972); and associations of persons such as trade unions (e.g. Dowson, 1971). His review also indicated that aspects of structure such as centralization, management planning and control systems, span of control, line and staff, hierarchy, communication patterns, structures for workers' participation in management, etc. have, at least cursorily been investigated (e.g. Agrawal, 1974; Bhattacharya, 1971; Elhance and Agrawal, 1973; Gokhale, 1975; Rath and Murphy, 1975; Singh and Prasad, 1972; Varghese, 1975). Researchers have considered such contextual variables as organization's size, type, growth, environment, age, ownership, diversification, client system, and birth, (e.g. Bhogle, 1972; Maheshwari and Malhotra, 1973; Nandy, 1975; Negandhi and Reimann, 1972; Ojha, 1975; Sinha, 1973; etc.). Among organizational process variables, organizational climate, culture, leadership, institutional building, and organizational change through organization development interventions have been prominent (e.g. Adiseshiah, 1971; Dayal, 1974; Hariharan, 1972; Hill, Warren, and Baumgartel, 1971; Kakar, 1971, Malaviya, 1975; Rao and Chattopadhyay, 1974; Sharma, 1972; Singh and Pestonjee, 1974; etc.). Many indicators of organizational effectiveness have been considered, including productivity, output, profitability, innovation, organizational health, work satisfaction, and work motivation (Agrawal, 1975; Beri, 1976; Goyal, 1973; Pandey, 1975, Suri, 1970; Timmappaya, Chattopadhyay, and Agarwal, 1971; etc.). In other words, most of the building blocks of an Indian theory of organizational effectiveness have at least been considered, though much remains to be done to study their interrelationships.

Organizational Context and Effectiveness

Organizational effectiveness cannot be divorced from the context in which an organization operates. As economists have sought to demonstrate analytically, a firm's profitability is a function of the competition faced by the firm (Samuelson, 1967). The cultural context has been indicated to be a determinant of organizational effectiveness (Odagiri, 1981; Ouchi, 1981). Given the extensive dependence on the government in India, the political context, too, may be a shaper of organizational effectiveness.

Organizational context is, in reality, a number of more or less independent variables. These include the general culture in which an organization operates; the culture or norms of the particular industry or domain of activity to which the organization belongs; the operating business, legal, political, and control environment of the organization, the type of organization, its ownership, etc. These are contextual variables in the sense that they are largely exogenous to the organization, that is, largely beyond the control of the organization, and operate as durable constraints to which the organization needs to adjust.

Size of the organization and operations technology employed by the organization have also been considered contextual variables by organizational researchers (Agarwal, 1979; Gerwin, 1981; Pugh, Hickson, Hinings, and Turner, 1969). Strictly speaking, however, neither is exogenous. Both size and technology are, strictly speaking, decision variables. However, they are usually the outcome of the organization's evolutionary process and there is usually little that an organization can do about either at any given point of time. On the other hand, both represent important constraints to any kind of strategic and operating decision-making, and hence they are generally treated as contextual variables. (It should, however, be emphasized that the decision to expand capacity or to diversify, and the decision to go for a new technology should be treated as strategic variables).

General culture

Several writers have sought to draw the implications of what they perceive to be Indian cultural parameters for the functioning of Indian organizations. Indians have been held to be affiliative, with a marked preference for personalized relationships (Dayal, 1977; De, 1974; Sinha and Sinha, 1974); dependency prone (Chattopadhyay, 1975; Pareek, 1968; Sinha, 1980), with a low work and high leisure or "aram" ethic (Sinha and Sinha, 1983), authority oriented (but not necessarily authoritarian in the Western sense conceptualized by Adorno, Frenkel-Brunswik, Lewinson, and Sanford (1950)), status conscious (Kakar, 1971; Sinha, 1982), governed strongly by social norms about responsibility, authority, equality, and inter-personal relations in their behaviour even in the organizational setting (Parikh, 1979), etc. These conceptualizations about the Indian personality have usually been based on clinical experience (Nandy and Kakar, 1980), reading of Indian scriptures (Chakraborty, 1983), analysis of children's readers (Kakar, 1977), small sample studies, or casual empiricism, rather than large sample or national surveys.

research need

Kakar (1977) has suggested that authority ideology in Indian organizations is mostly parental (nurturant or assertive), that is, marked by a directive boss and an obedient subordinate, sometimes with and sometimes without an emotional affiliation felt by the superior towards the subordinate. Sinha and Sinha (1983) have argued that given the dependency proneness of Indians, a style of leadership that blends authoritarian direction with a paternal nurturance - what they call the NT or nurturant-task leadership style - makes good sense. Dayal (1977) has contended that the affiliative nature of Indians argues for emphasis on personalized relationships at work, and therefore, emphasis on loyalty to the boss and parental nurturance by the boss. Since personalized relationships and loyalty may be easier to have if the organization's members come from the same cultural background, an implication may be that nepotism may be functional in Indian organizations. because this may be dysfunctional given other contextual factors, selective recruitment or people change strategies may be the solution.

Managerial Culture

Managerial socialization in India may be an important contextual variable. Managers of large formal organizations (such as of government bureaucracies, public enterprises, and large private sector corporations) tend to come from the urban middle and upper middle class, tend to be college educated, socialized in English medium institutions during their professional training as engineers, MBAs, accountants, administrators, etc. (Saiyadain and Monappa, 1977). This socialization may provide them with a distinctive set of values and aspirations that may differ sharply from general cultural values in India. The values and aspirations of these managers may importantly shape the functioning and effectiveness of sizeable, formal Indian organizations. Many recent surveys of managerial values, needs, goals, etc., provide an intriguing picture of the managerial culture in India.

Several studies attest to the centrality of growth and actualization needs (Alderfer, 1972; Maslow, 1954) in Indian managers. Maheshwari (1983) studied the expectations of 1,120 middle and senior-level executives, mostly from public and private sector corporations and some also from governmental bureaucracies, from their organizations. A majority were in the age group 36-50 and 95% had graduate or post-graduate degrees. Challenging job, freedom of action, and money were the top ranking job factors, while power, good colleagues, and good subordinates were the bottom rankers. There were no striking differences in the importance rankings as between public, private, and governmental sector executives. Career opportunities and image of the organization were the factors rated as most important in choosing an organization to work with, while the organization's ownership and location were the least rated factors. Maheshwari's study suggests that challenge, autonomy, and career opportunities are rather important to the executive class in India while affiliation related factors may be of secondary importance. Soares, Valecha, and Venkataraman (1981), too, in their study of the values of Indian managers, found that good work ethic related values were rated as more important than inter-personal values such as being helpful to colleagues, superiors, subordinates, etc., and these in turn were more important than concern for clients, democracy, and recognition of others. This study suggests that task and self-centric values dominate inter-personal values and socio-centric values. In P. Singh's study (1979) of occupational goals and values of Indian managers, freedom, autonomy, challenges, and creativity were rated as more important than desire for economic gain, stability and security, and exercise of power.

Thus, the managerial class in India may espouse rather different values than those believed to be the traits of Indian culture, such as dependency proneness, an affiliative orientation, a high social ethic, and a low work ethic. Managerial performance for job challenge, autonomy, and work ethic would pressurize the sizeable formal organization to decentralize authority, democratize decision-making, and adopt organizational growth as major goals. However, a study of the styles of Indian managers by Singh and Das (1977) seems to reveal a substantial gap between espoused values and behaviour at work. Singh and Das studied 280 mostly lower-level managers from two public and four private sector companies in the steel and engineering industries. The extent of use was sought of eight managerial styles by each respondent in eight areas of managing. The bureaucratic style, with its emphasis on rules and regulations, was the most frequently used mode, followed by the benevolent autocratic mode (akin to the NT leadership style described by Sinha (1984). The democratic style, with its emphasis on team management and on relationships as well as tasks, ranked only fourth, although above the sixth ranked autocratic style (purely task oriented, centralized, unilateral decision-making). The trust and relationship oriented developer style ranked third. A large sample survey of 3754 managers in 50 public and private sector organizations by Sharma (1983) indicated that in Indian organizations lower order needs such as for money, safety and security are perceived to be better looked after by management than growth needs, such as for participative management, training, scope for advancement, etc. A survey of 172 managers attending training programmes at IIMA (Saiyadain and Monappa, 1977) indicated that a majority were high on achievement need but also Machiavellianism (manipulativeness), and valued not only growth but also security. In a study of government executives (Agrawal and Sharma, 1977), while the number one need was self-actualization (Maslow, 1954), it was only fourth out of five needs on the actual need level, the number one need being security.

The anomaly between a general managerial wish for personal growth and a managerial practice that is primarily bureaucratic, benevolent autocratic, manipulative, catering mainly to security or "hygiene" needs (Herzberg, 1968) may be due to various reasons. Sizeable formal organizations get bureaucratic as they grow larger (Agarwal, 1979), so that their executives may be forced to practice a rules oriented style, especially at lower levels where discretionary authority is low. A second reason may be risk aversiveness. Indian executives may want growth, challenge, etc., but not by jeopardizing their careers by breaking rules and regulations. Thus, where idiosyncracy costs are high, as in the public sector, managerial behaviour will tend to be bureaucratic despite the presence of growth needs (Bhagat, 1977; Dayal, 1974). A third reason may be that executives may imitate their bosses, and if top level executives are bureaucratic or benevolent autocratic, so will be their subordinates. Thus, the larger the organization, the more risk aversive the managers, and the more bureaucratic or traditional the top or senior executives, the greater may be the gap between managerial aspirations and managerial practices at lower organizational levels, resulting in managerial frustration and lowered effectiveness. Could this be a cause for illness? Thus, despite growth need, there is illness. How do managers cope with this?

An even more interesting possibility may be that given that India is a society in transition, managers internalize two sets of values : those drawn from the traditional moorings of the family and community, principally values related to affiliation, security, dependency, and social obligations, and those drawn from modern education, professional training, and the imperatives of modern technology, such as those relating to personal growth, efficiency, collaborative work, etc. (Parikh, 1979). Values in practice would then depend upon which of these are evoked by the work context and the cues emitted by top management. Under favourable circumstances (e.g. the organization making good profits), managerial behaviour may be closer to the democratic, growth ideals; but it may precipitously change to a defensive, submissive, risk aversive behaviour in unfavourable circumstances (e.g. a loss situation). Similarly, under a dynamic and liberal top management, corresponding modernity values may be evoked in the lower managers, while in the same organization under a conservative, status quo management, feudal values may be evoked (Khandwalla, 1981c). In future studies of managerial values, it would be useful to measure them in alternative organizational scenarios or contexts.

Indian managers seem to have somewhat differing beliefs about what contributes to organizational effectiveness and what contributes to organizational ineffectiveness. In an open-ended survey of 239 executives, Singh, Kaul, and

Ahluwalia (1983) found that integrative factors like leadership, team spirit, employees' identification with organizational goals, as well as innovation and career advancement potential were mainly perceived to contribute to organizational effectiveness. A deficient management - poor planning, bureaucracy, lack of coordination - as well as lack of identification of staff with organizational goals were perceived as main hinderers of organizational effectiveness. In a follow-up study of 523 managers from over 150 assorted organizations (FORE, 1984), the major perceived factors of effective management were consideration for the staff, the management's coping ability, leadership, and ability to control. The major factors of perceived ineffective management were organizational (structure, coordination, etc.), contextual (government, union behaviour, etc.), and social legitimacy related (bad public and community relations, inadequate resources).

The values of managers may affect their perception of the organization's effectiveness. In a study of 18 branch managers (and 537 employees) of a large bank, Sayeed and Mehta (1981) found that modernity values of the managers, such as their equalitarianism and individualism, were significantly positively correlated with several rated indicators of organizational health (such as the organization's innovativeness, job involvement and identification with the organization, growth, effectiveness, human resource development, problem-solving capability, effective conflict management, etc.). On the other hand, such traditionalist values as conformity to authority and self-denial tended to be negatively related to these indicators of organizational health. Since the indicators of organizational health themselves were loaded in favour of modern values, the findings suggest that "progressive" managers tend to find their organization to be "progressive"; while conservatives tend not to find it as "progressive".

Task Environment

Contingency theorists like Thompson (1967), Khandwalla (1972), Shortell (1977), and others have proposed several hypotheses linking the properties of the organization's external environment with its structure and functioning. An implication for organizational effectiveness is that different designs may be "optimal" depending upon the nature of the organization's task environment. For example, a decentralized organization may make more sense in a heterogenous operating environment than in a homogenous environment (Chandler, 1962), and an organic, informal, team mode of management may make more sense in a turbulent environment than in a stable environment (Burns and Stalker, 1961). While some theorists have held that the organization has relatively little control over its environment, others have argued the reverse (Pfeffer and Salancik, 1978). Through choice of products or services to market, market segments, decisions concerning vertical integration, diversification, marketing strategy, lobbying strategy, and competitive strategy, organizations enact their environments (Weick, 1969). Thus, the current task environment is mostly the outcome of past strategic choices and arrangements. But regardless of whether the task environment is purely exogenous or only partly exogenous, there is consensus that it is an important contextual factor shaping the structure, functioning, and effectiveness of organizations. Several dimensions of the task environment are discussed in the following sections.

Control Environment

Perhaps the most significant task environmental variable in the kind of developing country that India is may be the control environment of the organization. This consists of legal or quasi-legal constraints on the functioning of the organization, such as MRTP restrictions on expansion and diversification of larger private sector enterprises (Encarnation, 1982; Khurana, 1981; Mascarenhas, 1978), the regulatory apparatus for public enterprises (Khandwalla, 1982a; Murthy, 1982; Patil, 1981), business house control of its enterprises (Pendse, 1983; Tripathi and Mehta, 1981; Verma, 1981), requirements imposed on the organization by financial institutions (Bidani and Mitra, 1982), holding companies, etc.

Several studies indicate that the control environment has had far reaching strategic and structural effects on Indian organizations. In a longitudinal study of seven large public and private sector companies, Maheshwari and Malhotra (1977) noted some of the structural changes that may have been caused by government policies. For instance, government restrictions on expansion may have reinforced the desire to diversify, and ultimately led to divisionalization, while government policies, by eroding profitability or by making decision-making more complex, may have occasioned change from a functional set-up to the establishment of profit centers, and may have led to the increase of central corporate staff. Khandwalla (1980), in his interview study of indigenous managements, identified regulatory complexity and pressure from financial institutions as significant causes of management professionalization. Chaudhuri, Kumar, Prahalad, and Vathsala (1982) noted different patterns of diversification in their sample of 72 public and private sector companies, which they attributed to their respective control environments. While enterprises in both sectors diversified during the period 1960-1975, related diversification was more in evidence in the public sector, while unrelated or conglomerate diversification was more in evidence in the private sector because the charters of public enterprises tend to be narrower than those of private enterprises, being fixed by the particular ministries to which they are attached. Import controls seemed to be one stimulus to diversification in the private sector. Another seemed to be licensing restrictions on expansion in a given product market. FERA regulations may have spurred MNCs in India to diversify. While MRTP regulations may not have appreciably checked the growth of large business houses (Khurana, 1981), Encarnation (1982) found that domestic constraints may have pushed companies regulated by the MRTP Act to set up overseas ventures. Mascarenhas (1978) found, in a sample of 48 chemical and pharmaceutical firms, that both governmental restrictions as well as incentives and facilities offered by the government were associated with the technological progress made by the firm. Omita Paul's (1983) study of the perceptions of executives in Delhi from the central government, public enterprises, and private enterprises, of government-business interface indicated that despite the allegedly greater complexity of the control environment of public enterprises vis-a-vis private enterprises (Brown, 1984), government was seen as playing a more of a scrutinizer role and a restrictive role by those from the public sector.

However irksome and dysfunctional the legal and quasi-legal control environment of Indian organizations, it may also have had beneficial consequences, such as forcing organizations to diversify, set up ventures abroad, decentralize, professionalize their management systems, etc. These in turn may have increased the effectiveness of these organizations, especially in terms of such aspects as growth rate, long term viability, and the quality of life of those who work in them, particularly the managerial cadre.

In India, unlike the West, a very significant part of the control environment of even large non-governmental organizations is the family controlling them. Not only enterprises, but also political parties and cultural organizations are commonly under dynastic control. The structure and dynamics of the controlling family may profoundly influence the structure, functioning, and effectiveness of organizations under its sway (Pendse, 1983; Tripathi and Mehta, 1981; Verma, 1981).

Tripathi and Mehta (1981) studied the strategic decisions that resulted in the rise and growth of nine business houses of western India over the 1850-1956 period. The authors found no correlation between the caste background and the initial entrepreneurial act, nor any relationship between the caste or community background and the industries the business group chose to operate in, the group's growth strategies or management structure, and its mode of raising finance. Partly because of mostly related diversification, and partly because of the socialization of the successors of the entrepreneur in particular industries, the initial entrepreneurial act determined to a great extent the course of subsequent growth. The authors developed a multi-dimensional model of the entrepreneurial process, in which factors such as cultural values, socio-political conditions, the state of the industrial infrastructure, national goals and governmental policies, and reference groups, and changes in these - in short the social context and changes in the social context - interact with entrepreneurial initiative (perception of opportunities, assembling by the entrepreneur of facilities and resources, creation of organization, and consolidation) to produce entrepreneurial continuum (perception of expanding or contracting opportunities, response to change through strategic action). The work of Tripathi and Mehta suggests that family traditions and socialization of male members in charge of the controlled enterprises may be an interesting predictor of the structure, functioning, and performance of the controlled enterprises.

Verma (1981) studied the business histories of 33 industrial families. He focussed particularly on the structure and functioning of the entrepreneurial family as a managing and resource allocating system, and its consequences for the enterprises controlled by the family. He studied the demographic properties of these families (e.g. the size of the family, percentage of males, adults, etc.), and the impact of births, deaths, marriages, conflicts, education, etc., within the controlling family on the control and management of the enterprises. The karta (the head of the family) and other senior male family members constituted the core council and a number of sub-structures dealing with such functions as making investments, distribution of family income, liaison with the state, and control of the family's business units. Adult male family members were socialized by starting with an enterprise and progressively moving up through the sub-structures. The traditions and values of this authority structure seemed to determine the management style, practices, strategies for dealing with the external and the internal environments of the controlled organizations, growth strategies, etc. The educational attainments of the kartas seemed to be rising over time, and over time, more brides were coming into the family from industrialist families and less from families of professionals and businessmen, thus reinforcing an industrial rather than a trading orientation. A majority of the families seemed to follow the "Birla line" in dealing with the state ("pragmatic" collaboration, low dependence on financial institutions), while a minority seemed to follow the Tata line of scrupulous honesty and observance of the law, and high dependence on the state and its financial agencies. A majority seemed to be able to or want to exploit the state apparatus for their own ends. Suppliers and dealers were selected mainly from their kinship groups and members of their communities. Although Verma did attempt to assess the performance of these industrial families, failure to control for the effects of inflation vitiated the data analysis. Some interesting lines of research are suggested by the work of Verma. For example, is the performance of the enterprise linked to the relative power within the family of the member-in-charge ? What implications has the performance of the enterprise on cohesion and conflict within the family ?

Pendse (1983) studied the rise and evolution of two business groups, the Maheshwari group and the Thakkar group, both of which were established in the thirties. She sought to explain their divergent growth paths in terms of their founder's entrepreneurship mode. She identified two basic business house orientations, the commercial/financial, pursued by the Maheshwaris, and the technological, pursued by the Thakkars. The commercial/financial orientation is capital-based and tends to emerge when the founder has a background of speculative activities, a network of community-based contacts, and large financial resources. The technological orientation tends to be skill-based, with the founder having an academic background, a network of contacts with foreign principals, and good marketing skills. These basic orientations seemed to influence a number of strategic and structural choices in the controlled organizations. For instance, the Maheshwaris tended to diversify by acquiring unrelated, medium technology, standardized product units in established industries. The Thakkars tended to set up foreign-collaboration based, relatively "high tech" plants producing related products. The boards of the Maheshwari group were packed with family members and business associates, while senior corporate officials were included in the Thakkar boards. The finance department and the finance function tended to be very powerful in the Maheshwari organization; the technical, marketing, and purchase functions were also powerful in the Thakkar organization. In the Maheshwari companies, there was greater centralization of decisions with financial implications, and while cost control, budgetary systems, and strict cash monitoring were highly visible in the Maheshwari organizations, there were much more professional production planning and information systems in the Thakkar organizations. Conglomerate diversification and a financial orientation may mean frequent splits in the family over divergent risk preferences of members, as apparently was the case with the Maheshwaris. Pendse's work illustrates the profound implications of the orientation of the business house for the structure, functioning, and possibly performance of the controlled enterprises.

What sort of a control relationship may spur superior performance of the controlled unit ? Khandwalla's study (1982a) of four equipment manufacturing public enterprises suggests that the controlling authority should provide the controlled unit with a dynamic and professional top management; make a frequent and detailed performance review of the controlled unit in order to institutionalize in it appropriate budgetary control and performance monitoring systems; pressurize the controlled unit to live up to previously agreed upon targets but temper this pressure with a nurturant attitude; grant to the controlled unit a good deal of operating autonomy, holding it accountable for results rather than procedures; have management experts at head-quarters to monitor the controlled unit; and avoid frequent change of the chief executives of controlled units. The controlled unit, too, can contribute to effective relations with its controllers by frequently feeding back its opportunities, achievements, problems, and failures to headquarters; by cultivating top, senior, and junior officials at headquarters; by establishing credibility through superior performance on goals that are important to headquarters, etc.

Operating external environment

Besides the control environment, several other aspects of the task environment and their organizational impacts have been studied. Maheshwari and Malhotra (1977) sought to explain structural changes in seven public and private sector organizations partly in terms of growth in competition faced by them. The structural changes involved were change from a functional to a divisional structure, and the additions of several new corporate staff functions like training and planning. Ramamurthy (1982) sought to explain the superior performance of Bharat Heavy Electricals Limited, a giant, monopolistic public enterprise attached to the Ministry of Industry, vis-a-vis Hindustan Engineering Corporation, another large, monopolistic engineering public enterprise attached also to the Ministry of Industry. In part, the more buoyant markets of the former accounted for its superior performance. In a study of four human service organizations, two with a predictable task environment and two with a precarious, relatively hostile task environment, Murdia (1978) found that the decision-making, communications, and coordination structure of the precarious task environment organizations seemed to be more participative, decentralized, and organic. She also found that the members of the precarious organization were less alienated (Murdia, 1979). In a study of 70 branches of a nationalized bank, all located in the state of Gujarat, Anand Ram (1980) hypothesized that in a competitive environment, an organic mode of management (Burns and Stalker, 1961) would produce superior performance, while in a low competition environment a mechanistic mode (Burns and Stalker, 1961) would produce superior performance; and that in a heterogeneous environment a professional style of management (Khandwalla, 1977 : ch.11) would yield superior performance, while in a homogeneous environment an anti-professional, intuitive mode of management would yield superior performance. Anand Ram claimed support for the first three hypotheses, while the fourth hypothesis was controverted. Khandwalla (1983b), in a study of 75 organizations, mostly corporations, sought to identify the strength of causal relationships between a mode of management he labelled as pioneering innovative (PI) and four different dimensions of task environment. His findings indicate that while a scopeful environment (many new product introductions, few external constraints on growth) may have a stronger positive causal impact on the PI mode than vice versa, the PI mode has a much stronger impact on environmental complexity (a rapidly shifting, technologically sophisticated, heterogeneous environment) than vice versa. Thus, a vigorous, risk taking, innovative, pioneering management can shape its environment and not just be shaped by it. In a longitudinal study of four engineering public enterprises, Khandwalla (1981b) found support for his prior hypotheses (Khandwalla, 1977 : ch.11) that in a complex environment, a technocratic and participative management mode, called the professional mode, yields superior performance, while in a turbulent environment, a risk taking and organic management mode, called the entrepreneurial mode, yields superior performance.

The foregoing review suggests (a) that aspects of task environment, especially complexity, restrictiveness, turbulence, and adversity may have significant implications for the structure and style of management of organizations; (b) generally speaking in India, as in the West, given environmental turbulence and adversity, modes of management that stress risk taking, entrepreneurship, innovation, pioneering, etc., may be particularly appropriate, while given environmental complexity through diversity of markets, legal restraints, technological sophistication, etc., modes of management that stress planning, technocracy, professionalism, use of sophisticated management systems, participative management, human resource development, etc., may be particularly appropriate. To put it another way, entrepreneurial type management may be more suitable in a turbulent, threatening environment than in a complex environment, and professional management may be more suitable in a complex environment than in a turbulent environment. To the extent that rapid socio-economic change generally implies both growing environmental complexity and turbulence, especially for society's larger organizations, fusions of entrepreneurial and professional modes of management may be needed for most Indian public enterprises, many large private sector enterprises, and other large development oriented institutions. Given the importance of these two styles of management, it may be useful for organizational psychologists to expand their conceptions of leadership beyond those of structure and task orientation, consideration and nurturance, participation, etc. (House, 1971; Sinha, 1984) to the leader's commitment to risk taking, innovation, professionalism, and operating flexibility.

Organizational type

The structure and functioning of organizations may be shaped by their activities, or by purposes, and ownership. A power-seeking political party may operate differently than a missionary hospital geared to save souls. And yet, organization theorists have cautioned against too quick an assumption of differences. Two organizations may belong to two different types, and yet share many similarities. Indeed, the raison d'etre for one organization theory rather than one theory for cooperatives, another for firms, and a third for colleges is that typological differences at a phenomenological level are often superficial, and organizational differences need to be explained in terms of more fundamental causal forces, such as who is the principal beneficiary of the organization (Blau and Scott, 1962), the dominant mode of controlling the behaviour of the members of the organization (Etzioni, 1964), whether or not the outputs of the organization are easy to measure, and whether the organization produces goods or services (Khandwalla, 1977 : ch.8), the type of ownership relations (Krishna Kumar, 1982), whether or not the organization is oriented to social change and altruism (D'Souza, 1984), the nature of the operations technology predominantly employed by the organization (Woodward, 1958; Perrow, 1970), etc.

A typological difference of considerable importance, especially in the context of a developing society, is based on ownership differences. In India, comparative studies of public (i.e. government) owned versus privately owned enterprises, and the organizational implications of ownership difference, have been fairly common (Dwivedi, 1983a, 1983b; FORE, 1984; Joseph and Kesavan, 1977; Krishna Kumar, 1981, 1982; R. Padaki, 1983b; Satyanand, 1984; Sharma, 1983a, 1983b; etc.). In a study of 83 supervisors by Joseph and Kesavan (1977), 45 from the public sector and 38 from the private sector, the subordinates were asked to rate their supervisors on Stogdill's LBDQ instrument. Public sector supervisors were found to be lower on persuasiveness, structure, production emphasis, and integration. In a study of 21 public sector undertakings and 26 private sector organizations involving 3,629 supervisors, Sharma (1983a) found that management-supervisory staff relations were significantly poorer in the public sector, and so were such perceived organizational climate dimensions as objectivity and rationality, recognition and appreciation, scope for advancement, grievance handling, training and education, and participative management. In a comparative study of six previously sick textile mills taken over by the government and five private sector mills, R. Padaki (1983b), too, found that the public sector mills were lower on macro (that is, organizational level) dimensions of organizational climate. Jaggi (1978), in a study of 120 managers, found that private sector managements tended to be more participative than public sector managements although Maheshwari's study (1978) of a dozen public and private sector corporations indicated no significant differences between the two types on either the participative or the entrepreneurial orientations of management. In Ganguly's study (1977) of fifteen organizations, the sharpest differences in management style were between family-managed and public enterprises. These studies suggest that leadership and organizational climate tend to be poorer in the public sector.

Singh's study (1979) of 100 managers in the public sector and 180 managers in private sector organizations indicated some interesting differences as well as similarities in managerial styles. The democratic style was reportedly practised by 3% of the public sector managers but by 20% of the private sector managers; the benevolent autocratic style was practised by 7% of the public sector managers but by 25% of the private sector managers. The compromiser style was practised by 23% of the public sector managers but by only 6% of the private sector managers. On the other hand, the autocratic, missionary, and deserter styles were infrequently practised in both the sectors, and significant percentages in both the sectors practised the bureaucratic and the developer styles (31% versus 21% and 20% versus 13% in the public versus private sectors). Singh's study indicates that managerial firmness may be less evident and procedural rigidity more evident in the public sector. Also, in terms of J.B.P. Sinha's forceful argument (1984) for the efficacy of the nurturant task and participative styles (analogues to the benevolent autocratic and democratic styles of Singh), the public sector seems to be at a distinct disadvantage; while only 10% practised the democratic or benevolent autocratic styles in the public sector, as many as 45% practised this style in the private sector. Thus, Singh's study suggests that managerial style may generally be less effective in the public sector than in the private sector.

In an expanded version of Sharma's study reported above, in which there were 23 public sector organizations, 26 private sector organizations, and a total of

3,754 respondents, Sharma (1983b), found that though the public sector came off worse on supervisory-management relations as well as organizational climate dimensions, both sectors were similar in stressing the satisfaction of "hygiene" needs of employees (i.e. needs for security, money, etc.) more than the "motivator" needs (such as for advancement, training, participation, etc.). Also, through multiple regression, Sharma found that the factors predicting supervisory-management relations in both sectors were essentially the same, viz., grievance handling, recognition, scope for advancement, monetary benefits, and safety and security. In other words, essentially the same mix of hygiene and motivator factors contributed to decent management-staff relations in both the sectors. These are interesting findings, for what they suggest is that though personnel management may be poorer in the public sector, it does not need to be different than in the private sector. Essentially, therefore, good personnel practices in either sector could be transferable to the other.

In a study of two plants, a relatively small private sector paper-coating plant employing 180 persons, and a large public sector fertilizer plant, Dwivedi (1983a) attempted to compare the two on Likert's management style dimensions (Likert, 1961). The public sector plant outscored the private sector plant on five out of eight dimensions of style. In another reported study of a public sector plant and two private sector plants involving the measurement of key managerial orientations (Blake and Mouton, 1964), leadership effectiveness through the LEADQ instrument (Hersey and Blanchard, 1977), and trust through Dwivedi's T-DIS scale, Dwivedi (1983b) found that in the public sector plant the high relationship-low task orientation style appeared to be the dominant style while the high relationship-high task orientation style was dominant in the private sector plants. Dwivedi's two studies tend to contradict each other in terms of sectoral superiority : on Likert's ideal style metric the public sector plant was superior; on the Blake and Mouton metric the private sector plants were closer to the ideal conceptualized by

Blake and Mouton.

Parikh (1979) reported a questionnaire based study of the roles and acts of 30 managers each in a professionally managed organization with foreign equity participation, a family managed concern, and a public sector unit. Roles related to the areas of responsibility, authority, equality, and identity, and acts encompassed the areas of decision-making, exercise of authority, communication, evaluation, and reward and punishment. The variation in both roles and acts ranged from those that reflected a presumed Indian traditional social identity (role boundedness, an absolutist, single person conception of authority, isolated functioning or exclusion, and priority to social relationships) to a presumed modern work identity (a sense of responsibility not only for one's work duties but also to one's colleagues and the organization as a whole; a relativistic, multi-person conception of authority and acceptance of not only hierarchical but also lateral influence; inclusion, or norm of teamwork; and an emphasis on getting the job done). Parikh's social identity culture resembles Burns and Stalker's (1961) mechanistic organizational culture and Durkheim's (1933) mechanical solidarity, while her work identity culture resembles Burns and Stalker's organic organizational culture and Durkheim's organic solidarity. Parikh found that as between her three organizations, the professionally managed organization was closer to a culture of work identity, the family-run organization seemed to be moving slowly towards a work identity culture, and the public sector organization was closer to a culture of social identity. The differences in organizational cultures were not, however, statistically significant. In pair-wise comparisons, the only significant difference was between the family-run and public sector organizations. Parikh argued that incomplete socialization into a culture of work identity may be a major factor impeding the effectiveness of Indian organizations. The critical areas where a culture of social identity was strongly entrenched were the areas of evaluation and rewards and punishment. While a work identity culture was stronger in the areas of decision-making, communication, decentralization, etc., the mismatch with personnel evaluation meant that the Indian manager experiences a bind : the nature of his tasks requires him to function as a professional but he is evaluated on feudal norms like loyalty and yesmanship. This bind may be a serious impediment to organizational effectiveness.

Verma (1977) examined work values, leadership styles, organizational climate, performance and satisfaction, etc., in a nationalized, a recently nationalized, and two private sector banks. Verma found that the private sector banks were more efficient, though they did not differ from the public sector banks on leadership.

There may be important, though sometimes overstated, differences between public and private sector organizations. In particular, it has been claimed with some justification that public enterprises tend to have lower autonomy, more masters, more objectives, more public accountability, and more political interference than private sector organizations (Brown, 1984; Singh and Pant, 1982). These differences may differentiate organizations in the two sectors primarily vis-a-vis top management functions and structure. Satyanand's study (1984) of boards of directors, in which 178 directors of public and private sector companies responded, indicates that there is at least one major sectoral difference : chief executives of public sector units tend far more often to have a technical background than those of private sector units. Thus, technical matters, such as collaboration agreements, acquisition and management of technology, and, in general, a production emphasis may tend to be stronger in the public sector. FORE's study (1984) of managerial perceptions of indicators of organizational effectiveness indicated several interesting differences between a sample of 162 public sector and one of 195 private sector managers. On an average, the public sector managers ranked profitability far lower than what the private sector managers did. The managers also ranked effective management processes. The public sector managers ranked good industrial relations significantly higher but coping with environmental changes as far lower in importance than private sector managers. These findings reinforce the picture of an inward, production function related bias in the managements of public sector units, and an outward, adaptation and profitability centered bias in the management of private sector units. The consequences may be intriguing. Comparative studies of public and private sector profitability have been unfavourable to the public sector (Khandwalla, 1981b; Sri Ram, Sharma, Nair, 1976). On the other hand, public enterprises seem to have registered faster growth rates (Maheshwari, 1978) and, though their productivity may be lower than those of private sector organizations, they seem to be improving their productivity at a far higher rate than private sector companies (Dholakia, 1978). Thus, the management of public sector enterprises may predispose them to strive for or achieve a somewhat different profile of effectiveness than private sector enterprises.

Low enterprise autonomy has often been cited as a differentiating feature of public versus private enterprises (Brown, 1984; Murthy, 1982). Krishna Kumar's study (1981, 1982), however, casts doubt on how major the difference is. Krishna Kumar studied 7 public sector, 9 domestic private sector, and 7 multinational companies from three industries (engineering, electric equipment and cables, and chemicals, pharmaceuticals, and fertilizer). Significant sectoral differences on autonomy of the organization turned up in only one out of seven decision-making areas. However, when only public sector versus domestic private enterprises were considered, autonomy in clientele selection, in distribution channels selection, in recruitment, compensation, promotion of senior executives, and in capital investment decisions appeared to be significantly lower in the public sector (Krishna Kumar, 1981). But this comparison may be unfair since several private enterprises may be independent corporations. A comparison of public enterprises with multinational subsidiaries operating in India may be fairer since both sets are controlled organizations. As between the two, autonomy was notably different only in decisions concerning senior executives ~~and~~ concerning choice of distribution channels, in both of which public enterprise autonomy was lower.

Krishna Kumar (1981) exhorted researchers to go beyond the facade of ownership to ownership relations, that is, the actual relationship between owners or controllers and the owned or controlled organization. He argued that regardless of who owned an enterprise, where a supersystem pursues system rationalization, such as of performance reporting, wage structure, capital budgeting, resource allocation, etc., the autonomy of the owned organization would tend to be low. The more dependent the organization is on the supersystem for resources, etc., the less is its autonomy. The more critical the organization is to the supersystem, for instance because of its substantial revenue contribution to the supersystem, the higher may be its autonomy unless there is such interdependence between the two in terms of some strategic objectives of the supersystem that close control of the organization becomes necessary.

Besides making sectoral comparisons of autonomy, Krishna Kumar (1982) also made sectoral comparisons of a number of strategic, structural, and process variables such as management goals, controls, management operating orientations, work culture, motivational and conflict resolution mechanisms, etc. Although no significant differences were found in a majority of items (Krishna Kumar, 1982, Appendix VII), several interesting differences were found (Krishna Kumar, 1982 : pp.64-70). For example, meeting of national priorities was a salient goal for public enterprises but not for domestic private enterprises, while better employee morale was salient to domestic enterprises, both private and public, but not to multinational subsidiaries. Stable profits was much more important as a goal to multinationals compared to public enterprises. Private enterprises tended to stay away much more than public enterprises from product market areas where there were difficulties in securing inputs. Management of domestic private enterprises tended to practise a more organic and paternalistic but less technocratic and altruistic style than managements of public enterprises and multinationals. Both public and multinational enterprises used a longer planning horizon and a more elaborate budgeting system than domestic private enterprises. Need satisfaction tended to be higher in private enterprises as compared to public enterprises and so was the effort-reward nexus. At middle-management levels, authoritarianism tended to be higher and achievement and expert power orientation lower in domestic enterprises, both public and private, as compared to multinationals; and overall autonomy of management tended to be lower in public enterprises as compared to private enterprises. Overall, the findings suggest that domestic as well as foreign private enterprises are more profit oriented and less national priorities oriented than public enterprises, and both public enterprises and multinationals tend to be more professionally but also more mechanistically managed than domestic private enterprises. Consequently, one would expect differing patterns of effectiveness : public enterprises may show relatively higher effectiveness vis-a-vis pioneering of strategically important products and technologies into the country, multinationals may show relatively higher levels of profit stability and employee job satisfaction, while domestic private enterprises may show relatively higher levels of profitability and adaptability.

Besides public versus private ownership, several other typologies have been used in Indian work. For approaching the question of quality of work life, J.P. Singh (1982) sought a classification of organizations on the basis of those with poor physical working conditions, those where physical conditions are not bad but work is frustrating, and those where physical conditions are not bad and work is not frustrating but work is organized along traditional lines. For the purpose of studying the commitment of managers to the organization in cooperatives, Balaji (1984) classified them into externally, that is, government controlled, controlled by employee managers, and controlled by elected leaders. Balaji studied 169 managers in nine cooperatives. He found that organizational commitment was significantly lower in externally controlled cooperatives, as compared to the employee manager or membership controlled cooperatives.

Shaligram (1978) studied seven ancillaries and ten small independent firms, all producing industrial machinery or its components. He found no significant difference in their performance along three indicators, suggesting that organizational autonomy of small organizations may not be an important predictor of profitability. The quality of their managements may be (Patel and Srivastava, 1978).

Sayeed and Viswanathan (1983) studied a manufacturing unit and a technical institute (that is, a service organization). Perceptions of importance of job factors and organizational effectiveness were secured from 136 respondents in the manufacturing organization and 52 respondents in the service organization. The manufacturing organization's employees stressed intrinsic factors more; those of the service organization stressed extrinsic factors more. A few extrinsic factors (but not intrinsic factors) were related to perceived organizational effectiveness in both organizations. Thus, regardless of organizational type, perceptions of extrinsic factors may contribute to the organization being perceived as effective.

Mascarenhas (1978) examined the technological progress of a sample of 48 multinational and domestic firms operating in different chemical industries. Based on a measure used by Hicks, Harrod, and Solow, Mascarenhas developed a measure called Local Technology Capability Generation (LTCG). His sample consisted of 21 domestic, 14 U.S.-based, and 13 Europe-based companies in such Indian industries as pharmaceuticals, fertilizers, rubber, refrigerants, etc. He found that the multinationals, especially European multinationals, were better on LTCG than the domestic Indian firms, though paradoxically, the higher the percentage of equity held abroad, the lower was LTCG. Jaggi (1978) found that managements of multinationals practised a more participative style of management than indigenous private sector Indian managements. These studies confirm the earlier findings of Negandhi and Prasad (1971) that MNCs tend to be more "progressive" than domestic firms.

A type of organization of considerable importance to developing societies is the development administration organization (Dayal, 1974; Nef and Dwivedi, 1981). This organizational form, a peculiar hybrid of bureaucracy and entrepreneurship, has evolved in countries where the state has assumed large welfare and developmental responsibilities. In the Indian context, Pai Panandikar and Kshirsagar (1978) have identified four characteristics as essential to developmental administration : social change orientation, results orientation, citizen participation orientation, and work commitment (that is, work ethic). Pai Panandikar and Kshirsagar found all four to be modest in a sample of 723 administrators working in two industrial and two agricultural development related government agencies. Of the four orientations, social change and citizen participation were the lowest. The results do not augur well for those development administration organizations seeking to improve the quality of life of poor, conservative, relatively passive client systems. Besides inadequacies of orientation of development administrators, development administration in India also seems to suffer from excessive differentiation due to the erosion of the administrator's authority in the wake of the rise of local political institutions on the one hand and the emergence of state level and district level specialist departments on the other (Dayal, 1974). Poor teamwork, a pervasive feeling of powerlessness, targetry, and a status quo orientation seem to have led to cost overruns and delays, citizen alienation, poor achievement of results, and apathy (Khanna and Subramanian, 1982).

As an organizational type, development programmes constitute an important variation on development administration. These are aimed at specialized attempts at social amelioration, such as adult education programmes, rural development programmes (Moulik, 1980), antyodaya programmes (Khanna and Subramanian, 1982), etc. Although usually embedded in bureaucracies or dependent on them, these programmes often have a high degree of autonomy and involve the operation and coordination of interorganizational networks (Naik, 1984; Paul, 1982). Based on a study of six successful development programmes in as many developing countries (including India), Paul suggested that besides political support, resources, and charismatic leadership, these programmes need strategic management, that is, an orchestration of strategic, structural, and process variables. Since development programmes are often pioneering efforts, and need to work with culturally differentiated and often conservative clienteles, learning costs for the programme can be high. Paul suggested a strategy of rapid organizational learning prior to significant expansion or diversification of programme activities through the adoption of such mechanisms as (initially) a single dominant goal, pilot projects, phased expansion and diversification, monitoring of programme performance in terms of key performance indicators supplemented by informal monitoring, some form of client participation in decision-making, etc. He also suggested decentralization of functions, coupled with professionalization of staff (e.g. through training), team building, use of both financial and intrinsic motivators, unified control over field personnel, effective operation of an organizational network, and integration of planning and implementation. The effective management of the interface with the government (the major source of resources) by nurturing liaison with different organs of government was also recommended.

Social service voluntary agencies can play an important part in socio-economic development (Kulkarni, 1969; Natarajan, 1977). In a study of three rural-based social service voluntary agencies with a "creditable performance", Subramanian (1984) noted several features of their design and functioning. First of all, their goals were not rigid but emerged through interactions between the voluntary organizations, their sponsoring or parent agencies, and their clienteles. Over time there was, therefore, fluidity in their goals. Thus, consensus building on current operating goals would be an important management function. Secondly, to serve a community well, the voluntary agency needs to be intimately familiar with the community's diversity. It has to provide somewhat custom-tailored services to the various segments of the community, shifting its service-mix in response to changing need-mix. Thirdly, the voluntary agency publicising its experiences is a good resource-attracting strategy. Fourthly, to maximize its impact, the voluntary agency needs to forge operating links with other development agencies, beneficiaries, local communities, and government agencies. Fifthly, given its small size and the vastness of its tasks, it needs to adopt a matrix structure in which each member may be a member of several work teams and plays multiple roles and functions.

On the assumption that a social change agent and an altruistic orientation in the organizations of a developing nation are important for the process of development, D'Souza (1984) developed a typology of organizations and speculated about their generative conditions. High and low social change agent and altruistic policy orientations give rise to philanthropic (high on altruism but low on social change agent orientation), missionary (high on both), entrepreneurial (high on change orientation but low on altruism), and commercial (low on both) organizations. D'Souza suggested a number of determinants of each type. For example, a strong ethical ferment in society, the strategic importance of the outputs of the organization to society, and high complexity of operations and activities of the organization may make organizations missionary and philanthropic, while low values on these three may induce them to be commercial and entrepreneurial. Low political control of society, high pioneering innovative management orientation, and high social commitment to development may induce organizations to be missionary and entrepreneurial, while high political control, low innovative management, and low social commitment to development may induce them to be philanthropic and commercial High organizational autonomy and a strong resource base would induce organizations to be missionary or entrepreneurial while low autonomy and a weak resource base could induce them to be philanthropic or commercial. The orientation of the organization may have a significant impact on the kind of effectiveness it exhibits. For example, the commercial organization may show high profitability but lower growth rate than the entrepreneurial organization, and while the philanthropic organization may show higher stakeholder satisfaction with it, it may be eclipsed by the missionary organization on the criterion of catalysing socio-economic change in society.

Organizational size

Size as a contextual factor has been fairly extensively researched abroad (Blau and Schoenherr, 1971; Pugh et al, 1969, Child and Mansfield, 1972; Khandwalla, 1977 : ch.8; Pfeffer, 1982 : pp. 148-151). The major findings are that the larger the size of the organization the more decentralized it is and the more structured its activities get through role and functional specialization, standardization, and elaborate control and information systems. A consequence may be depersonalization and morale problems at lower levels of the organization (Porter, 1963; Talachhi, 1960).

Indian work on organizational size is still in its infancy. Dharni Sinha (1977) in a study of 65 chief executives of sizeable private enterprises, public enterprises, public bureaucracies, etc., found that coordination of activities, distribution of authority, staff motivation and commitment, and union-management relations, were mentioned as major issues more commonly by the chief executives of larger organizations than by those of smaller organizations. A larger percentage of the bigger organizations also reported using more commonly behavioural science tools like team building and sensitivity training, and to a lesser extent, organizational restructuring. Mazumdar (1977), in a survey of the mortality of small-scale units in South India, found an inverse relationship between size and mortality of the units, presumably because finance shortage, poor access to inputs, and poor knowledge of financial management were linked to small size. Mascarenhas (1978) found that larger and older chemical firms tended to be lower on LTCG, an index of technical progress he had developed. Size of resources may also prompt regional expansion of an organization's activities. Lall (1982) found that several large business houses as well as large public enterprises had set up ventures abroad, often in fairly sophisticated, non-labour intensive lines like computers, precision tools, trucks, pharmaceuticals, etc. A strong financial base and an extensive management experience, normally found only in large groups or enterprises, may be necessary to internationalize operations. Agarwal (1980) in a study of 500 companies in seven industries, found that for the period 1963-1972, firm size was correlated with profitability. He found economies of scale in all the industries, and therefore a tendency for firms to be concentrated in higher size classes in each industry. However, Das (1981), in a study of the fan industry, found only a small cost advantage in favour of the larger companies in the industry - their labour and material costs were lower, but their over-heads were higher than those of small firms. Jaggi (1978) found that larger Indian organizations tended to practise a more participative style than smaller organizations. Thus, increase in organizational size beyond a small scale may enhance organizational viability, profitability, and dispersion of activities; it may bureaucratize the organization but make decision-making less authoritarian; it may inhibit the organization's innovativeness; and it may exacerbate problems of coordination and staff alienation.

Technology

Technology is a contextual variable while assessing the organization's structural and functioning adaptation to the technology employed by the organization (Gerwin, 1981; Khandwalla, 1974; Marsh and Mannari, 1981; Pugh et al, 1969; Woodward, 1958). In a study of 8 companies, Sharma (1980) got their blue collar workers to provide their perceptions of work technology. An index of work technology was constructed for each firm. Its constituents were percentages of workers who indicated that their jobs (a) did not make them work too fast; (b) did not leave them too tired; (c) enabled them to use their capabilities; (d) gave them a chance to try out their ideas; and (e) permitted them to change their work methods. This index of congenial work technology was correlated with the level of worker job satisfaction.

One of the main avenues of growth for developing countries is through more sophisticated technologies and products. Technological upgradation can have widespread organizational consequences because a better educated staff is needed to man and manage the technology. One of the consequences may be the activation of higher order needs in the staff, in particular, the need to participate in the making of decisions (Khandwalla, 1977 : 460-464; Walker, 1958). In a study of about 60 workers each in a fertilizer and a textiles plant, Bhatnagar (1984) studied their need for participation, extent of participation, and participation deprivation (need minus extent) vis-a-vis six areas of decision-making. Although the actual reported participation tended to be higher in the textiles plant, participation deprivation was higher in the fertilizer plant in five out of six areas. The difference between the two plants in participation deprivation was greatest in the areas of technical decisions, welfare decisions, and work shift and compensation decisions. The generally greater participation deprivation in the fertilizer plant was attributed by the author to the greater sophistication of technology and the higher educational levels in that plant.

Strategic Variables and Effectiveness

Strategic organizational variables are those variables endogenous to the organization that have extensive and long lasting impacts on the organization. Strategic variables include the organization's goals (Perrow, 1970); its growth, competitive, and turnaround strategies (Chandler, 1962; Channon, 1982; Porter, 1980; Slatter, 1984), the style of its top management (Khandwalla, 1977 : ch.11; Likert, 1961; Mintzberg, 1973; Peters and Waterman, 1982), etc. These strategic variables tend to influence the structure, functioning, and performance of the organization.

Organizational goals

Only individuals, as sentient entities, may have goals, not organizations (Simon, 1960). However, both casual empiricism and research suggest that most organizations behave as if they are pursuing goals (Cyert and March, 1963; Perrow, 1970). Organizational goals are internal commitments to strive in certain directions. Operational goals, more than formally stated goals, have significant behavioural implications for the organization (March and Simon, 1958).

Through long goal - means hierarchies, operational organizational goals affect most aspects of organizational structure and functioning (Simon, 1964). Hence, they are strategic variables of great importance. Organizational goals tend to emerge from the organization's interactions with its environment and the interactions of various stakeholders within the organization (Child, 1972; Cyert and March, 1963; Thompson and McEwen, 1958). Most sizeable organizations pursue multiple goals, although the salience of goals to the organization may vary over time; also, some goals may be more salient than others (Cyert and March, 1963; Dent, 1959; England and Lee, 1971; Khandwalla, 1977 : ch.10; Saunders and Tuggle, 1979-80). Organizations tend to pursue not only several goals but several types of goal (Hall, 1982; Perrow, 1970), such as goals relating to the performance of the organization (profits, growth rate, productivity), the characteristics of its outputs (quality, social relevance), the health of the organization (staff morale, inter-staff collaboration, customer loyalty), and the desired mode of management (participative decision-making, resourcefulness and dynamism, professionalism). Since most organizations have hierarchical power structures, the salient goals of top management are usually close approximations of organizational goals (Khandwalla, 1977 : ch.10; Simon, 1960).

Indian work on organizational goals is small (Khandwalla and Jain, 1984; Mishra, 1982; Orpen, 1978). Orpen studied the relationship between communication about company goals and perceived clarity of company goals in a sample of 160 persons at four different levels in 8 firms. The levels were director, manager, supervisor, and worker. Goal clarity was measured by the question : "How clear an idea do you have of what your organization is trying to achieve ?" A person's interaction with managers (information given to managers, extra-mural contacts with managers, influence by managers, and the person's influence on managers) seemed to be a significant determinant of the person's clarity about the organization's goals. Since organizational goals are a major mechanism for integrating the organization (Barnard, 1938; Drucker, 1964), and since integrative devices may be a significant determinant of organizational effectiveness (Lawrence and Lorsch, 1967), Orpen's study suggests the importance of managers as organizational goal disseminators.

Mishra (1982) sought to establish a linkage between the perceived specificity of organizational objectives and indicators of perceived effectiveness. His sample was 150 respondents (56 officers and 94 non-officers) in 3 public sector financial corporations. Mishra's measure of effectiveness was operationally the perceived efficiency of superiors and subordinates of the respondents. Mishra found significant positive correlations between perceived specificity of organizational objectives and his measures of effectiveness. Mishra's study also tends to underscore the importance of communicating clearly to the staff the operational goals of the organization.

The hypothesis of differential impact of organizational goals on lower management job satisfaction was tested by Khandwalla and Jain (1984). Their sample was 47 mostly private sector corporations, with average annual sales of about Rs.400 millions, belonging to a variety of industries and business houses. Their size ranged from annual sales of below Rs.50 millions to over Rs.1,000 millions. They secured from top level respondents the "prior period" salience of twelve different goals to the top management, that is, salience three years prior to the study, and from middle and lower level managers their "current" job satisfaction on fourteen items. Causal inferences were sought since organizational goals pertained to an earlier period than job satisfaction. Since the unit of analysis was the organization, and not the individual, responses from each organization were averaged to secure the organization's scores on top management goals and lower management satisfactions. Goal salience was measured by securing ratings on how important to top management three years back was a substantial increase over past achievement on each goal. For lower managerial job satisfaction, the rating of importance of each job factor, were the respondent to consider taking another job, was multiplied by his current job satisfaction on each factor.

The most salient "prior period" goals turned out to be higher profitability (than in the past), higher growth rate, more stable performance, and higher operating efficiency, the classic goals of business enterprises. Next most salient were external relations goals (better public image, greater customer loyalty, better relations with the government), several organization effectiveness and development goals (higher staff morale, greater managerial skills, a more professionalized management), and growth in market share. The least salient was increased meeting of national priorities. These goals were fairly strongly interrelated (53 out of

66 correlations significant at the 95% level) and overwhelmingly positively correlated, suggesting a strong contagion factor governing goal salience. Some of the goals were far more pervasively intercorrelated than others. For instance, more professionalized management and higher operating efficiency were significantly and positively correlated with all the other goals, while increased meeting of national priorities was significantly correlated with only 5 goals. Thus, goals such as greater professionalization and efficiency may activate a large number of other goals, unlike isolated effort goals like better meeting of national priorities, and therefore, pervasively shape organization structure, functioning, and effectiveness.

Lower management job satisfactions showed a narrower range than top management goal salience. The weighted job satisfaction was highest for sense of challenge in job and lowest for opportunity to serve society. The fourteen items were fairly highly intercorrelated (58 out of 91 correlations were statistically significant at 95% level) and overwhelmingly positively correlated (only 3 intercorrelations had negative signs), suggesting a contagion factor operating also in lower management job satisfaction. The most highly intercorrelated job satisfactions were with respect to opportunity for personal development, opportunity for initiative, superior's appreciation for good work, and congenial colleagues. Management efforts to improve satisfaction vis-a-vis these may, therefore, yield bonuses in terms of higher satisfaction vis-a-vis many other job factors. There was partial support for this contagion effect in Misra and Kalro's study (1981) of extrinsically and intrinsically motivated managers. The intrinsically motivated managers expressed greater job satisfaction not only vis-a-vis intrinsic factors like job interest and opportunity to achieve excellence, but also vis-a-vis salary and pay (though not vis-a-vis company policies and security). The least correlated were the two "existence" factors, job security and emoluments, opportunity for promotion, and opportunity to serve society. Strategically, therefore, in situations where positive attitudes at middle and lower levels of management are important, and organizational resources are limited, management concentration on creating greater opportunity for personal growth rather than emphasis on higher pay, perks, job security, etc., may yield better results.

The correlations of goals with lower management satisfactions provided support for the hypothesis of differential causal linkages between organizational goals and lower management job satisfaction. For instance, all the correlations of higher sales growth and public image with the 14 job satisfaction items were positive; 10 correlations of better meeting of national priorities were, on the other hand, negative. The magnitude of the impact of the goals on job satisfaction also varied. The highest average correlations with job satisfaction items were recorded by customer loyalty and sales growth goals; the lowest by contribution to national priorities, operating efficiency, and performance stabilization goals. Each goal also tended to vary in its impact across the 14 lower management job satisfaction items, with customer loyalty and professionalization showing the greatest variation in impact, and public image, contribution to national priorities, and relations with the government showing the most even impact.

For the strategic organizations of a developing society attempting to meet national priorities by pioneering unfamiliar technologies and products, often in backward areas with great infrastructural difficulties, the generally negative relationship between the goal of meeting national priorities and lower management job satisfaction implies that dissatisfaction must be offset by two mechanisms : a more effective pursuit of national priorities so that lower managers do not suffer so much stress; and the simultaneous pursuit of satisfaction generating goals of organizational growth, a better corporate image, and greater customer loyalty. Operationalizing these goals and communicating them to the managerial rank-and-file in an interactive manner may give best results (Mishra, 1982; Orpen, 1978).

Management Style

The management of an organization performs several essential functions for the organization : planning and goal setting; structuring of the organization; control, coordination, and direction of activities; motivation of staff; establishing the organization's legitimacy in society; acquisition of resources, etc. (Bakke, 1959; Fayol, 1916; Parsons, 1956). The distinctive way it performs these functions is its style of management. Much Western work attests to the significance of management style for organizational effectiveness (Khandwalla, 1976-7; Likert, 1961; Ouchi, 1981; Peters and Waterman, 1982). There is growing evidence in India too, that management style may be a very important determinant of organizational effectiveness (FORE, 1984; Khandwalla, 1982a, 1983b; Maheshwari, 1978; Paul, 1982; Singh, Kaul, and Ahluwalia, 1983; Singh, Warrier, and Das, 1979; Zahir, and Manhas, 1980). Two style dimensions, the participativeness of management, and its dynamism, have especially been found to be linked with organizational effectiveness.

In an experiment involving 24 groups, Singh, Warrier, and Das (1979) found that democratic group leadership was correlated with group satisfaction, group productivity, and intragroup consensus. The task involved was the NASA game and the measure of productivity was group's agreement with pre-fixed NASA game priorities. It may be that the nature of the task itself was such that group discussion would help consensus on the right priorities. Moitra's study (1977) of participative decision-making at the plant level in the Durgapur Steel Plant also, on the face of it, suggested that structured participation by Union representatives in decision-making relating to plant level issues may improve industrial relations and decreases industrial conflict. However, it is not clear whether the good results at the steel plant were due to participative management or the existence of the Emergency during which, due to suspension of due process, industrial "discipline" throughout the economy vastly improved over the preceding period. In a study of workers' participation in management at Bharat Fertilizers, Warrier and Vora (1984) found that the participation experiment had neither improved the quality of decision-making nor had secured the commitment of the workers, and seemed to have injected a degree of alienation in middle managers.

In a study of 120 managers of a variety of organizations operating in northern and western India, Jaggi (1978) sought to measure the extent to which Indian management practised Likert's four styles (Likert, 1961), namely exploitative autocratic, benevolent authoritative, consultative, and participative. On an average, except for the level of formal decision-making in the organization, in which a benevolent authoritative style was reportedly practised, in most other management areas, a consultative style was practised.

Ganguly (1977), in a questionnaire survey of 880 managers in 15 companies operating in a variety of industries, sought also to identify management styles using Likert's instrument. By averaging responses from the same organization, he obtained a score for each organization. All the fifteen scores ranged from System 2 (benevolent autocratic) to System 3 (consultative). Since ratings were obtained for "now" and "previous", that is, four years prior situations, it was possible to assess shifts in styles. The shift appeared to be from a benevolent autocratic to a consultative style, and appeared to be more pronounced in organizations the more participative the "previous" culture. Interviews with managers indicated that in organizations where a participative philosophy was not internalized, participative rituals and practices, even where they existed, were not perceived as participative.

A.K. Sinha (1980) studied the styles of the heads of five departments each from two Bihar Universities. The styles were rated by student samples from each department. He found that J.B.P. Sinha's (1980) nurturant task and participative styles both correlated with the perceived quality of education in the department.

These studies suggest that the participative management style may be conducive to organizational effectiveness. Its effectiveness may be greater in combination with a professional management style (Khandwalla, 1977 : ch.11). This may be because a participative style, by striving for information sharing and consensus, offsets the differentiation inherent in the specialization and specialists-oriented professional style. In a study of four equipment manufacturing public enterprises, Khandwalla (1981b) found evidence to support the hypothesis of a positive synergy between participative and professionalist management orientations.

World-wide, there has been a growing interest in vigorous and innovative modes of management (Schumpeter, 1934; Khandwalla, 1976-7; Mintzberg, 1973; Peters and Waterman, 1982). Such modes of management may be particularly useful for a developing society aiming to grow fast through new technologies, products, and services. In a study of 75 mostly corporate public and private sector organizations, Khandwalla (1983b) reported the identification of a seemingly indigenously evolved vigorous mode of management he labelled the pioneering-innovative or PI mode. Its salient features were a policy commitment to pioneering novel, relatively sophisticated technologies, products or services, risk taking, emphasis on creativity and innovation, and on informality and adaptability. Khandwalla suggested that this mode was a modern outgrowth of the entrepreneurial traditions in the country (Tripathi and Mehta, 1981), as exemplified by Jamsetji Tata, Walchand Hirachand, Ghanshyamdas Birla, etc. In the study, the respondents (top level executives) were asked to rate current as well as past (that is, 3 years prior) policies, management goals, external environment, etc., and then ratings were averaged to secure organization-level scores. Hence, it was possible to deduce some tentative determinants and consequences of the PI mode. An ambitious management with high performance aspirations on a wide variety of goals, an opportunity-rich external operating environment, a conscientious, expertise and teamwork-based, achievement oriented top management, a policy of rapid growth, and a tough as well as a tender personnel policy apparently spawned the PI mode. In turn, the PI mode seemed to land the organization into a more complex, turbulent, but favourable operating environment, depressed the work ethic in the management level immediately below the top management but raised it in the middle management level, and raised the long term growth rate of the organization both absolutely and relative to rival organizations.

Maheshwari (1978) studied decision-making styles in six public and six private sector organizations. The data on styles were gathered through questionnaires completed mostly by middle level managers. The two styles studied were entrepreneurial and participative. High scores on the entrepreneurial orientation indicated a management perceived to be good at : anticipating and responding quickly to problems, trends, and emergencies; at diagnosing the deficiencies of the organization; at making intuitively right decisions; disregarding precedents in the search for the best alternative; results orientation; and generating an organization-wide commitment to high goals. Low scoring managements tended to be perceived as conservative, traditional, and bureaucratic. High scores on the participative style indicated a management perceived to be committed to decentralization, managerial autonomy, consultative leadership, and group decision-making. Low scores indicated an authoritarian, centralized mode of management. Maheshwari found that only the entrepreneurial mode was correlated with a subjectively rated measure of organizational effectiveness, while neither the participative nor the entrepreneurial mode was correlated with either of the two objective measures of enterprise performance, namely, the index of profit effectiveness and the index of growth effectiveness. A closer look at Maheshwari's data indicates, however, that the participative and the entrepreneurial orientations may affect effectiveness more strongly in interaction : the summed ranks of the enterprises on the two styles correlated about .6 with the summed ranks of the enterprises on the three performance measures. In a longitudinal study of four equipment manufacturing organizations, Khandwalla (1981b) found support for his hypothesis that a combination of a risk taking and an organic style of management improves organizational performance.

Besides examining the effectiveness of Western management modes in India, there has been a small but growing volume of work attempting to study indigenous modes of management (Khandwalla, 1980, 1983a, 1983b; Pendse, 1983; Verma, 1981). Khandwalla (1980), through interviews with a wide range of entrepreneurs, managers, business consultants, brokers, industry association officials, etc., identified some distinctive mechanisms of indigenous management, such as the padta system of financial control, the selective use of nepotism in grooming managers for key positions, the use of non-formal external and internal information networks, and paternalist nurturance of employee loyalty. Using data published in the annual financial reports of 228 companies listed on Indian stock exchanges, he found very large inter-business house, inter-industry, and intra-industry variations on such numerical indices as elite intensity (that is, highly paid elite staff per crore of rupees of value added), elite stratification (ratio of super highly paid to highly paid staff), technocracy (% of elite staff with technical qualifications), fresh blood orientation (% elite staff with less than 15 years service with the company), and experience orientation (% elite staff with over 15 years work experience). There was little evidence of a dominant mode of Indian management, or even of dominant modes of management within particular industries or business houses.

Khandwalla (1983a) reported a questionnaire based follow-up study of top management policies and practices. The sample was 75 private sector, public sector, and governmental organizations, the bulk being private sector corporations. Khandwalla identified three major building blocks of management style, namely, the modernity dimension, the tenderness dimension, and the mutuality dimension. High scoring managements on the modernity dimension reportedly subscribed to entrepreneurship, professionalism, and participative functioning; low scorers reportedly practised a conservative, intuitive, and authoritarian mode of management. High scorers on the tenderness dimension showed a tendency to go for soft options like monopolistic markets, and to cultivate stakeholders by customizing production, rewarding mainly staff seniority and loyalty, and actively participating in local community welfare activities. Low scorers subscribed to a philosophy of tough, business oriented pragmatism. High scorers on mutuality pursued an enlightened self-interest by favouring cooperation with rivals, paternalist nurturing of staff, market oriented production, and business honesty. Low scorers exhibited a mercenary orientation of wanting to "kill" competitors, to keep staff at arms length, to use high pressure selling tactics to dispose off production, and stoop to unethical practices if necessary.

Khandwalla trichotomized the scores of each dimension into high, medium, and low, and identified some combinations of these that represented fuller descriptions of Indian management styles. He identified five clusters or combinations, namely, the entrepreneurial - results oriented - enlightened self-interest style; the transitional - tender style; the traditionalist - tender - commercial style; the traditionalist - results oriented - commercial style; and the results oriented - commercial - professional entrepreneurial style. Khandwalla suggested that each of these styles was "rational". That is, under particular circumstances, and given certain key policy choices or commitments, each seemed to "make sense". For instance, given a policy commitment of pioneering new products and technologies, a style that stresses flexibility, results orientation, decentralization, participative decision-making, and professionalism enables the management to cope with the risks and uncertainties inherent in sophisticated entrepreneurship. The initial and subsequent policy choices culminate into the entrepreneurial - results oriented - enlightened self-interest style. Similarly, a policy commitment of being conservative and risk aversive not only vis-a-vis new investments but also vis-a-vis new management practices, even in the face of a turbulent operating environment, is feasible given additional choices, such as cultivating a "good guy" public image, using it to enter lucrative monopoly niches by securing appropriate government licences, prevent the entry of competitors, and then "milk" customers and staff (traditional - tender - commercial style). While these styles may vary considerably on a particular performance indicator, given a wide enough effectiveness criteria set, each may exhibit a unique blend of strengths and weaknesses. There may, therefore, be no one best management style.

Growth strategy

Organizational growth may be an important instrumentality of socio-economic development in the developing world, since the cost of organizational growth may be less than the cost of setting up equal sized new units. There has been substantial international work on growth strategies of organizations. These growth strategies encompass expansion (Penrose, 1959; Starbuck, 1965), diversification (Chandler, 1962; Channon, 1982; Rumelt, 1974), vertical integration (Comanor, 1967; Gort, 1962), internationalization (Stopford and Wells, 1972; Wells, 1981), and growth based on technology development (Horowitz, 1962; Scherer, 1965).

There has been significant recent Indian work on growth strategies. This is reviewed below.

Maheshwari and Malhotra (1977), in their study of changes in seven large companies over a ten-year period, noted that growth in size and regional diversification in banks had led to a number of structural changes. They acquired more corporate level staff and functions, and adopted a more sophisticated budgetary control system and a regionally decentralized structure. Other organizations that had grown through diversification divisionalized their structure.

Das (1979), based on interviews and archival records, studied how a multinational subsidiary operating in India diversified. Das identified three phases in the diversification process. The first is the initiation phase, involving key negotiations relating to the diversification with the control environment, and leading to the acquisition of competence for managing unfamiliar technology. The second is the operationalization phase in which the major management function becomes one of designing and building up a new organization to operationalize the diversification. The third is the consolidation phase in which the new organization is integrated with the values and systems of the main organization. Successful diversification requires the proper management of each phase. Mismanagement of any phase could cause a disaster.

Balakrishnan, Bhargava, and Jain (1980) did a comparative study of the growth strategies of two very large business houses, the Tatas and the Birlas. They relied wholly on published and publicly available materials. In India, growth of big business is severely restricted by by legislation (for instance, the MRTP Act). Hence, growth is facilitated by the ability to circumvent this restrictive legislation for obtaining licences for setting up new units, expansion, diversification, etc. After the sixties, when restrictive legislation began to be enacted, Birlas grew faster (that is, obtained licences more successfully), and engaged in a broader-based diversification than the Tatas, who tended to concentrate on engineering related industries and sought out monopolistic niches. While the Tatas financed their growth by heavy borrowings from the financial institutions, thereby diluting their control, the Birlas, by and large, managed to keep the financial institutions at bay. As a result of these strategies, the Birlas may have shown a different performance profile than the Tatas - possibly a faster growth but more uneven earnings. However, this profile may have been changing in the eighties with the decontrol of the economy and easier licensing for MRTP houses. The eighties have seen the resurgence of many Tata companies, possibly on account of a more professional management and a less restrictive environment.

Chaudhuri et al (1982) did a study of diversification patterns in a sample of 72 large public and private sector enterprises over the 1960-1975 period. At each five year interval, the authors classified these firms into four types : single business, related businesses, unrelated businesses, and related as well as unrelated businesses. They computed a diversity score which measured the number of businesses a company was in. While all categories of firms diversified, the patterns were different. Private enterprises showed much more of unrelated diversification than public enterprises. Within public enterprises, those with broad charters, like BHEL and HMT, showed more diversification and also more unrelated diversification.

Based on several case studies, Chaudhuri and Khandwalla (1983) identified alternative modes of managing growth and diversification in the public sector. They identified, on the basis of several case studies, three modes. The first was labelled the albatross mode, in which installed capacity for a product is considerably excessive in relation to domestic demand, and the enterprise constantly struggles to break even. A major cause is planning capacity on the basis of government growth projections, which usually turn out to be wildly optimistic. Having done badly, the enterprise often tries its hand at another product, repeating again the reliance on overly optimistic growth projections to plan capacity, and failing yet again. A second mode identified by Chaudhuri and Khandwalla was labelled the dropout mode, in which an enterprise that has got stuck with a product or an activity in a highly competitive market, tries to reduce its involvement in that market and diversifies into another market with rosier prospects. But the diversification is either not planned properly, or it is implemented when in reality the prospects are no longer rosy, and so, over a period of time the enterprise gets mired in a number of unprofitable diversifications. The third mode was labelled the mitosis mode. In this mode, the enterprise initially goes for a small share of the market by installing a relatively small plant, especially a market with a high import substitution potential, masters the technology and the complexities of the market at a relatively small cost, and then expands rapidly, often by duplicating plants. The enterprise generates its own surpluses, and repeats the strategy while diversifying into other industries. Chaudhuri and Khandwalla suggested that this is the most desirable of the three modes, especially in the public sector where enterprises are often called upon to pioneer unfamiliar products and technologies.

Chaudhuri and Khandwalla indicated some of the organizational design implications of diversification. Besides divisionalization and decentralization, other implications are the installation of a more sophisticated management information and control system, and technocracy, that is, the hiring of specialist staff for functions like corporate planning, data processing, legal matters, finance, personnel, etc. Since technocracy may lead to inter-departmental conflicts, and control systems may depress morale, greater emphasis on participative decision-making, human relations, team building, organization development, human resource development, etc. - in short, a stronger "people" orientation - may be necessary. Thus, an implication of diversification is the need for a more professional and participative style of management. Another implication is that since [illegible] diversification often implies the existence of multiple cultures within the organization, the ability to manage multiple cultures becomes critical. For instance, in a diversified organization, one division may be operating in a stable industry; another in a growth industry; a third in a declining industry. The strategies, styles, and structures needed for the three may be quite diverse. One solution is a dichotomous structure in which disparate activities are, so to speak, cordoned of from one another. Developing a managerial cadre capable of managing a wide variety of situations may be another device (essentially the IAS solution). There may also be significant differences in organizational design that stem from the type of diversification pursued. A conglomerate type diversification may require lean corporate staff, tightly centralized allocation of financial resources, and considerable operating autonomy for the divisions. A related type diversification may require fairly elaborate corporate staff to service the divisions, and somewhat circumscribed divisional autonomy.

George (1984) studied the performance of 68 Indian private sector manufacturing firms, of which 36 had diversified and 32 had not. George reported a comparative performance study of 32 pairs (in each pair, one company had diversified, and another, otherwise similar company, had not). George considered four types of diversification : related, dominant unrelated (a major business with one or more somewhat marginal but unrelated diversifications), restricted unrelated (two or more unrelated groups of products, but related diversification within each group), and unrestricted unrelated in which no single group of products is dominant. Performance of the companies was assessed in terms of growth, profitability, risk, price/earnings ratio, and other indicators. George found that (1) the diversifiers tended to outperform the non-diversifiers; (2) related diversifiers tended to outperform unrelated diversifiers; (3) the best performance tended to be shown by dominant unrelated diversifiers, while the worst performance was shown by unrestricted unrelated diversifiers. George concluded that diversification was particularly useful for companies operating in controlled or stagnant industries.

Based on his study of six successful developmental programs, Paul (1982) argued that programs are more likely to succeed if they start with one rather than many goals, and diversify their goals and activities sequentially and in a phased manner. Successful expansion through replication of program services is facilitated by preceding expansion by pilot projects or experiments that maximize learning. Also, program success depends on demand mobilization and credibility building through local successes. Thus, Paul in effect argued that for socially pioneering activities like developmental programs, organizational learning and support building are pre-conditions for major growth initiatives. Besides, the organizational structure should be adapted rapidly to the strategy, and the program management should, in addition, develop an inter-organizational network that helps the delivery of the service to beneficiaries. The program management also needs to create internal commitment, not only through extrinsic inducements but also through intrinsic inducements such as challenging tasks, decentralization, staff growth through training, etc. It needs to create beneficiary commitment, through some sort of beneficiary participation and an appropriate mix of incentives for them. Monitoring of performance needs to be done through a simple but speedy information system that uses both formal and informal sources.

Growing organizations generally imply economic growth, a prime concern of developing societies. But the management of growth is a complex affair. Since, in a developmental context, growth usually implies wading into unfamiliar waters, a strategy of rapid familiarization at low cost is vital. Thus, mechanisms that facilitate rapid organizational learning, such as pilot projects, local organizational experiments, project phasing, initially starting small in difficult operating environments, related diversification, organic management (Burns and Stalker, 1961), participative decision-making, periodic exercises of assessing the organization's strengths, weaknesses, opportunities, and threats (SWOT), participation in industry-level conferences to access the experience of other organizations, etc., may yield good dividends.

Technology-related Growth Strategies

A major instrumentality of growth for Indian organizations is through acquiring foreign technology, and assimilating and developing it further. Chaudhuri (1980) studied how six tractor manufacturers acquired and managed their technologies. Chaudhuri proposed a four-stage model of successful technology transfer. The first is that of technology acquisition. The key tasks are scanning the environment, and the appraisal and choice of needed technology and its supplier(s). The key skills are environment scanning skills and negotiating with the government and the foreign collaborator. The second stage is the adaptation stage. The key decisions are whether to make or buy parts, components, etc., the locating of suppliers, and the design of work facilities and equipment. Technological expertise and ability to negotiate with suppliers are key skills. The third stage is the technology utilization stage. The key management tasks are organization building, systems development, trouble shooting, and building up relations with the distributors of one's products. The fourth stage is the development stage. The key tasks are the enlargement of customers, identifying new needs of customers that could be met by the organization, the development of more sophisticated production and organizational systems, the setting up of additional organizational units, environmental analysis, cost reduction, product adaptation, etc. Presumably, if all four stages are properly managed, the acquired technology should raise the performance of the organization. Chaudhuri inferred from his research that a good fit between product market strategy, technology strategy, the firm's distinctive strengths, and its resources tends to lead to high performance.

In a study, over the period 1955-1978, of 20 U.S. corporations operating in India with Indian partners, Desai (1979) noted that their performance varied. Desai found that the initial choice of technology was a determining factor. A wrong choice handicapped the corporation for long stretches of time. Another study that underscored the importance of initial technology, scale, and site choices was Ramamurti's study (1982) of Bharat Heavy Electricals Ltd. (BHEL) and Heavy Engineering Corporation (HEC). For many years, both public enterprises were handicapped by inappropriate East European technology they started with. However, thanks to a more favourable market, BHEL could grow and diversify, while HEC, handicapped by its location in Bihar, stagnated and sickened. Other public enterprises handicapped by either wrong technology choices or excessive initial capacities were Bharat Heavy Plate and Vessels and Bharat Pumps and Compressors (Khandwalla, 1981b).

Pandya (1982) studied the management of the technology purchase decision process in a petrochemicals producing public enterprise. Ten technology purchase decisions during 1969 to 1980 were studied. Through these, Pandya attempted to study interactions between governmental, technology supplier, corporate decision-makers, the technology itself, and the decision environment. Based on archival records and interviews, Pandya developed a process model of technology purchase decision process, whose key elements were learnt decision heuristics (rules of thumb) and routines or programmes constituting various facets of this process. The decision process was conceptualized as consisting of four phases : identification, development, selection, and administration. In the identification phase, Pandya identified the decision recognition and diagnosis routines; in the development phase, search, design, and negotiation routines; in the selection phase, screen, evaluation - choice, and authorization routines; and in the administration phase, finalization and government authorization routines. Pandya also identified conflict-resolution heuristics, search heuristics, and uncertainty avoidance/ absorption heuristics. The heuristics used in the various phases (identification, development, selection, and administration) depended partly on whether the technology purchase decision was imposed on the enterprise, or an opportunity seized by the enterprise. More complex heuristics, operated by qualified staff reporting to top or senior management, amounting to a professionalization of the technology purchase process, tended to be used with decisions that were opportunities seized by the enterprise. Also, professionalization tended to increase with time, that is, later decisions were characterized by synoptic or comprehensive search and screening processes than earlier decisions. While Pandya's work does not shed direct light on the relationship between routines, heuristics, and quality of technology purchase decisions, it adds another dimension to the study of organizations, namely the structure of decision processes as a possible determinant of organizational effectiveness. In future research, it should be possible to identify effective heuristics and routines for making major strategic decisions like technology acquisition, diversification, and internal reorganization.

Internationalization as a growth strategy

In industries with large economies of scale, "optimal" plants tend to be large But since domestic markets in developing countries like India are often small, there is a strong impetus for firms to try and expand their operations by servicing an international market. Chaudhuri and Khandwalla (1984) argued that internationalization embraces not only marketing the firm's products abroad, but also shopping globally for inputs, technologies, venture partners, plant locations, and management practices. Internationalization is a multi-dimensional continuum, and the multinational corporation is just one stage of it. Internationalization is not merely a set of activities but also a philosophy of management, an extension of modernity. In at least one aspect of internationalization, namely, setting up of joint ventures abroad, India has emerged as a leading developing country (Agarwal, 1981; Lall, 1982), with some 200 operating joint enterprises in over 35 countries. Most of these overseas ventures are of larger Indian business houses and state enterprises (Lall, 1982). A wide variety of factors may motivate internationalization, such as the search for larger or more lucrative markets, for better access to critical raw materials, political objectives of the state, etc. Indian enterprises may have some advantages over Western multinationals in those developing countries where conditions are similar to India, but they may need to be far better adapted to local conditions in other developing countries with different political and economic ideologies.

Internationalization is a form of diversification, and hence the same organizational design issues arise as in diversification, namely, the need to decentralize decision-making without loss of overall control, the need to manage multiple cultures, the need to offset staff alienation and inter-staff conflicts inherent in large size and technocracy by a more participatory, humane management etc. But the choices are more difficult because of greater complexity. Also, for Indian organizations seeking internationalization, a major problem is of managing multiple contexts, for example, of existing in a highly regulated domestic economy where there are stringent controls on where to invest, how much to invest, what remuneration to pay to managers, etc., and simultaneously operating in other very different political economies. Effective internationalization may require a very special kind of integrative management (Ansoff, Declerck, Hayes, 1979).

Turnaround strategy

Organizations are prone to fall sick for a variety of external and internal reasons (Bibeault, 1982; Bidani and Mitra, 1982; Slatter, 1984). External reasons may include environmental turbulence and complexity, pressure on the organization through scarcity of resources or competition or unfavourable governmental policies and actions, poor physical industrial infrastructure, etc. Internal reasons may be inappropriate management - either too conservative or too rash or too ambitious or too autocratic or too complacent (Hegde, 1982); the dysfunctions of a [illegible] bureaucratic structure attendant upon large size (Crozier, 1964; Dayal, 1974; Gouldner, 1954; Merton, 1940; Selznick, 1949); an improper model of good management that ignores the human component (Argyris, 1964; McGregor, 1960); and a blind management that has overlearnt a formula that gave success in the past but is no longer valid (Starbuck, Greve, and Hedberg, 1978). Sizeable organizations in developing countries like India are particularly prone to fall sick because of the transitional nature of these societies, ambitious targetry, poor infrastructure, governmental policy vacillations, increasing domestic competition and sometimes also global competition, government restrictions, poor work ethic of the workforce, excessive cultural diversity, insufficient supply of managerial talent, inadequate professionalism in management, etc.

Organizational as well as industrial sickness is assuming alarming proportion in India, with several billion rupees of the funds of financial institutions tied up in defaulting units, and whole industries going sick (Bidani and Mitra, 1982; Khandwalla, 1981c; Padaki and Shanbhag, 1984). Fortunately, a significant literature has appeared in India on turnaround or revival management, and some useful models have emerged (Brown, 1984; Hegde, 1982; Khandwalla, 1981c; Padaki, 1984; Prahlad and Thomas, 1977).

Prahlad and Thomas (1977) reported the way Hindustan Photo Films, a public enterprise, was revived under the leadership of a new part-time chairman. Analyzin the case, Prahlad and Thomas suggested that the key to the revival of a sick unit is the formulation of a new strategy that fits the unit's environment, and effecti implementation of that strategy through securing the commitment of the unit's stakeholders. Localizing problems and sequencing actions are important in revival. The ability to implement the revival strategy depends on the correct mix of the right organizational structure, people, management systems, and management style. Openness, emphasis on profits, attention to detail, and enforcement of discipline aid revival. So does the support of the controllers of the organization to its chief executive.

Hegde (1982) analyzed 18 published cases of turnaround of British, European, American, and Japanese corporations, and developed models of management deficiencie triggering sickness. For example, autocratic management may lead to employee dissatisfaction, low productivity, and erosion of profitability. Management conservatism may lead to product obsolescence in a dynamic environment and to lowered profitability. A growth mania could lead to blind acquisitions, excess capacity, and high debt. A complacent management may lead to neglect of strategic planning and sudden calamities due to unforeseen growth in competition and technological change. Hegde found that change in top management, and decentralization with increased emphasis on managerial accountability were common turnaround steps. Beyond that, the management deficiency that caused sickness dictated effective turnaround action. If it was growth mania, centralization in top level policy making, combined with ruthless divestiture of unprofitable activities, retrenchment of surplus staff, planning, and better management information systems was necessary. On the other hand, if management conservatism caused the sickness, automation, renovation of machinery, diversification, aggressive marketing, new market development, collaborations, joint ventures, etc. was necessary. For sickness caused by complacent management, a combination of steps needed for sickness caused by growth mania and by conservatism was necessary, such as selective divestitute, centralized policy making, better planning and management information systems, aggressive marketing, new market development, and collaborations and joint ventures.

It is likely that turnarounds are easier in Western economies because of the freedom to retrench surplus staff and the relative absence of legal hurdles in disposing off unprofitable activities. In India, however, neither retrenchment nor divestiture are easy. As a consequence, turnaround is difficult, and turnaround strategies tend to be more complex. Khandwalla (1981c) studied five public enterprise turnarounds and four private enterprise turnarounds. He argued that complex organizations tend to fall sick due to the complexity of their difficult-to-manage structures, and also because the desire for the growth of the organization may not be matched by the ability to manage growth. He proposed a model of effective turnaround of demoralized sick complex organizations. The first essential step is the induction of a high level change agent (either a person or a team), usually an outsider, into the organization, who is committed to revive the organization. The change agent would need to build up credibility rapidly by relieving a current stress or crisis. Thereafter, the change agent needs to mobilize the organization for turnaround by stressing the organization's overall mission, concretize some specific, achievable targets, and involve the staff, especially the managerial staff, into the process of turnaround through such devices as participatory diagnostic exercises, formation of task forces to attend to some immediate tasks, etc. Modest success experiences through carefully planned quick pay-off projects may be crucial to keep the momentum of the turnaround going. To insulate the organization from the hostile acts of stakeholders while a turnaround is in progress, temporary reprieves need to be negotiated with them. At the same time the organization needs to seize proactively any opportunities available in the environment for augmenting resources, enlarging markets, etc. Since sickness is often caused by poor control over the environment, environment influencing mechanisms need to be selectively strengthened. These may be marketing, lobbying the government, public relations, representation on trade bodies, etc. Some selective changes in the product or activity mix of the organization are in order, but major unrelated diversification needs to be avoided. Similarly, selective - not comprehensive - professionalization of management systems, involving the plugging of the largest loopholes in the current systems, may be useful. Too sweeping a change may provoke a sharp counter-reaction from those affected by the changes. Besides these steps, a staff motivational strategy that accentuates intrinsic motivators like challenging and interesting jobs, autonomy coupled with accountability, etc., may be useful. A coordination and control strategy which emphasizes decentralized, face-to-face resolution of conflicts, the periodic convening of performance review meeting, the setting up of responsibility centers, etc., is also useful. Finally, an entrepreneurial, professional, participative, and organic management style needs to be institutionalized through symbolic acts emitted by the top management. In terms of the Lewinian framework of change (Lewin, 1948), induction of a powerful change agent, credibility-building action by the change agent, mobilization of the rank-and-file for turnaround, and taking up of quick pay-off projects seem to encompass unfreezing mechanisms. Selective changes in the product mix, in management systems, in environment influencing mechanisms, in relationships with the stakeholders, in the way the environment is harnessed, etc., seem to represent change mechanisms. An appropriate motivational, coordination, and control strategy, and attempts to institutionalize the right management style seem to represent refreezing attempts.

V. Padaki (1984) drew lessons from the turnarounds of five private sector sick textile units. Padaki argued that when at last a unit is declared sick, there is no one glaring problem area, but rather a vicious cycle of liquidity problems precipitating difficulties in procuring inputs which in turn lead to cutting corners in production operations which in turn lead to marketing difficulties which in turn exacerbate liquidity problems. This vicious cycle depresses, in turn, the morale and commitment of the management, which in turn lowers the elbow room of the firm vis-a-vis its environment and makes its management reactive. Padaki noted several common elements in the turnaround of the five units : changes in the marketing organization; changes in the top management, including in the ownership structure; changes in material procurement; changes in product-mix and in production planning; changes in financial management to augment funds for replacements, paying off dues, and working capital; changes in reporting and accountability structures towards accountable decentralization; and induction of competent technical personnel. Padaki suggested that these changes amount to two distinct types of interventions : (a) vis-a-vis corporate or strategic parameters (such as changes in top management, procurement, financial management, marketing, accountability structures, and product mix; and (b) vis-a-vis operational parameters like ring frame productivity, waste, value loss, loomshed efficiency, inventory, etc. Padaki argued that for sick units, the management should resist the tendency to abdicate the strategic function in favour of the operational function, while for marginal organizations, some top management intervention in operational matters may be useful.

Padaki and his associates (V. Padaki, 1984; Padaki, Shanbhag, and Radhakrishnan, 1984) raised some pertinent questions for turnaround management. The causes of sickness may differ from sick organization to sick organization. How could a single turnaround strategy be appropriate for all sick organizations ? In particular, they differentiated between supersystem - level causes of sickness (sickness in economy, industry, or sector of industry) and organizational-level causes of sickness (inappropriate management style, business strategy, management systems, structure, technology, etc.). Sharply different interventions may be needed depending upon the diagnosis of what has caused the sickness.

Brown (1984), basing his analysis on several turnaround cases of public enterprises in India and Sri Lanka, identified several useful turnaround actions. He hypothesised that turnarounds of public enterprises follow a sequence of recognition (the enterprise is defined by the control environment as sick), initiation (working diagnosis of problems, initial plans, some initial successful actions that create optimism), and institutionalization (changes in human resources, organizational systems, and external linkages) phases. He also hypothesized that these turnarounds require leadership skills including conceptualization skills (clarification of problems, goal setting, formulation of strategic perspective), ability to secure legitimacy in the eyes of diverse constituencies, and capacity for exercising both centralized leadership (to restore internal and external credibility of management) and decentralized leadership (delegation of operating authority to managers with initiative). A third hypothesis was that turnarounds require external interface activities including encouraging organization-control environment partnership instead of avoidance of one another or adversary relations between the two, the shaping of the external context to aid turnaround, the building of coalitions with critical external constituencies, and the creation of internal mechanisms to absorb or respond to external pressures. A fourth hypothesis was that mobilization of internal resources for turnaround is facilitated by solving the immediate problems that symbolize the organization's sickness, by developing short term solutions that contribute to long term objectives, by ensuring that internal technical, political, and cultural changes converge to liberate energy, information, and ideas, and by recruiting and developing appropriate human resources as changes occur.

Indian work on turnaround management indicates the importance of an outsider or a team of outsiders as the main change agent. This suggests the failure of internal or institutionalized mechanisms of recovery from serious organizational illness. The need for outsiders to turnaround sick organizations has been noted even in American, British, and European cases (Bibeault, 1982; Slatter, 1984; Arent, Greve, and Hedberg, 1978), so a structural rather than a cultural reason may explain this. As a consequence a good deal of turnaround "strategy" can seldom be a previously thought through blue print that is imposed upon an organization. Given that outsiders not very familiar with the organization are needed to engineer the turnaround, they need to learn quickly the organization's strengths and weaknesses. Thus, it makes sense for them to follow the strategy of action research - an initial diagnostic exercise involving much talking to various managers and stakeholders, identification of some immediate concrete steps that can be taken to improve the situation, learning from doing, and roping the rank-and-file into the turnaround effort. After information accumulates and issues become clearer, it may make sense to go in for a [illegible] comprehensive, integrated strategy. Further work may lead to contingency, that is, situation-specific, models of turnaround (Hambrick and Schecter, 1983; Hegde, 1982; Hofer, 1980; Padaki, 1984; Slatter, 1984), or a combination of partly universalistic and partly contingency turnaround models. In the Indian context the behaviour of financial institutions, which often have large stakes in enterprises, and of government, may be highly significant in the success or failure of turnarounds.

Besides this, differences in organizational size, technology, nature of the market, nature of ownership, the extent of sickness, the main cause of sickness, etc., may emerge as other factors that affect turnaround strategies.

Organizational Structure and Effectiveness

Organizational structure is a variegated phenomenon. It consists of features that characterize a bureaucratic form of organization, such as formal communications, hierarchy of authority, division of labour, rules, and specialization of functions (Weber, 1947), alternative modes of departmentalization (Chandler, 1962; Galbraith, 1972; Simon, 1960; Thompson, 1967), routines and performance programs (March and Simon, 1958), and durable and formal mechanisms for reducing decision-making uncertainty, for facilitating the carrying on of diverse activities in the organization, and for integrating and coordinating these diverse activities (Khandwalla, 1973).

Recent Indian work on organizational structure is small but growing. Much of this work has concentrated on different types of structure, hierarchy of authority (with its variant of centralization) and its consequences, and functional and role specialization and its consequences.

Maheshwari and Malhotra (1977) identified a number of structures in a longitudinal study of 7 large companies. Although most started with a functionally deparmentalized structure, some that diversified tended to adopt a divisional structure, and some that regionally diversified tended to adopt an area structure beneath a functional one. Several organizations expanded their functional structures to incorporate newer functions like personnel, marketing, corporate finance, liaison, internal audit, organization and methods, etc. Besides identifying strategic determinants of structural change, such as product and regional diversification, Maheshwari and Malhotra also identified internal political factors as a determinant. They noted that some of the regroupings of functions were performed to accommodate particular persons, such as the number 2 man who had lost the race for the chief executive position. Personality factors shaped some of the changes in reporting relationships. They felt that personality and political factors play a stronger role in structural changes at the top levels of the organization than at lower levels, while technological factors are more important for structural changes at lower levels. Major reorganizations tend to take place at the time of departure of key people.

Prasanna Bhat (1984) discussed several forms of decentralized superstructures, such as the sectoral or regional, functional, and divisional, and sought to predict their impact on the quantity-concern and quality-concern orientations of managers. He predicted that a sectoral or regional structure will breed output orientation because of competition between sector divisions, while in a functional set-up quality will be stressed relatively more.

Narain (1981) identified some differences in the structures of five large public enterprises. He found considerable variation on corporate (that is, headquarters) staff. For example, the total head office salaries and wages as a percentage of sales was less than a tenth in B.H.E.L. as compared to I.O.C. There were more frequent senior meetings of senior level managers in I.O.C. as compared to B.H.E.L. Sales were more centrally controlled in some of the enterprises as compared to others. Despite having a common ownership, the wide structural differences are indicative of different administrative philosophies, which in turn may be partly traceable to the differences in the types of products manufactured and operating environments.

Organizational hierarchy may have implications for vertical communication processes (Blau, 1969), for job attitudes at different levels (Porter and Lawler, 1965) and for organizational problem solving (Carzo and Yanouzas, 1969). [illegible]

Saiyadain (1977) measured the job satisfaction at four levels of lower level employees in a research and teaching organization. He found that job satisfaction varied inversely with the level, although need deficiency was highest for the lowest level. Pestonjee (1979) in a study of 100 supervisors and 100 workers found that job satisfaction was higher at the supervisory, that is, higher level. R. Padaki (1982), too, in a study of 289 technicians in 5 textile mills, found that job characteristic scores in terms of skill, variety, autonomy, dealing with others, etc. etc., varied with level, being higher at higher level. In a study of 172 managers in in 6 organizations, De (1981) found that higher level managers reported engaging in relatively more energy generating (that is, exciting) activities compared to lower level managers, who reported engaging in relatively greater energy absorbing (that is, fatiguing) activities.

The findings of Saiyadain and Pestonjee, Padaki, and De are somewhat inconsistent. It may be that among non-managerial, relatively lower level employees, there is more a hierarchy of status and emoluments than of authority, and as between different categories of such employees thie hierarchy does not shape job attitudes in a linear fashion. On the other hand, among managerial personnel, the hierarchy of authority seems clearly to be an important determinant of job attitudes.

In a study of perceived delegation of authority in a public sector chemical plant involving 60 managers at three management levels, Chaudhury and Prasad (1978) found that the extent of delegation varied with the level of management (that is, it was highest at senior levels and lowest at lower levels). Financial authority was most delegated. Most managers attributed the delegation of authority to company policy, but situational variables like subordinates' sense of responsibility and their perceived competence were also important. Managers generally desired greater delegation of authority to them from above, especially in financial and personnel matters.

Singh and Das (1977) and Singh (1979) in a study of managerial styles of 280 managers in 6 enterprises found that the bureaucratic style, with emphasis on rules and regulations, tended to be practised increasingly as one went down the organizational hierarchy. This may be because work tends to get more routined the lower the organizational level. There was also some tendency for decrease in the staff developer and benevolent autocrat or nurturant task style at lower levels in the hierarchy. The findings of Chaudhury and Prasad (1978) and Singh and Das (1977) together indicate the highly circumscribed authority at lower levels of Indian organizations and the unsympathetic way it may be exercised. This suggests why job attitudes tend to get unfavourable the lower the managerial level (Pestonjee, 1979). Thus, where positive attitudes of lower level managers are important for organizational performance, it may be desirable to enlarge and enrich the job of the lower level manager. Singh's study (1979) also indicated that the democratic style is practised more frequently at the top and lower management levels than at the middle management levels. The reason may be that top managers use the democratic style to secure greater organizational integration (Khandwalla, 1973) and the lower levels try to be democratic because of the power of unionized staff under them. The middle managers, subject to the pressure from the top, may be inclined to abandon democratic practices in dealing with relatively defenceless lower level managers. This may be one reason why desire for autonomy is so strong at lower management levels (Singh, 1982).

Balaji (1984) in his study of organizational commitment of 169 managers of nine cooperative organizations found that organizational commitment varied with the hierarchical position of the manager, although the correlation was only modest. Sen (1981) in his study of role stress (and other variables) experienced by 446 [illegible] employees of three banking organizations, found that role stress from a feeling of stagnation was higher at lower levels than at higher levels. On the other hand, stress from inter-role distance, that is, from conflicting roles one is expected to perform, tended to be higher at high levels as compared to low levels.

These studies suggest that the relationship between hierarchical level and job attitudes may be a complex one. While generally speaking, feelings of satisfaction, commitment, etc., may be higher at higher levels, people at these levels may also have more ambivalent feelings because of the demands of responsibility and multiple pressures in dealing with people and problems. Work at lower levels may be alienating, but less exasperating.

FORE (1984), in a study of 375 senior, middle level, and junior level managers from a variety of organizations, found substantial inter-level differences in the perceived importance of factors contributing to ineffective management. For example, inadequate coordination was ranked high by senior and middle managers but it was ranked low by lower level managers. The latter ranked union power as a major negative factor but the senior managers ranked it low. Thus, hierarchy may also cause significant differences in the perception of what is holding down organizational effectiveness. However, the study by Singh and Pant (1982) suggests the contrary. Singh and Pant, in their study of 262 managers from 6 public enterprises, sought to understand the problems perceived by managers as hampering organizational effectiveness of public sector units. The hierarchical level of the respondents was not related to the problems listed. The study suggests that whatever be the effects of hierarchy in distorting communication in an organization, they may not extend to the communication of significant problems besetting the organization. That is to say, diagnostic information may freely traverse up and down the hierarchy. The findings of the FORE and the Singh and Pant studies may not be as anomalous as they appear to be. Social information processes (Salancik and Pfeffer, 1978) may lead to consensus within the managerial staff as to what problems beset the organization, but selective perception (Dearborn and Simon, 1958), on account of vertical or horizontal specialization of functions, may cause differences to emerge within the managerial staff as to their relative importance.

In a study of 150 respondonts (mostly non-officer) in three public sector financial institutions, Mishra (1982) found that perceived centralization of decision-making power at the top was significantly correlated with a composite measure of superior's efficiency. The finding suggests that in organizations with a weak work ethic, a tough top management may lead superiors to "behave", that is, respect policies and rules, try harder at meeting targets, etc. This in turn may enhance the perception of their effectiveness in the relatively powerless lower participants. Thus, besides the form of the organizational hierarchy, the way it is operated may have significant repercussions on the behaviour and perceptions of lower level members.

Professional qualification is a commonplace vertical differentiating mechanism in many professionalizing Indian organizations. Those with formal qualifications tend to have higher status and more responsible jobs in such organizations than those without them. Consequently, their job satisfaction may be higher. Pestonjee, Singh, and Singh (1981), in a study of 45 persons with professional qualifications and 45 without them, all working in a university library, found that overall job satisfaction of the professional group was significantly higher, and so was their rated performance. It would be interesting to see whether the results hold up in organizations with weak professionalism norms.

Role and functional specialization are important aspects of organizational structure (Pugh, Hickson, and Hinings, 1969). Functional specialization refers to organizational differentiation through the setting up of specialized departments for discharging functions like marketing, production, personnel, etc. Role specialization refers to role proliferation within functional departments, such as separate roles of product manager, market research manager, sales manager, etc. in lieu of one omnibus marketing manager role. Specialization has been held to be a significant factor in intra-organizational conflict (March and Simon, 1958), in organizational sub-optimization (Selznick, 1943), and lowered job satisfaction (Argyris, 1956; Herzberg, 1968).

The recent Indian work on specialization has related it to a variety of organizational phenomena, including differential managerial styles, managerial identities, role behaviours, perception of effective management, job attitudes, values, etc.

Agarwal (1980), in an interview study of 109 first-line supervisors in a large engineering unit, found that nearly 80% felt that they did not belong to the ranks of management. They saw themselves primarily as links between management and workers, as men in the middle. Another study (Das, 1983) of 412 managers found that both senior level and junior level managers reported significantly higher job involvement than middle level managers. Thus, both studies suggest that men-in-the middle roles in organizations, buffeted by pressures both from above and below, tend to be alienating.

Singh and Das (1977) in a study of 280 mostly lower level managers, studied the styles of managers in several areas of managing such as planning, evaluation, communication, flexibility, etc. They found that the developer style (emphasis on trust, on building relationships) was least practised by production managers and most by personnel managers. The benevolent autocrat style (high task and moderate people orientation) was least practised by finance managers while it was favoured by most other areas. The autocratic style was most practised by production managers, while the bureaucratic and the compromiser styles were most practised in the finance area. Lal (1983) studied 128 senior executives from 16 large enterprises, and administered them and their subordinates a questionnaire which measured how participative their styles were. He found that production, general management, and personnel managers tended to be less participative than finance and marketing managers. The studies by Singh and Das (1977) and Lal (1983) both suggest that production managers, who usually comprise the bulk of the managers of manufacturing enterprises and supervise the bulk of the workers, tend to be especially autocratic and non-nurturant. They may be a significant factor exacerbating worker alienation and thereby precipitating management-worker strife. An implication for organizational effectiveness may be the need for intensive human relations training for production managers.

Das (1983) in a study of 412 managers in 12 large business units, found that job involvement tended to be higher among managers in the production, R & D, and technical than in the personnel and general administration areas. He also found that the job involvement of managers with "upto graduation" qualification tended to be higher than that of managers with Ph.D. or equivalent degrees. Since production managers tend to be in line management, and highly qualified managers tend to be in staff departments like personnel, corporate planning, etc., the study suggests that in large organizations, job involvement of line managers may tend to be greater than that of staff managers, possibly because of the marginality of the latter in the decision-making process.

Functional specialization and occupational values may be related. In their study of 280 managers, Singh and Das (1977) found that while production, finance, and personnel and general management managers ranked autonomy (freedom from supervision) and stable and secure future high, using special abilities and talent was ranked high by the production executives but not by finance and personnel managers (high rank meant one of the top four ranks). Adventure and challenge was ranked high by finance and personnel managers but not by production managers.

Exercising leadership was ranked high by personnel managers but not by the others, and earning a lot of money was ranked high by production and finance managers but not by personnel managers.

FORE (1984) in a study of 248 managers from production, marketing, personnel, and finance areas in a variety of organizations, found some marked differences in the perceived indicators of effective management, perceived processes of effective management, and processes of ineffective management. Among indicators of effective management, job satisfaction was ranked one or two by all the categories except finance managers, who ranked it fifth, while customer satisfaction was ranked first by the marketing and finance managers but sixth by production managers. Among processes of effective management, coping with environmental change was ranked much higher by production and marketing managers than by personnel managers, who, however ranked personnel policies and practices much higher than production and marketing managers. While finance managers ranked financial management high, marketing managers ranked it low. Among processes of ineffective management, bad public relations was ranked fairly high by marketing managers, but rather low by the rest. FORE's study indicates that organizational differentiation may be high in crucial areas related to organizational effectiveness. Unless counteracted by consensus building processes, this differentiation may adversely affect the organization's effectiveness.

R. Padaki (1984), in a study of 289 technicians in 5 textile mills, found that perceptions of job characteristics varied by departments. The greatest differences were between the perceptions of job characteristics in the spinning, bleaching and finishing, and engineering departments on the one hand and printing, statistical quality control, and laboratory departments on the other. Job characteristics were measured in terms of skill variety, autonomy, dealing with others, etc., and tended to [illegible] latter group of staff-type departments but lateral mobility [illegible] to be higher in the latter group of staff-type departments. If technical jobs are more satisfying in the staff-type departments but lateral mobility from line-type departments into these is impeded on account of functional specialization, alienation of the staff employed in line-type departments, and possibly line-staff conflicts are likely, and these in turn may impede organizational effectiveness. Some sort of a job rotation scheme may be particularly useful for technical personnel.

Indian work related to hierarchy and specialization indicates that both may be major contributors to organizational differentiation (Lawrence and Lorsch, 1967) in the form of differentiated managerial practices (Chowdhury and Prasad, 1978; Lal, 1983; Singh, 1979; Singh and Das, 1977), job characteristics and job attitudes (Agarwal, 1980; Balaji, 1984; Das, 1983; R. Padaki, 1982, 1984; Pestonjee, 1979; Saiyadain, 1977), and internal diagnosis of factors facilitating and inhibiting organizational effectiveness (FORE, 1984). These forms of organizational differentiation may be acute in the larger and technologically sophisticated st[illegible] strategic organizations since they generally have elaborate hierarchies and role and functional specializations. Unless offset by powerful integrative mechanisms like shared goals and values, participatory decision-making, human resource development, organizational development, institution building, and sophisticated management performance control systems, hierarchy and specialization may jeopardize the effectiveness of these strategic organizations.

The production, marketing, finance, and personnel systems of organizational management are also elements of organizational structure because of their durability, formality, and routinization of activity. The human resource development system (HRDS) has recently come to the fore as a possible determinant of organizational effectiveness (Pareek and Rao, 1981; Rao, 1982, 1984). HRDS covers such major areas of personnel management as recruitment, training, performance appraisal, promotion, career planning, etc., but with a distinctly developmental rather than a book keeping or maintenance orientation. In a questionnaire survey of HRDS practices in 45 organizations (mostly professionally managed or seeking professionalization), Rao (1982) found that the major objective of performance appraisal was the employee's development as well as control, although the element of control was more prominent in practice. The most common components of managerial performance appraisal were identification of training or developmental needs, appraisal of potential for promotion, appraisal of managerial qualities, confidential ratings by the boss, and appraisal feedback. The least common elements were the appraisal of the boss by his subordinates, signature of the subordinate on the written assessment by the boss, confidential rating of the employee by the boss of his boss, self-appraisal, and appraisal discussion with the boss. The major reward instrumentalities were salary increments and cash awards. "Intrinsic" motivators like advanced training at reputed institutions, study tours, higher responsibility, appreciation letters, etc., were quite uncommon. The data suggest that even in professionally managed Indian corporations, the developmental philosophy of HRDS is still at odds with the traditional carrot-and-stick operating personnel management structure.

Organizational Processes and Effectiveness

A wide variety of organizational processes may be important determinants of organizational effectiveness. An organizational process is a sequence of steps by which some initial inputs or starting conditions are converted into some terminal outputs or conditions. Thus, the workflow of the organization is the process by which organizational inputs like raw materials and information are converted through the use of technologies into finished goods or services (Katz and Kahn, 1966). Some other organizational processes are the socialization process by which newly acquired organizational members acquire the norms and values of the organization, and the abilities needed to fulfil their organizational roles (Feldman, 1976); the structuring process by which the organization develops roles, procedures, and programs (March and Simon, 1958; Mintzberg, 1979); organizational adaptation processes; the institution building process by which an organization acquires a distinctive identity and social legitimacy (Selznick, 1957; Esman, 1972), etc. There are very few Indian studies explicitly on these processes. But the Indian work on communication, decision-making, leadership, organizational climate, institution building, etc., may shed light on these processes.

Communication process

Communication within organizations helps organizational members to understand organizational tasks and the means for accomplishing them, the socialization of the members in the norms, values, and practices of the organization, etc. Through social information processing (Salancik and Pfeffer, 1978), communication also facilitates the formation of job attitudes, and thus affects morale and motivation. Thus, organizational communication is an important integrative and attitude shaping variable.

Chaudhury (1978) studied downward communication in a large public sector organization through a questionnaire. His sample consisted of 60 managers from higher, middle and lower levels of management. He found that the magnitude of downward communication tended to increase as one ascended the hierarchy and the content of communication also differed. Higher level managers tended to communicate downwards more task directives than lower level managers, while downward nurturant communication (e.g. suggestions to help subordinates) tended to be more frequent at lower levels. Given unionization at lower staff levels, and the difficulty of firing people in India, suggestive-nurturant rather than directive communication may be more feasible at lower levels, while at higher levels, the upward mobility needs of middle managers and their lack of unionization may make it more feasible for their superiors to issue directives. Thus, training in effective (that is, nurturant, nonego-bruising) downward communication may be more desirable at higher rather than at lower levels. Chaudhury found that specific task directives, favourable feedback, and suggestions were most communicated downwards, while unfavourable feedback, information designed to incultate a sense of mission were least communicated downwards. Chaudhury's study suggests that institution building communications (regarding the organization's missions, procedures and practices) may be neglected in some Indian organizations, and this may detrimentally affect the long term effectiveness of these organizations. This may be a serious problem at lower levels, where, as Chaudhury found, institutional communication is less than at higher levels of the organization. Also, the tendency to communicate unfavourable feedback less than favourable feedback may keep the peace but impede growth in the skills of subordinates.

Prasad (1978) studied barriers to upward communication in an organization. His sample consisted of 190 managers, the bulk being supervisors. Prasad identified several organizational or system level and several personal barriers to upward communication. The general policy of the organization was identified as being one systemic factor that favoured certain types of upward communication (e.g. of favourable work performance, work related problems, new ideas, etc.) but restricted other types (e.g. of unfavourable work performance, criticisms of management policies and decisions, and personal and family problems). Other systemic distorters of upward communication were : the emphasis on rules, regulations, channels, and formality of communication; dominance of superiors at meetings and conferences; and discouragement of an open-doors policy. Personal factors included attitudes of superiors, lack of awareness of subordinates about the utility of various messages, and the apprehensions of subordinates about what information was liked or disliked by superiors. Such systemic and personal factors can obviously jeopardize organizational effectiveness by impairing the management's capacity to respond to lower level problems. The problem may by acute in complex organizations with extensive hierarchy and functional and role specializations. Better communication should significantly improve the effectiveness of such organizations. Orpen's study (1978) reviewed earlier supports the importance of not only formal but informal, extra-mural communications for promoting goal clarity, and, therefore, more integrated functioning.

Decision-making process

Three studies of decision-making were reported during the period, each making its own distinctive contribution (Bhatt, 1978; Hassan, 1980; Pandya, 1982). Bhatt studied the decision-making process which resulted in the birth and success of Punjab Tractors Limited, a company promoted by the Punjab government to produce and market Swaraj tractors. Bhatt's study sensitively described the context of the decision-making process, the inter-organizational network involved in the decision-making process, the criteria and decision rules used by each actor of this network, and the systemic elements - technological, financial, political, and managerial - that combined to produce a success story in the public sector. Bhatt also made several suggestions for improving the quality of the decision-making process in the public sector.

Hassan (1980) studied a part of the decision-making process in a government department in order to identify the problems and bottlenecks in its mode of functioning. The organization was a directorate to promote growth activities in a sector of the economy. Hassan took a sample of 9 files dealing with policy and executive decisions from the record room for a content analysis of notings, days taken to process note, etc. Hassan found that there was considerable delay in decision-making, with an average of over a year for disposing off a case. The lower level functionaries like dealing assistants and under secretaries indirectly controlled decision-making by controlling file initiation, furnishing of information, etc. The files were processed at many levels, with a tendency to transfer responsibility on to others. A major source of delay was the movement of the file outside the department for getting approvals, replies to queries, etc. Though the lower level members had a lot of indirect control, they had very little delegated authority for taking decisions, which was concentrated at the joint director and director levels.

Pandya's study (1982) of several technology acquisition decisions in a public sector enterprise has already been reviewed. Pandya's study highlighted an approach to the study of decision-making that structures the process in terms of phases, mechanisms of organizational learning, and heuristics or decision rules as fallouts of organizational learning.

All three studies have interesting pay offs to the student of organizational behaviour, especially the behaviour of controlled organizations. Bhatt's study suggests that the strategic decisions of controlled organizations can be best studied by adopting the inter-organizational network (Aldrich and Whetten, 1981) or the organization set (Evan, 1966) perspective. Hassan offers an interesting method of study (notings on files), and highlights the importance of the decision structure for the decision-making process. Pandya's study highlights a powerful tool for the study of decision-making, namely, the study of decision rules and how they evolve. A lot more studies are needed before linkages between decision process and organizational effectiveness emerge, but Bhatt's study does indicate that decision criteria used by a host of organizations interfacing with a focal organization, such as regulatory governmental bodies like licensing authorities, financial institutions, research and development bodies, etc., may have as much importance for the effectiveness of the focal organization as the style of management, strategy, and structure of the focal organization.

Conflict resolution

The processes of conflict resolution have considerable importance in differentiated organizations. Socio-economic development usually results in the setting up of large, functionally differentiated organizations for delivering various strategic products and services. Intra-organizational conflict resulting from functional and vertical differentiation is a common impediment to organizational effectiveness. Sayeed and Mathur (1980) identified a number of conflict management mechanisms, such as avoiding arguments, following of rules, accommodation, consultation with others, toning down of differences, forcing, compromising, and confrontation. A significant source of conflict, especially in family managed organizations, is inter-generation conflict (Agrawal, 1984). Agrawal argued that the process of development creates value differences between the older and the younger generations. The process of development implies constant updating of technology, both of production and management, which implies frequent hiring of young technocrats and qualified managers anchored in modern values. These youngsters, in lower but strategic parts of the organization, are often locked in conflict with older managers higher up in the hierarchy, normally more experienced but less technically qualified. Agrawal described several cases of inter-generation conflict. He discussed various approaches to conflict resolution, such as OD-based techniques, and indigenous approaches like dharma (religious injunctions), mediation, suppression, credibility building, respect to elders, accentuation of superordinate goals, and better awareness of sources, symptoms, and consequences of inter-generation conflict in the organizational setting. Agrawal proposed a systemic model of the determinants of inter-generation conflict. These consisted of characteristics of the older generation staff (e.g. belief in the efficacy of close supervision, conservatism, faith in experience, insecurity, and respect for age), environmental characteristics (technological and product change, competition, environmental complexity), and characteristics of younger generation staff (belief in autonomy, participation, innovation, technocracy, and professionalism). These three sets of characteristics influence inter-generation conflict in the context of the hierarchical character of organization, the norm of seniority, and technical expertise of lower levels. Agrawal made a number of suggestions for alleviating inter-generational conflict.

An interesting mode of conflict resolution may be ingratiation, especially in situations of power asymmetry. The ingratiator panders to the ego needs of the ingratiatee in order to get concessions or rewards from the latter. Pandey (Pandey, 1981a, 1981b; Pandey and Kakkar, 1982) conducted a number of experiments on samples of workers and engineering students. He found that the vulnerable organizational member (one with a relatively inferior status or one exposed to arbitrary actions of superiors) may engage in such ingratiating and sycophantic behaviour as name dropping, showing dependence on the more powerful person, praising or trying to please the latter, supporting his views, following his instructions or wishes, etc. He also found that ingratiation often succeeds : the targets of ingratiation felt better and made a more positive assessment of the ingratiator, than those who were not ingratiated.

From a developmental perspective, a more constructive kind of conflict resolution than ingratiation may be process consultation (Pareek, 1975; Rao, 1978). In complex, differentiated organizations, plagued by inter-level, inter-role, inter-departmental, inter-generational conflicts, the process consultant can play a useful team-building role by encouraging self-examination, review of tasks performed by the team and identification of facilitating and inhibiting factors, generation of alternatives, and training of change agents (Rao, 1978).

Leadership

Leadership is often thought of as a set of functions performed by a superior vis-a-vis his subordinates, such as task and interaction facilitation, goal emphasis, and nurturance or support (Bowers and Seashore, 1966). Leadership may be an important mechanism for the processes of socialization, organizational integration, and institution building. The work of J.B.P. Sinha and his associates (Sinha, 1979, 1980, 1984; Sinha and Chowdhary, 1981; Sinha and Sinha, 1974; Sinha and Sinha, 1983; S.B.P. Singh, 1982) is particularly relevant to these processes. Essentially, Sinha has argued that in a culture with high dependency proneness, a weak work ethic, and a strong bonding orientation, a firm, directive, but nurturant leadership (NT leadership style) is an essential first step in socializing a workforce into a culture of autonomy, work ethic, and professionalism. In his research on a wide variety of samples using a variety of research techniques including laboratory experimentation (summarized in Sinha, 1984), Sinha has sought to demonstrate the distinctiveness of the NT style, its association with work values like team orientation, work commiement, and personalized relationships, and the superiority (vis-a-vis productivity, satisfaction, etc.) of the nurturant task-participatory leadership sequencing over any other combination of authoritarian, participatory, and nurturant task leadership style. Sinha's findings have implications for industrial democracy, for example, whether it should be graduated or achieved in one big leap.

In partial contrast to J.B.P. Sinha, Singh and his associates (Singh, 1978; Singh, Warrier, and Das, 1979) have been pleading for the participative, democratic leadership style as the one best style. In a study involving 24 groups doing the NASA exercise, followed by a questionnaire measuring the leader's decision-making style, member satisfaction, and member commitment, Singh, Warrier and Das (1979) found that the authoritarian leadership style affected group productivity negatively (productivity being measured in terms of how close the group's solution was to the ideal NASA solution) while democratic, participatory leadership affected it positively. Similarly, the more democratic the style, the higher tended to be work satisfaction and group cohesion. However, since the task involved was open-ended but its "ideal" solution was arbitrarily pre-determined, it is not clear how valid the conclusions are. In any case, there is a point of convergence between Sinha and Singh, namely the inefficacy of the authoritarian style of leadership for group productivity, group satisfaction, and in a larger context, also possibly the socialization of organizational members and institution building.

Besides the authoritarian-participatory leadership continuum another continuum used has been the production versus employee oriented supervision continuum (tough versus soft leadership), also borrowed from the West (Likert, 1961). Singh and Srivastava (1979), in their study of 15 first level supervisors and 208 blue collar workers, found that the performance of subordinates (as perceived by supervisors) was better under employee oriented than under production oriented supervision. Equally plausibly, however, tough supervisors are put in charge of inefficient or lazy workers to get them to work harder, and lenient supervisors are put in charge of efficient or motivated workers because they do not need tough taskmasters. Singh and Srivastava's study does not clarify what the causal structure is really like.

Leadership styles may affect the perception of organizational climate. Habibullah and Sinha (1980), in a study of 398 executives of BHEL, the huge engineering public enterprise, found that the perceived authoritarianism of leadership style was very strongly correlated negatively with organizational climate being perceived as achievement oriented, while the perceived participativeness of leadership style was fairly strongly correlated with the climate being perceived as affiliative. In other words, those practising the authoritarian style tended to see the work culture as lacking in the work ethic, while those practising the participative style tended to see a friendly, congenial work atmosphere. Equally plausibly, if the work ethic is perceived to be weak, managers will tend to practise an authoritarian style, and if the work climate is perceived to be friendly and congenial, they will tend to adopt a participative approach. Such an interpretation is consistent with Lal's finding (1983) that managers tend to vary their style depending upon the circumstances. Lal found that while managers tend to be authoritarian in their dealings with their subordinates, they tend to be participative when departmental issues arise or when they have to deal with the subordinates of their subordinates.

The studies of Sinha, Singh and Srivastava, Habibullah and Sinha, and Lal suggest that leadership behaviour may in part be a function of the characteristics of subordinates such as their dependency proneness and their lack of work ethic. The more dependent the subordinates, the more likely is the NT leadership style to be seen as necessary; the lazier the subordinates are perceived to be, the more likely it is that an authoritarian style will be adopted by the leader; the more professional the the subordinates (high on expertise and work ethic), the more likely will the participative style be evoked. Although the authoritarian style may be evoked when subordinates are perceived to be lazy, there is no evidence yet that the authoritarian style will be effective in this situation. Sinha and Chowdhary (1981) recommend the NT style in this situation. In terms of such processes as socialization and institution building, it is very likely that the NT and participative styles will be functional and the authoritarian style will be dysfunctional.

The source of a leader's legitimacy may affect his perception by the led. In an experiment (Pandey, Sharma, and Bohra, 1983), the leader described as being elected, or appointed by rotation, was perceived to be more democratically appointed than one who was nominated by higher authority. A change in the process of appointing leaders may be a significant first step in institutionalizing a democratic culture. Where rotation or election are not feasible, as in many industrial organizations, even inviting suggestions from subordinates for who should be leader may suffice.

Organizational Climate

Broadly speaking, organizational climate is the psychological feel of a work place or an organizational unit and the organizational norms that seem to correspond to this feel. As a molar construct, organizational climate may be a snapshot of institutionalized values and practices, and its determinants, state, and consequence consequences may provide interesting clues for the process of institutionalization. When, however, organizational climate is studied at the molecular level, that is, where the unit of analysis is an individual rather than an organizational unit, it may be difficult to distinguish it from job attitudes (Hellriegel and Slocum, 1974). Both kinds of studies have been made in India (e.g. Ansari, 1980 versus Habibullah and Sinha, 1980). From the perspective of this paper, the former kinds of studies are the more important because of the light they may shed on the process of institution building

Ansari (1980), in a study of organizational climate in three organizations, sought a measure of organizational climate in terms of perceived leadership style, support to personnel, and bureaucratization. His sample was 122 male top and middle level executives. He found that inter-organizational differences in climate exceeded inter-departmental differences. He argued that climate could, therefore, be viewed as a molar or aggregated organizational construct.

The study by Singh and Das (1978) of 200 male respondents of 3 manufacturing organizations indicates that commitment of individuals to the organization's goals and requirements may be a function of the perceived organizational culture. The respondents were given descriptions of an autocratic, a benevolent autocratic, a consultative, and a democratic organization. They were asked to indicate how far each organizational culture would get them involved in meeting the organization's goals and needs, and the person's own needs and goals. Autocratic and benevolent autocratic organizations seemed to elicit lower organizational commitment than consultative and democratic organizations.

In a study of 280 managers from 4 industrial organizations, Singh and Das (1977b) found a relationship between the department's style or culture of decision-making and the values of the department's managerial staff. The departmental decision-making style was measured along Likert's authoritarian-participative continuum (Likert, 1961). In the autocratic and benevolent autocratic groups or departments, "to be free from supervision", that is, autonomy, was ranked first as a managerial value, while in the consultative groups or departments, "using special abilities and talents" (self-actualization) ranked first, and in the democratic departments or groups, "to be creative and original" ranked first. Although the "chance to earn a good deal of money", "stable and secure future", and "to exercise leadership" were ranked low in all four group cultures, there seemed some tendency for these to be ranked somewhat higher in the autocratic groups.

In their study of 390 BHEL executives, Habibullah and Sinha (1980) used Pareek's motivational climate questionnaire (Pareek, 1979). It measures six dimensions of perceived organizational climate : the achievement orientation of the organization, its expertise or expert power orientation, extension (concern for others) orientation, affiliative orientation, dependency orientation, and control or authoritarian orientation. Achievement, expert power, and extension orientations were positively intercorrelated. So were affiliation, dependency, and control. But these groups of variables were negatively correlated with one another. Thus, within the same organization, some respondents found the climate close to the professional ideal - high achievement, expertise, extension, and low affiliation, dependency, and control orientations - and others found the climate close to the popular stereotype of the feudally managed organization - low on achievement, expertise, etc., orientations, and high on affiliation, dependency, and control orientations.

This study raises the possibility of there being multiple organizational climates, especially in large, technologically and structurally differentiated organizations like BHEL. The two ideal types suggested by the Habibullah and Sinha data are the dedicated professionalist climate and the feudal climate or culture. It would be interesting to study the technological, structural, leadership, etc., determinants of these two, for they represent the ends of a traditionalism-modernity continuum. Insights into their determinants may enhance the ability to move the strategic organizations of a developing society faster towards the modernity end of the continuum.

Madhu Sinha (1983) visualized organizational climate and leadership style to be mutually interactive variables, which are affected by organizational structure and processes, and in turn affect job attitudes, which in turn may affect productivity, etc. A hundred senior executives and two hundred junior executives and others from a private sector and a public sector steel plant were interviewed. Sinha claimed that organizational climate was a stronger determinant of leadership style than vice versa, and while organization structure was not related to either, organizational processes were related to both. Organizational climate seemed to have a stronger relationship than leadership style with job attitudes. The findings of Madhu Sinha and of Habibullah and Sinha (1980) lend credence to the view that managers tend to adopt those styles that in their view "make sense" given their perception of the organizational situation.

R. Padaki (1982) studied organizational climate in 5 family managed Ahmedabad textile mills. Her respondents were technician middle level managers. In all there were 2[illegible]9 respondents (for part of data analysis she reported data for 390 respondents from 8 mills). She used nine scales to measure organizational climate, developed by Litwin and Stringer (1968), namely, structural clarity (rules, regulations), responsibility (autonomy), reward (meritocracy), warmth (friendliness), support (helpfulness of work group), identity (esprit de corps), risk (risk taking in organization), standards (high performance expectations), and conflict (confrontation of issues). Overall, risk, responsibility, and standards tended to be relatively low, and warmth, support, identity, and structural clarity tended to be relatively high, suggesting that the climate was conservative-bureaucratic but familial. Factor analysis produced 3 factors, but the first factor was dominant, accounting for over 60% of the common variance. All the scales except responsibil responsibility, risk, and standards (the three indicators of an entrepreneurial, venturesome organization) loaded heavily on this factor. This factor, which may be labelled progressive paternalism, was significantly correlated with three job characteristics factors. Thus, those who experienced a progressive paternalist climate tended to feel positively about the skill variety, significance, autonomy, feedback, etc., aspects of their jobs, while those who did not experience this climate felt less positive about their jobs. The factor was also correlated with general satisfaction, feeling of meaningfulness, and satisfactions with pay, security, social relations, supervision, and growth. Interestingly, two mills with productivity close to their potential productivity (the high performance mills) had a significantly higher score on this factor than two mills with a wide gap between potential and actual productivity (the low performance mills). Thus, a good climate may contribute to high organizational performance, though quite possibly high performance may also contribute to a good climate. Padaki's study suggests relationships between perceived organizational climate, perceived job characteristics, job satisfaction, and organizational effectiveness. Some of these relationships may also be mediated by personality variables.

Sharma and Sunderarajan (1983) and Sharma (1983) included nine perceived personnel management aspects such as scope for advancement, grievance handling, monetary benefits, participative management, safety and security, objectivity and rationality, training and education, etc., in their definition of organizational climate. In the Sharma and Sunderarajan study, 4 respondents each were chosen from 50 organizations. They sought to measure the impact of organizational climate on employer-employee relations (the management being deemed as the employer). They found that the different aspects of organizational climate were unevenly developed in the organizations. In particular, perceived participativeness of management was relatively low, while perceived safety and security was relatively high. They also found that each of the nine constituents of organizational climate was significantly correlated with the quality of employer-employee relations. In regression analysis, perceived participativeness of management was the most important factor in determining good employer-employee relations, followed by grievance handling, scope for advancement, and monetary benefits. Sharma (1983) reported the larger study of which the Sharma and Sunderarajan study appeared to be a part. His sample consisted of 2337 managerial personnel drawn from 23 public sector undertakings and 1417 drawn from 27 private sector companies. The unit of analysis was the individual. He found that while monetary needs and safety and security needs were perceived to be reasonably met, there were deficiencies in aspects of the climate such as participative management, training, and scope for advancement. In other words, from the vantage point of mundane needs, organizational climate was perceived to be reasonably satisfactory, but was perceived to be much less satisfactory from the vantage point of growth and power needs. Since Sharma's respondents were mostly lower level managers and staff, his study indicates serious deficiency in intrinsic motivators at lower levels of Indian organizations.

Cumulatively, these studies suggest that organizational climate may be a significant molar variable indicative of organizational culture and institutionalized organizational practices. It may possibly be related to organizational effectiveness. However, sizeable organizations may have multiple climates, so that a suitable unit of analysis for organizational climate may be the department rather than the organization. It may make sense to explore linkages between departmental climate and departmental effectiveness. At the individual level, perceptions of organizational climate are likely to be influenced as much by the personality of the respondent as by the actual organizational practice, and findings may reveal more about the respondent than the organization. Organizational climate may be shaped by a host of factors, including leadership, nature of jobs, and organizational policies. Organizational climate may worsen at lower organizational levels, especially vis-a-vis intrinsic motivators. To gain insights into the determinants of institutionalized practices, there is a critical need to identify the strategic, structural, and technical determinants of the professionalist and feudal organizational climates. There is also need to identify the linkages, if any, between these climates and different measures of organizational effectiveness.

Organizational change processes

Organizational change is commonplace during rapid socio-economic development. But the pace of change may differ from organization to organization. Organizations operating in turbulent operating environments or in their growth phase may change much faster than organizations operating in relatively stable environments or in their maturity or decline phases. Although all organizational changes may be inter-linked streams of changes in organizational tasks, techniques for achieving these tasks, structures, and staff's abilities, values, and motives (Leavitt, 1965), organizational designs for coping with change may differ depending upon how rapid the change is (Khandwalla, 1982b). For organizational effectiveness, a low rate of change may least require uncertainty reduction, differentiation, and integration mechanisms; a modest rate may require sophisticated uncertainty reduction, etc., structural mechanisms and a professional style of management; while a high rate of change may require an entrepreneurial mode of management and a supplementing of formal structural mechanisms by non-formal mechanisms such as networking and the use of social, market, political, and organizational grapevine.

A variety of processes have been reported of changing or attempting to change organizations so as to increase their effectiveness. One mode has been the attempt to change through the survey feedback mechanism (HRD Unit, 1980; Mohanty and Ahuja, 1979). Another is socio-technical approaches to work redesign through action research involving external consultants (De, 1979, 1984b; Diesh, 1979; D'Souza, 1984; Singh, 1981, 1983). A third is through the organization development technology, also usually involving external consultants (Ahmad, De, Kapur, Koreth, 1980; Chattopadhyay and Pareek, 1982; De, 1983; Mehta, 1984). A fourth is through forceful management action (Khandwalla, 1981c; Krishnamurthy, 1977; Prahlad and Thomas, 1977). A fifth is through management by objectives, usually with the help of external consultants (Maheshwari, 1977, 1980). A sixth encompasses institution building processes and mechanisms (Chowdhury, 1977; Dayal, 1977; Dubashi, 1980; Ganesh, 1979, 1980; Matthai Pareek, and Rao, 1977; Pareek, 1981). Each of these is a significant strategy, with its distinctive strengths and weaknesses, and each may or may not succeed depending upon the absence or existence of certain contextual conditions. Each may, however, need to go through the phases of planning, monitoring, action, adaptation, institutionalization and stabilization (Pareek, 1982).

Organizational diagnosis may be an important process for revitalizing organizations caught in the cross-fire between modernity and traditionalism. It may be an important mechanism for unfreezing the organization. Mohanty and Ahuja (1979) and HRD Unit (1980) report a diagnostic study of organizational climate. This was designed as a survey feedback mechanism for triggering organizational changes in the government. An earlier pilot study of 154 respondents from different levels of the Government of India hierarchy had indicated marked employee dissatisfaction vis-a-vis working conditions, organization of work, methods of distributing work, group, communication, and decision-making processes, and skill utilization. A follow up questionnaire-based study was conducted on some 500 employees of the Government of India. The respondents ranged from under-secretaries to assistants belonging to various ministries and departments. Broadly, 410 could be categorized as bureaucratic staff (assistants and section officers) and 84 as professional staff (research assistants, junior analysts, and senior analysts). The respondents provided data on work climate, job satisfaction, perceived organizational processes, perceived organizational ideology, etc. The professional staff reported somewhat higher mean scores on such perceived organizational processes as goal direction, innovativeness, vitality, management style, conservatism, and human resource development, and somewhat lower mean scores on structure and integration. The sample as a whole showed marked discrepancies in perceived actual versus preferred organizational orientations, especially vis-a-vis authority orientation (emphasis on hierarchical relations) and task orientation. That is, a majority of respondents preferred that the organizations have less of an authority orientation and more of a task orientation, and move from a mechanistic to an organic culture (Burns and Stalker, 1961). There was a tendency of dissatisfied persons to rate the organization's authority orientation to be high and its task orientation to be low. Although a majority reported only low to moderate influence, expertise seemed to be a major source of power. There seemed to be a widespread sense of powerlessness. This seemed to generate a pressure for group solidarity and an overreliance on jurisdictional autonomy, both of which can adversely affect inter-departmental coordination. Mohanty and Ahuja (1979) and HRD Unit (1980) indicated that the data were used with some success for initiating system changes.

A number of OD studies have been published in recent years (Ahmad et al, 1980; Chattopadhyay and Pareek, 1982; De, 1983; Mehta, 1984). It is beyond the scope of this paper to try and summarize these studies. But some points may be made. Most of them involved some attempt at diagnosis followed by attempts at rectifying identified deficiencies using behavioural science techniques. There was ample evidence of organizational change, though not much evidence bearing on how permanent these changes were. What was most commonly missing was any attempt at measuring the change in such aspects as organizational climate, leadership behaviour, modes of conflict resolution, communication and decision processes, and organizational performance (De, 1983 and Mehta, 1984, being honourable exceptions). Although almost all the OD attempts involved recourse to external consultants, the extent of dependence varied greatly. In some cases, as in the Walchand group (Hirachand, 1980), the OD effort seemed largely to be an internal one; in others, it seemed heavily influenced by external consultants. Thirdly, in recent years a very narrow band of organizations apparently have tried out OD. The reported efforts were in two business houses, Kamani and Walchand, four public enterprises, a couple of hospitals, and a missionary organization. Thus, professionalizing business houses, high technology enterprises, and large service oriented organizations appear to be the prime users of OD. Fourthly, most organizations that tried out OD were in reasonably good health when they embarked on OD, and continued for years with OD despite lack of any hard evidence of performance improvement. OD in India may be more an organizational hobby than a necessity.

Management by objectives (MBO), popularized by Drucker (1954), Odiorne (1965), and Reddin (1971), is both a philosophy of management and a technology of organiza-organization development. As a philosophy of management it aims to liberate managerial initiative and creativity in the service of organizational objectives. As As a technique it requires lower managers to identify key result areas relevant to their roles, to set objectives in each key result area in interaction with their superiors and in the light of organizational goals and priorities, and to think through the actions needed to meet their objectives. Management by objectives, like OD, is usually initiated with the help of an external expert, and like OD, it too needs the strong support of top management.

Maheshwari (1980) traced the history of MBO in India, and also provided case descriptions of 25 organizations that had experimented with MBO. MBO experiments were largely failures until 1973, but thereafter there apparently was a better showing. Maheshwari observed that in India MBO was used more as a planning and control device than as a motivational and team building mechanism. Maheshwari's case studies, roughly half of successes and half of failures, seem to suggest that where MBO had succeeded, that is, had lasted for a while and had resulted in some internalization of its philosophy and technology, there was an improvement of management process - a movement away from concern with procedures to concern with goals and results. However, Maheshwari provided no data linking MBO and organizational performance.

There have been several participative redesign of work experiments (also called quality of work life experiments) in India based on the Tavistock socio-technical systems approach (Rice, 1958) and action research, an OD technique (De, 1979; Diesh, 1979; D'Souza, 1984; Singh, 1981, 1983). Excessively fractionated tasks, resulting in over-specialized jobs that are alienating and also cause coordination difficulties, seem to offer fertile ground for participative redesign experiments. De described several experiments, one in post offices in Simla, one in a Delhi post office, and the other in the condenser units of the Hardwar plant of BHEL, to enlarge and enrich jobs through participative diagnosis of work related problems and participative design and implementation of of group-based work arrangements. The basic thrust was for external consultants to identify problem areas at "shop floor" or lower levels of the organization for participative problem solving and decision implementation through the use of work teams or task forces. Of the experiments reported by De, the ones in the Simla post offices and in BHEL appeared to be successes; the one in Delhi appeared to be not a success. As problems got solved and confidence in the socio-technical approach increased, there was a tendency for the approach to diffuse into other parts of the organization. Unlike OD, which usually concentrates efforts at the upper levels of the organization and requires not only top management support but also involvement, these experiments were commonly at much lower organization levels. They also tended to be less ambitious, usually limiting themselves to solvable concrete problems related to work. But in the process, apparently fairly profound changes in organizational culture and style of management were engineered.

Diesh (1979) reported a participative work redesign experiment in a small post office and in a municipal printing press, both being governmental organizations. The experiment in the post was apparently a success, as judged by rise in productivity and better service to customers. The experiment in the printery was still ongoing, but there were indications of higher work satisfaction. Diesh argued that credibility of action researchers is a critical necessity for the success of these experiments. One source of credibility is the action researchers arranging for some immediate improvement in physical working conditions. The action researchers also need to nurture the work group, at least in the initial phase when enthusiasm for the experiment is low. Change is apparently fastest when the action researchers take a down-to-earth approach and focus attention on concrete issues and proposals. Both Diesh and De argued for the involvement of the top management as well as other stakeholders, such as unions. Without their support, an experiment is likely to fail, as apparently was the case with the post offices in Delhi.

Singh reported participative redesign or quality of work life (QWL) experiments in a shoe factory (Singh, 1981), and in a chemicals plant and a textiles company (Singh, 1983). The experiment in the shoe factory, where outside consultants worked with workers in an old run down government run plant, was apparently a success, as judged by a rising trend of output. The experiment in the chemicals plant, too, appeared to be a success, as judged by rising targets and frequent overfulfilment of targets. In the chemicals plant, the external consultants worked with technical personnel, and helped to make the planning process more participative. The textiles company, where work was taken up at the behest of management (and with the cooperation of the union) into a problem section, was not a success because the consultants took on, not problems faced by the personnel in the section, but the problem identified by the management, and also because the experiment was sabotaged by some malcontents in the section. Singh emphasized the necessity of identifying problems accepted by the target group as meaningful, as an essential step in generating interest among group members. He also emphasized the necessity of starting with solvable, "concrete" problems that can be solved at the group level.

If participative redesign experiments have (within the organization) shown local success in increasing effectiveness, successful turnarounds of sick organizations (Khandwalla, 1981c; V. Padaki, 1984; Prahlad and Thomas, 1977), already reviewed earlier, have demonstrated remarkable global (that is, organization-wide) effectiveness. In these turnarounds, too, the emphasis is on credibility building, concrete, solvable problems, initially limited aims, and on mobilization of the staff in changing the organization. While successful participative redesign experiments have been triggered by external consultants, turnarounds have been engineered by outsiders who were brought in at top executive levels. Both demonstrate the failure of the organizational system to correct itself with internal resources, and both also demonstrate the reserves of strength at all levels of the organization that can be released by the right external change agent. This phenomenon is hardly unique to India (Emery and Thorsrud, 1969; Starbuck, Hedberg, Greve, 1978). What then is the obstacle that prevents organizations from curing themselves? At lower levels, the powerlessness of the lower participants may be a factor. At higher levels it may be excessive organizational differentiation, through, for example, extreme functional specialization, that makes it quite difficult for a powerful coalition to emerge that can stem the rot and reverse the direction. After all, what the top level change agents did in the turned around companies was mostly common sense -- increase cash flow; improve marketing, quality control, production scheduling, and inventory control; postpone large scale diversification, etc., hardly acts of any great novelty or brilliance. Any internal manager could have done these "obvious" things, but did not, or rather, could not. A combination of demoralization, powerlessness, low credibility, and group politics seemed to block any internal initiative. While the notorious dependency proneness of Indians (Sinha, 1980) may have been a factor, the more powerful factor may be organizational paralysis initiated by the organization's excessive vertical and horizontal differentiation. The breakdown of the organization's homeostatic mechanisms and the pathetic reliance of sick organizations on outsiders is ominous for the fledgeling organizations of a developing country.

A ray of light is offered by institution building studies (Chowdhury, 1977; Dayal, 1977; Dubashi, 1980; Ganesh, 1979, 1980; Matthai, Pareek, and Rao, 1977; Pareek, 1981). Institution building consists of processes by which an organization gets converted from a system of roles and objectives to a system whose members share a commitment to certain values (Esman, 1972); also, of processes by which an organization comes to have external legitimacy, that is, powerful segments of society come to feel a stake in the continued existence of the organization. The processes of institution building can thus potentially protect the organization from internal anomie and external hostility.

Dayal (1977) described his experience as a director of a public administration institute. Matthai (in Matthai, Pareek, Rao, 1977) described his experience with the building up of a management institution, and Chowdhury (1977) traced the Indian experience in institution building, particularly of management institutes. Dubashi (1980), based on his experiences in setting up an institute of cooperative management and an irrigation project, highlighted the inappropriateness of the bureaucratic model for institution building. He emphasized the appropriateness of certain elements for institution building : the organization being tailor-made to its objectives, strongly emphasizing team and group work rather than hierarchy, emphasizing decentralization and flexibility, and institutionalizing free communication, professionalism, participation, initiative taking, and multi-group membership for employees.

The most systematic theoretical and empirical work on institution building processes and mechanisms, and their links to indicators of performance, has been done by Ganesh (1979, 1980). He studied six management institutions, and sought to assess them on a series of performance measures such as capability development, innovative thrust, and (market) penetration. He also identified a number of institution building processes and mechanisms that were causally relevant to these performance dimensions. Some of these mechanisms were related to birth processes, such as idea origination and nurturance and choice of institutional form. Other processes were : start up of the institute (choice of model, choice of early leadership, resource and support mobilization), development processes (culture creation through initial recruitment, decision-making, leadership, structure, etc.; boundary management through identity building, boundary maintenance, enlargement, and shrinkage), renewal processes (leadership change, regeneration, mission redefinition, integration, etc.) and institutionalization processes (relevance building and environment impact). The stronger these processes, the more likely was the organization to show a superior performance on indicators causally proximate to these processes. For example, Ganesh argued that strong recruitment, enculturation, regeneration, and redefinition processes result in superior performance on capability development; strong processes of choice of model, decision-making, structure, voice, and integration result in superior performance on innovative thrust; and strong processes of choice of early leadership, leadership style, dissemination, etc., result in superior performance on penetration.

While Ganesh studied only academic organizations, it is possible that the processes and mechanisms he identified and also their effectiveness indicators may be relevant to a wider set of organizational forms. If the strategic organizations of a developing country are not to flounder, much greater attention of researchers and practitioners to effective institution building mechanisms will be needed in the years to come.

Innovation

There is little doubt that in the post-Independence era, the rate of organizational innovation has risen. If innovation is defined broadly as the institution in the organization of a product or a process or a practice or a structure which may or may not be novel in a global sense but is relatively novel to the organization (Mohr, 1969), then there is much evidence for innovativeness of Indian organizations. For instance, a study found that both large public and private sector corporations diversified fairly rapidly in the 1960-1975 period (Chaudhuri et al, 1982); the annual rate of foreign collaborations has sharply increased in the eighties; a longitudinal study of organizational structures (Maheshwari and Malhotra, 1977) suggests that large Indian organizations may be rapidly divisionalizing, and adopting more complex corporate structures; starting from just about zero in the early sixties, Indian industry now annually absorbs some 2,000 MBAs, indicative of a fairly brisk pace of professionalization; etc. Studies of innovation, however, have still to keep pace with this rate of innovation.

Nagabrahmam (1980) studied the adoption of three organizational innovations in four organizations. The organizational innovations were management by objectives (MBO), budgeting, and human resource development system (HRDS), three significant elements of management professionalism. The principal method was field study involving the administration of questionnaires followed by interviews. The dependent variables were three indices of innovation adoption, namely, the use of the innovation, its continuance, and change in managerial processes and climate. The independent variables hypothesized to influence adoption were adopting department's climate, leadership commitment, top management commitment, process of implementation, stabilization process, top management attitude towards adopting departments, and adoption prone factors. A total of 512 questionnaire responses from 102 departments of the four organizations were used. The unit of analysis was the department. Nagabrahmam found that differences in processes for stabilizing the innovation, processes of introduction and implementation, adoption proneness at departmental level, departmental climate, and leadership commitment to innovation accounted for differences between high adoption and low adoption departments. Of the three indices of adoption, the strongest predictors were found for innovation continuance, followed by innovation use. In particular, all ten independent variables were significantly correlated with process continuance. Based on his findings, Nagabrahmam proposed an organizational innovation adoption model. He suggested that contextual factors, factors that integrate the innovation with the various organizational goals and sub-systems, process (of innovation) factors, and innovation facilitating factors affect the continuance of the innovation, which in turn effects a change in the organizational climate.

A. Sinha (1984) studied technical innovations in a sample of 40 manufacturing companies. These companies operated in West Bengal and Gujarat. Roughly half the companies were engineering companies. He identified 43 innovations in 24 companies (the rest had, apparently, not innovated). These technical innovations broadly were of two types : innovations in manufacturing processes; and innovations in products, which in turn comprised of innovations in existing products, innovations of products related to existing products, and innovations of products unrelated to existing products. Sinha found that the bulk of the innovations he studied were product innovations, and that too, of products related to existing products, suggesting the pull of the market as a significant determinant of innovative firm behaviour. Indeed, about half the innovations seemed to have been spurred by poor market performance of existing products, or competitive threat to the existing products, or through demand for a new product. Other significant factors for spurring innovation seemed to be increase in scarcity and/or cost of inputs, government incentives for technology development, and management's growth and pioneering orientation.

Sinha attempted to test six hypotheses. He hypothesized that product innovation related to an existing business is likelier when the manufacturing process is still not too systematized (supported). Secondly, process innovation in an existing business is likelier when the manufacturing process is moderately systematized or settled (supported). Thirdly, innovation is likelier in business with highly systematized processes (not supported). Fourthly, enterprises operating in technologically sophisticated environments are likelier to make innovations correlated to their existing products (supported). Fifthly, innovations to replace existing products are likelier in businesses operating in low economies of scale, high technological sophistication environments (supported). Sixthly, innovations of special applications of existing products are likelier in a vulnerable firm, that is, a firm with a relatively small market share (supported).

Sinha argued that innovation is a function not only of innovation-related factors but also organization-related factors. He identified a number of innovation processes within the overall innovation process, consisting of core sub-processes like recognition of innovation need or opportunity, identification and definition of the innovation, its technical design, and its implementation. He also identified a number of organizational sub-processes like search for innovation, organizing for innovation, approval of innovation, internal opposition to innovation, and internal commitment building for innovation. He found several variants in each of these sub-processes. For instance, in the search sub-process there were two basic kinds of searches : search for information about how to deal with an innovation-stimulating situation, and search for information that helps evaluate a technical innovation. Sinha also identified some dysfunctional consequences of a sub-process, such as the process of search precipitating internal opposition to an innovation. Sinha attempted to study recurring cycles of sub-processes, such as a definition-search cycle, a technical design-search cycle; etc., with a view to identifying categories of innovation processes. He sought to link these cycles to innovating in several innovation situations : innovating in a crisis; technical innovation to deal with a problem when there is a powerful sponsor and also when there is no powerful sponsor; growth opportunities through innovation within the existing business and such opportunities for products in unrelated businesses, etc.

Sinha concluded that the technical innovation process is influenced by five major factors : the situation (crisis, problem, or opportunity); relatedness or distance of the innovation from existing operations and know-how; the nature of the organization (large or small, complex or non-complex); top management support for the innovation idea; and whether or not research and development is institutionalized in the organization. He developed a model of technical innovation in the manufacturing enterprise in which the enterprise and its operating context interact with top management support, research and development evolution in the organization, etc., to determine the intent, direction, and process of innovation, which through performance evaluation, affects the enterprise, its context, and its internal features.

The studies of both organizational and technical innovations suggest the importance of contextual "need pull" factors, internal political factors (e.g. support or lack of support of top management), organizational practices, the role of sponsors, etc., in the identification, development, and adoption of innovations. Another positive step has been the attempt to break the innovation process down into sub-processes, and to identify linkages between these sub-processes. Thirdly, there is a difference between the identification and adoption of a particular innovation and the innovation-proneness of an organization. Even the most conservative organization may innovate once in a while. It is certainly useful to understand how innovations are or should be managed. In the larger context of development, however, it may be equally useful to understand the factors that induce organizations to become innovative. A better understanding of external or contextual and internal or strategic and structural factors bearing on innovativeness of organizations may lead to effective social action to spur innovation, and therefore, the speed of development.

Chaganti (1979) identified four characteristics of government organizations that have a particular relevance for adoption of innovations in government organizations. These are : formalization and standardization, a structural characteristic that impedes adoption but facilitates implementation of an adopted innovation; pressures from multiple groups, a political characteristic that facilitates the adoption of "external" or output-related innovations beneficial to powerful or vested interests; pressure for quick results in democratic polities; and importance of innovation for the survival, etc., of the relevant governmental agency. Chaganti noted that in India, there was a developmental milieu, and innovation-proneness was stronger, the higher the echelon of the government. Pai Panadikar and Kshirsagar (1978) found that development orientation was stronger the higher the personnel level in developmental agencies. In combination with the structural resistance to innovations in bureaucracies, this elite proneness to innovation implies a plethora of adopted but poorly implemented innovations.

Khandwalla (1984b : ch.8), based on Indian as well as international research, proposed a model of successfully innovative organizations. He identified a number of contextual factors that influence positively the pioneering and innovative orientation of the organization's management. These factors are : a turbulent operating environment; the organization's vulnerability due to inexperience, resource scarcity, competition, etc.; client sophistication; variability and diversity of the organization's outputs; high performance targets of management; a crisis situation; favourable circumstances such as a buoyant market or previous success. If a strong pioneering and innovative orientation of management is translated into appropriate policies, structural mechanisms, and management work culture, there would be a high probability that the organization would not only be innovative but be successfully so. Contributory policies include calculated risk taking; strong results orientation; meritocracy; vigorous environmental scanning for opportunities; preference for new technologies and products/services; commitment to high quality of the organization's outputs; a strong experimental orientation; recruitment of creative staff members; adoption by the organization of a unique, inspiring mission; opportunistic diversification; and a strongly competitive posture. Structural mechanisms for being successfully innovative include operating decentralization, a good control and information system, a motivational system designed around intrinsic motivators, and decentralized conflict resolution. A non-authoritarian, "open", achievement, innovation, and expertise oriented organizational culture is also necessary for innovative success.

Concluding Comments on Organizational Processes

The work on organizational processes is promising, but it has a long way to go. Much more needs to be known about the social information processes (Salancik and Pfeffer, 1978) in Indian organizations. These processes may be very important for understanding a wide variety of organizational phenomena : socialization of organizational members, their identification with the organization, their reaction to proposals for change and innovation, their responses to working and supervisory conditions, their response to union militance, etc. Also, we need much better understanding of how structural properties of organizations - the form of departmentalization, the length of the hierarchy, the performance control system, the degree of centralization, etc. - affect organizational communication processes. Decision-making is another area of darkness. Here, further work on decision heuristics (Cyert and March, 1963) in different parts of the organization may be particularly useful. The linkages between styles and philosophies of top management and decision heuristics would provide a better base for organizational development work. There is much too little work on organizational conflicts and processes of conflict management. Generation gap may be an important source of conflict; but there may be other, task related conflicts. It would be interesting to explore how organizations operating in different contexts experience and respond to conflicts. For instance, what kinds of internal organizational conflicts arise in organizations facing highly turbulent environments vis-a-vis those facing highly complex environments ? There has been far too much emphasis on the role of leadership vis-a-vis subordinates, but not vis-a-vis the boundary management and change and innovation introduction functions. Also, while leadership as a function of the properties of subordinates has been insightfully studied, the linkage of leadership to macro-organizational phenomena, such as the organization's operating context, its goals, strategies, structure, and systems, its technology, etc., has not been studied. Surely, exhortations to leaders to be NT or participative in disregard of macro-organizational realities would be nonsensical. Indian work on organizational climate or culture has been far too strongly influenced by Western concepts of climate, especially by the authoritarian-participative dichotomy. Paternalism as a dimension of climate, so significant in the Indian context, has been mostly ignored, as also the dimension of dynamism and change proneness, so critical for the organizations of a developing society. A better understanding of how macro-organizational variables affect organizational climate hardly needs to be stressed. Indian organizations seem to be changing in many different ways. They seem to be modernizing technologically, and more slowly, perhaps, in terms of systems of management. They are also adapting in interesting ways to the dual role of the state, that of the entrepreneur-developer, and that of the regulator. They also seem to be exposed to increasing turbulence and competition, and increasing staff militance. These rich adaptations and changes, and their interrelationships, are still mostly shrouded in mystery. On the plus side, some forceful ways of changing moribund organizations (or their parts) have been uncovered, through action research and turnaround studies. Much more work is surely needed on effective ways of institutionalizing the ethic of diagnozing organizational health, growth, development, innovation, professionalism, etc., in a culture in which growth and innovation are crucial but the work ethic, the capacity for fearless self-diagnosis, and the capacity for collaborative collective action are weak.

REVIEW, GAPS, AND HYPOTHESES

Summary of Findings on Organizational Effectiveness

At the beginning of this paper, a complex model of organizational effectiveness, based on global work on the subject, was presented (see Figure 1 shown earlier). It incorporated the contingency theory, the systems, the strategic choice, and the synergy perspectives, and it accorded to organizational effectiveness the character of a systemic phenomenon (that is, a phenomenon determined by, and determining in turn, a host of contextual, strategic, structural, and process variables). The model argued that organizational effectiveness is not determined by any one variable. Rather, as a systemic phenomenon it is affected not only by contextual variables like the organization's control and business environments, its size and type, etc., but also by the strategic responses of the organization to its context, by the appropriateness of the structural mechanisms to the organization's strategic choices, and by the appropriateness of the organization's internal leadership, conflict resolution, socialization, innovation, and other processes to its strategic and structural choices. The post-1976 Indian work reviewed in this paper has been organized around this model. It indicates the following:

1. There is some evidence that interorganizational cooperation and coordination helps the performance of the focal organization (Bhatt, 1978).

2. There is no evidence that size per se affects overall organizational effectiveness. However, in organizations with large economies of scale, size may be correlated with profitability (Agarwal, 1980).

3. There is some evidence that for controlled organizations, the characteristics of the owner (government versus private, financial versus technical orientation of the controlling authority, its demanding but nurturant role, etc.) may affect the level and pattern of performance of the organization (Dholakia, 1978;

Khandwalla, 1981b; Maheshwari, 1978; Pendse, 1983).

4. There is considerable evidence that strategic top management behaviour strongly influences organizational effectiveness. The particular path of diversification chosen by the organization may influence the organization's profit and growth performance (George, 1984), and the way diversification is managed may also affect its performance (Chaudhuri and Khandwalla, 1983). Effective turnaround management may produce very large changes in the performance of the sick organization (Khandwalla, 1981c; Padaki, 1984; Prahlad and Thomas, 1977). Strategic responses that match the strengths of the organization with the pressures and opportunities of the environment may also contribute to effectiveness (Chaudhuri, 1980). A proper orchestration of the organization's goals, structure, and influence processes vis-a-vis employees and clients by the top management, keeping in view the environment of the organization, seems to make for organizational success (Paul, 1982; Prahlad and Thomas, 1977).

5. There is evidence that synergistic modes of top management contribute to organizational effectiveness (Anand Ram, 1980; Khandwalla, 1981b; Maheshwari, 1978). In particular, combinations of risk taking and organic, and professional and participative modes of management may be particularly effective in respectively turbulent and complex environments.

6. Vigorous, participative, and progressive-paternalistic modes of top management seem to contribute to organizational effectiveness (Khandwalla, 1983b; Maheshwari, 1978; Padaki, 1982). A certain amount of management professionalism seems to decrease the mortality of small firms (Mazumdar, 1977) and to improve the performance of vulnerable entrepreneurial units (Patel and Srivastava, 1978).

7. Organizational goals seem to affect the style of management (Khandwalla, 1983b)

and job satisfaction of lower management (Khandwalla and Jain, 1984); but there is no firm evidence yet that they affect the performance of the organization.

8. Managers tend to believe that different management characteristics and organizational processes contribute to organizational effectiveness and ineffectiveness (FORE, 1984; Singh, Kaul, and Ahluwalia, 1983). Leadership, team spirit, innovation, the organization's coping ability, consideration for the staff, the identification of employees with organizational goals, effective control, career advancement potential, etc., are believed by managers to contribute to organizational effectiveness. Inadequate resources, low social legitimacy, poor management, poor planning, a bureaucratic system, lack of coordination, and lack of identification of employees with organizational goals, as well as contextual factors such as government practices and union behaviour are perceived to be main factors contributing to organizational ineffectiveness.

9. There is no evidence that aspects of organizational structure such as hierarchy, decentralization, specialization, formalization, control systems, human resource development systems, etc., affect organizational effectiveness in hard performance terms, though there is some belief to that effect (FORE, 1984; Pareek and Rao, 1981; Singh et al, 1983). There is, however, evidence that aspects of structure such as hierarchy, decentralization, and functional specialization affect such indicators of effectiveness as job satisfaction and stress experienced by employees (R. Padaki, 1982; Pestonjee, 1979; Sen, 1981) and perceived organizational effectiveness (Mishra, 1982; Singh and Pant, 1982).

10. There is growing evidence that certain types of attempts at improving organizational effectiveness bear more fruit than others. There is no hard evidence that OD or MBO improve the performance of the organization, and whether they improve other dimensions of organizational effectiveness, such as

job satisfaction, cohesion and morale, and innovation, remains a matter for conjecture in the absence of systematically presented data. However, there is evidence that pro-active, quick pay-off, staff and stakeholder mobilization, and "quick fix" oriented changes in a sick organization pay rich dividends in terms of hard, and possibly also soft indicators of effectiveness (Brown, 1984; Khandwalla, 1981c; Padaki, 1984; Prahlad and Thomas, 1977). There is also evidence that limited scope, participative, action research oriented interventions at reorganizing the usually fractionated work at lower organizational levels bears good results at those levels (De, 1979; Diesh, 1978; Singh, 1981, 1983).

11. There is evidence that a certain type of leadership process, namely, nurturant task followed by participative, is conducive to greater effectiveness of work groups (Sinha, 1984). However, whether or not work group effectiveness translates into organizational effectiveness has not been demonstrated. For work group effectiveness to translate into organizational effectiveness, it may be necessary to strengthen the relatively weak boundary management capabilities of work group leaders (De, 1981).

12. There is evidence that institution building processes may significantly affect organizational effectiveness, such as organizational birth processes, inception and start-up processes, development processes, renewal processes, and institutionalization processes (Ganesh, 1980).

13. There is at least indirect evidence that organizational effectiveness can affect, in turn, strategic, structural, and process variables, and possibly also contextual variables. The successful turnaround studies (Brown, 1984; Khandwalla, 1981c; Padaki, 1984) document the fairly massive changes in the organization that take place because the organization is sick. Similarly, the

quality of work life experiments document the systemic changes that take place at lower organizational levels through participative action research because the situation is unsatisfactory at these levels (De, 1979; Diesh, 1979; Singh, 1981, 1983). Slack theorists (Cyert and March, 1963; Williamson, 1963) may be inclined to see the patronizing of MBO and OD by relatively well-endowed organizations as evidence that organizational slack, through good past performance, may cause organizations to opt for these systems changing innovations. Some of the reported correlations between leadership style and organizational climate or performance (Habibullah and Sinha, 1980; Singh and Srivastava, 1979) could be plausibly interpreted to suggest that favourable circumstances (e.g. high productivity of subordinates) induce leaders to be employee oriented or participative.

The foregoing seems to constitute promising support for the model of organizational effectiveness outlined in Figure 1. If the model is persevered with and fleshed out, it may serve OB research well in the decades to come. At the least, it should heighten awareness of the importance of contextual, strategic, structural, and process variables. It may also entice organizational psychologists to enrich their perennial studies of leadership, values, job satisfaction, and organizational climate with a wider conception of organizational dynamics and effectiveness. A paradigm shift for these organizational psychologists seems overdue.

Some Major Gaps

Some promising work has been done in the post-1976 period. But massive gaps remain, many of which have been indicated in various sections of the paper. For instance, there should be much greater work on the controlled Indian organization's control environment, and how it affects the organization's strategic and structural choices and performance, on the political processes within the autonomous organization that shape its strategic and structural choices. Much more work is needed to understand how the values of managers shift as a function of organizational strategic action, and how values shape managerial decision-making and other behaviour. The whole area of how or whether technology shapes structure is grossly under-researched. Though some promising approaches have appeared in such areas as decision-making and conflict resolution, solid empirical work is conspicuous by its absence. Similarly, the vital processes of institution building deserve far greater research attention. So does the whole question of what structural mechanisms are appropriate for alternative contexts and strategic choices. Even in the relatively well cultivated field of organizational psychology, some significant questions beg tougher probing. For example, how come managers espouse growth values but appear in the main to practise bureaucratic or benevolent autocratic styles (Singh, 1982) ? A major gap still remains : how do configurations of context, management goals, style, strategy, structure, systems, and organizational culture and processes affect different indicators of organizational effectiveness ? Surely, configurations that foster organizational efficiency or profitability may not necessarily promote organizational growth, innovativeness, contribution to socio-economic development, employee satisfaction, or human resource development. In the absence of this information, any prescriptions are likely to be sub-optimal.

These and other gaps are glaring, but they are part of a "global phenomenon". We need not be ashmamed of the work that has been accomplished, even though we may need to do ten times what we have done to reach the outskirts of where, say, the West currently is. But there seems no justification to echo Chaturvedi's pained denunciation of a decade back : "To-date there has been no contribution of any major significance to OB knowledge from India" (Chaturvedi, 1977).

Besides a plea for better quality research, a plea may be in order for greater diversity in research methods. Questionnaire surveys seem the most common method by organizational researchers. But surely, there is lot to be gained by studying archival records (e.g. Chaudhuri et al, 1982; Hassan, 1980; Khandwalla, 1980), conducting laboratory "organizational" experiments (Sinha and Sinha, 1983; Singh, Warrier, and Das, 1979), field studies (Nagabrahmam, 1980, Pandya, 1982), field experiments and action research (De, 1979; Gupta, 1982; Singh, 1981), participant observation studies, organizational gaming and/or computer simulations, and natural experiments. Natural experiments may be an extremely productive source of useful knowledge because so many well-publicized strategic, structural, technological, and other changes are being made in the country's strategic organizations. Surely it should be possible for organizational researchers to contact managements contemplating diversification, divisionalization, technology modernization, computerization, installation of human resource development systems, setting up of quality circles, etc., and seek opportunities for "before" and "after" measurements of organizational climate, leadership, values, communications, structure, etc. Such academic entrepreneurship should serve the cause of both socio-economic development, and a development-oriented organization theory, well.

Some Emergent Hypotheses

Throughout the paper, an attempt has been made to indicate gaps, anomalies, and issues that beg further research. It may be useful to conclude this paper, not only with a plea for more research, but with a short list of hypotheses to stimulate empirical work in fresh directions :

H_1 Given that an organization operates in a turbulent or complex environment, the more conservative or traditional the style of top management, the more frustrated will be lower level younger managers and the poorer will be the organizational climate at lower organizational levels.

H_2 The more unfavourable the operating context of the organization (e.g. due to a harsh control environment, recession, or strong competition), the greater will be the gap between the idealized and practised values of managers.

H_3 The larger the complement of managers with a traditional upbringing but a modern, technical education, the steeper will be the decline in the organization's performance in such unfavourable operating conditions as a recession, severe competition, stringent government regulation, or an inappropriate top management, and the steeper will be the improvement in performance in favourable circumstances like industrial recovery, governmental liberalization, or a new dynamic and professional top management.

H_4 In terms of the relative use of the NT, participative, and authoritarian leadership styles, the younger the organization or the more turbulent its operating environment, the wider will be the use of the NT style; the more mature the organization or the more complex its operating environment, the wider will be the use of the participative style; and the more vulnerable the organization or the harsher the operating environment, the wider will be the use of the authoritarian style.

H_5 The greater the change in the style of top management, the greater will be the change in the values practised by lower level managers, and in a congruent direction.

H_6 For controlled organizations such as government-owned organizations, subsidiaries of multinationals, units of a business house, divisions or departments of an organization, etc., a demanding as well as nurturant control environment will elicit superior organizational performance than a permissive or a directive control environment.

H_7 The more constraining the control environment, the more professionalized in the long run will be the personnel management of the organization.

H_8 In family managed organizations, the stronger the socialization of in-charge family members in a commercial/financial orientation, the more centralized will be the management of the units; and the stronger the socialization of in-charge family members in a technical/research orientation, the more decentralized and professionalized will be the management of the units.

H_9 In family managed groups, the greater the differentiation in the policy orientation of adult family members, the more diverse will be the styles of managing the units, and the more frequent will be the splits in the group.

H_{10} Socially the more strategic the organization, in terms of perceived centrality to the process of socio-economic development, the greater will be the internal contradiction between modernization of technology and bureaucratization of personnel management practices, especially vis-a-vis personnel performance appraisal, and the greater will be the frustration of managerial and technical personnel.

H_{11} The profile of an organization's performance on different indicators will be a function of the ideological preferences of the control environment for controlled, and of top management of autonomous, organizations.

H_{12} The more strategic the organization, the greater will be intra-organizational structural, process, and value differentiation, and the greater will be the variation in departmental climates.

H_{13} The more strategic the organization, the more frustrated will be its top management at the resistance of the lower organization to implementing innovations originating with the top management.

H_{14} The more strategic the organization, the greater will be the efficacy of action-research type credibility building, quick and concrete pay-off oriented process interventions.

H_{15} The more strategic the organization, the more will it need to be entrepreneurially as well as professionally and participatively managed for superior performace on its major goals.

H_{16} The greater the socialization of top management in modernity, that is, the stronger the concern of top management for greater efficiency and professionalization, the broader will be the goal set pursued by the top management, and the better will be the organizational climate at lower levels.

H_{17} The stronger the emphasis of management on intrinsic motivators for lower staff (sense of challenge, opportunity for personal growth, autonomy, etc.), the greater will be the job satisfaction of lower level staff vis-a-vis not only intrinsic but also extrinsic motivators such as emoluments, supervision, company practices, etc.

H_{18} The stronger the top management commitment to organizational growth and to serving the organization's clientele, the better will be the organizational climate at lower organizational levels.

H_{19} The more dynamic and vigorous the style of a level of management, the lower will be the work satisfaction of the next lower interfacing management level but the higher will be the work satisfaction of the level reporting to this next lower level (in other words, management dynamism will tend to generate downwards a sinusoidal wave of work satisfaction).

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