Working Paper

DESIGNING DEVELOPMENTAL ORGANIZATIONS:
SEARCH FOR AN INDIAN THEORY

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ABSTRACT

The developmental organizations in public sector emerge largely to allocate resources to such regions and people which may not be able to attract market forces on their own. However, many of these commercial organizations engaged in procuring, processing or distributing some of the rural inputs or outputs may have to compete, support or supplement the effort of other market organizations also. Major dilemma that confronts organizational designers is "how to match the economic and social objectives which are many times contradictory and ambiguous with the structure of organizations that allows its members to use their potential creatively." The social context of organization often imposes such demands on the organizations that various subsets of internal and external environment do not perceive in an identical way. These contradictions in Indian context necessitate reappraisal of various western theories of organizational design so that an appropriate alternative can emerge.

The paper first describes various forces that influence emergence of an organization such as colonial heritage, linkage effect, bureaucratic pervasiveness, international aid, tradition culture and household orientation and features of the receiving system. The characteristics of public sector organizations are discussed next. The critical review of classical theories in last part calls for searching a theory that is good in practice and rooted in Indian socio-cultural context. The need for reappraising this context however is also felt necessary to reconceptualise the role of a manager in rural developmental organization.

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Key Issues

(i) Why do organizations exist? Why do we need to differentiate developmental organizations from nondevelopmental organizations?

(ii) What are the characteristics of Indian developmental commercial organizations which necessitate reappraisal of applicability of some of the Western theories?

(iii)What is the alternative framework in which implication for designing and managing socially relevant organization can be worked out?

Why do organizations exist or emerge?

(i)   They emerge when markets fail and vice-versa. Market's failure is said to occur when costs of conducting transactions between firms (or individuals) exceed the cost of internalizing them in organizations. Organizations fail when a market or an organizational alternative offers lower transaction cost (Williamson, 1975 in Meyer, 1982 P.107).

(ii) To coordinate roles of more than a few people engaged in any particular task over a period of time with some shared understanding of purpose, outcome and rules, the organisations emerge.

(iii)They are 'goal directed; boundary maintaining, activity system' (Aldrich 1979), and evolve by taking following factors into account:

(a) niche characteristics or the nature of opportunity structure;

(b) social psychological and cultural attitudes and values predisposing individuals to respond to incentives held out by the opportunity structure;

(c) the distribution of resources and the terms on which they are available to organizational entrepreneurs who wish to take advantage of perceived opportunities (Aldrich, 1982, P.22).

(iv) They exist to legitimise the conflicting interests in society which ruling class tries to resolve or diffuse through distinctive organizational forms.

We will separately discuss whether the reasons which justify the existence of organizations also explain the affiliations of individual members with the organization. We would later argue that individuals do not necessarily exist in organizations to achieve only organizational goals.

However, two questions need to be answered here before we proceed further:

(i) Whether the public sector organizations also emerge in the framework mentioned above;

(2) Whether Indian organizational population has some distinctive traits which will explain emergence of some type of organizations and not others.

In response to the first question, it will suffice to state here that in a mixed economy framework, the role of state is to identify such sectors of economy on the growth of which larger economic growth depends, i.e. the core sectors and also to play an active role in those sectors and spaces which will not attract market forces because of different reasons. Within in a federal state, different sectors come under the constitutional proviso of different levels, i.e., centre or state. e.g. Agriculture and Irrigation are state subjects with the result any large scale policy or procedural changes will involve several states and their political complexities. At the same time certain central organizations are set up which provide the umbrella under which states devise their own organizational or institutional set up.

Regarding second question, it is necessary to appreciate why do we want to look into population characteristics to study emergence of individual organizations. Just like biological ecologist who do not often concern with the individual organism, organizational ecologist would not concern with individual firms (Freeman 1982, P.3). Further, as we would see a little later, when performance of any task such as rural development, involves multiplicity of organizations, it is futile to draw inference about the effectiveness of task or about its possible improvement by concentrating on organizations as unique, distinct entities.

Historicity is another reason which suggests that organizational context cannot be understood unless one takes into account the forces in society which operated in past influencing emergence and sustenance of some organizations and decline of others. Historicity pervades the internal and external context of organizations. e.g. Experience of client system of a new organization with earlier organization in the same sector dealing with similar or dissimilar services will influence the way new organization would be reacted to. Therefore, by studying population characteristics, at one point of time, one might be able to get/some idea of past which would have affected emergence /onl of different organizations.

Since the population of organisations in Indian context would include extremely diverse type of organisation following from the wide mix of private, public, joint sector and cooperative bodies, we would delimit the population coverage to only commercial developmental organizations. Developmental organizations are distinguished from others in following ways:

(i) They are set up to achieve some social objective like increasing production through improving access of poor to credit, or provision of inputs, marketing or processing of outputs by remaining equitous in their performance, i.e. they are not expected to discriminate in favour of larger or better endowed suppliers or consumers.

(ii) They are developmental also because they try to inject resources into rural regions to increase the rate of capital generation, accumulation and hopefully distribution in a socially disirable way. The latter

is a value position which can be inferred in different context differently. At times what appears developmental to some section of society may appear regressive to other sections. Normatively speaking, in a developing society with socialistic egalitarian principles of governance, development should imply any process that helps in achieving the constitutional provision of egalitarian growth.

When we view the population of Indian developmental organizations, we cannot but notice operation of certain distinct influences which will later help us to understand the context for emergence of new organization.

(i) Colonial Heritage

It has been suggested that transfer of power to Indian nationals through a slow, step-by-step negotiation process resulted in the preservation of practically the entire administrative structure, its ethos and system of operation after independence (Gaikwad 1981-133). This is not to imply that new institutions have not emerged which radically depart from the colonial heritage, but one implication of above suggestion is that revenue administration of which district and taluka were the field boundaries still retain quite a lot of its earlier grandeur and power. Field offices of most developmental organizations have to be coordinated by collector for whom development is just one of the many responsibilities, law and order maintenance being the primary one.

New Roles: The administrative culture designed to extract surplus from rural areas while does not operate to serve that end any more, yet, ambivalence of its ethos some times creates complexity for the operating systems. To its credit, it should also be noted that bureaucratic network helps in merger of organizational boundaries (a point to be discussed separately) leading to forging of linkages that of their own might not emerge as easily.

(ii) Linkage Effect

In developing countries the resources being scarce, optimality or viability may be sought at societal level which implies each organizations need not necessarily be viable just as an organization need not achieve viability in each of its subset. It is quite possible to theorise a framework in which out of a population of say 'n' number of developmental organizations, one finds some organization steering way for others through provision of infrastructure, other generating more production opportunities, still other dealing with one of the several steps in production - marketing/distribution-feedback-redesign-production cycles.

Thus a sort of linkage effect is discernible in the population signifying the need for taking a wholistic perspective for studying organizational role rather than viewing them in isolation. This will also have a bearing on the theoretical framework for designing or redesigning organizations. One implication which immediately becomes obvious is the need for inter-organizational perspective for viewing suitability or otherwise of organizational structure vis-a-vis the social objectives.

(iii) Bureaucratic Pervasiveness

In the post-independence era several approaches to jump out of alley of backwardness were adopted but one common factor to all these attempts was the role of 'development' administration' assigned to bureaucracy. The hope was that a central civil service cadre will bring about the necessary developmental changes in a federal system framework without weakening the national integration. Also the fact that most organizations were funded by Government, it was not unexpected that government being major shareholder would exercise its influence over their functioning through various means (Fernandes 1982, P.651). As we would discuss later, the hierarchies are not necessarily bad or intrinsically opposed to development, the bureaucratization likewise will have to be reinterpreted in that sense. It is possible that when in a society skill formation is at low level, in the initial phase organizations should rely on more standardised information within and between organizations through adoption of bureaucratic structures. Question is not whether Indian population of developmental organization includes exception to above facets or not; the question should be whether one can conceptualise the simultaneous operation of bureaucratic and non-bureaucratic processes in different subsets of organizations depending upon multiple tasks involved.

However, a caution is in order here, as we would mention below, the conceptual basis of development administration was western in origin and had very organic bearing on political economy of state and the dominant theory of development (Diwedi & Nef. 1981, Panandikar 1977). The political participation many times is termed as interference which in a democratic framework is a questionable concept. The need for taking political resources as part of relevant environment of developmental organisations is becoming more and more evident now. If the dominant political coalitions represent the interest of non-target group, it would be essential that countervailing groups of target group. are generated which help organizations allocate resources purposefully without necessarily getting astray.

(iv) International Aid

The progressive frustration that international developmental aid agencies experienced in working with bureaucratic system got manifested in their insistence on linking setting up of new corporate structures with aid. Further, the emphasis on project lending approach by international financial institutions also suggested the formation of independent organizations which could encompass the project budgets and the necessary flexibility in recruitment, investments etc. Sometimes reorganization in existing bureaucratic structures was done to provide conditions supposed necessary for the utilization of aid and resultant development.

Another influence of international aid agencies has been their
selectivity and exclusivity of organizations. i.e., Organizations
comparatively working better or with better potential in high growth
regions/sectors are selected and are encouraged to retain exclusive
domain in that area both in terms of design and control. Further,
the product mix, definition of target group, location and other
aspects also get influenced. There are some aid agencies which have
·however preferred to work for weaker, artisan based organizations in
poorer regions.

(v) Tradition, culture and household orientation

The cultural identity of society if manifests itself in the ways
individuals relate with the resources in the environment, it should
also be expressed in organizations designed to exploit these resources
with supposed social advantage. Two views are important to note here.
One, the integrative view of life typical of Indian mind and second,
the feudal past which has ingrained patronalistic tendencies in the
ruling classes, their collaborators or beneficiaries. The first view
also implies that individuals do not devide their life space into
fragments of social existence (Garg, 1982 - p.c.). However, this
characteristic is less psychological and more economic.

The members of working class who belonged or still belong to that
economic strata where income uncertainties were high for the house-
hold have entire family striving to survive through participation in
various economic (in terms of income generating or income serving)
and other social activities. Such a member of an organization is
also simultaneously member of several other networks which could be
commercial, social, ethnic, regional or kinship/caste types. If the
economic vulnerability is high, the dependence of an individual on
his extended family may be still higher leading to greater dependencies
on extra-organizational context. It is rational to expect here that
if participation in an organization takes care of only marginal in-
terests of an individual, the latters' efforts or attentions justi-
fiably would be distributed over several subsets of his life, organi-
zation in question being only one. This characteristic becomes more
prominent in public sector enterprises where a choice through loosely
coupled system is available to an individual for pursuing several
objectives, even if contradictory in the short run. Perhaps in that
sense, these organizations are less oppressive and exacting.

Second view in this regard is that due to unequal distribution of
resources in society with consequences for power interplay, the new
organizational forms may have to incorporate some of feudal institu-
tions like jajmani (Garg 1981, P.9). We would only mention here that
implications of such a suggestion are very serious. Minimum that it
implies is that organizations should incorporate and institutionalize
the dependencies forged historically in past in society and some of
which any way are disintegrating through capitalistic forces.

However what is important to note here is that tradition does play a
role and need for affiliation, respect for age, seniority, strong eth-

nic or regional identities, caste configuration etc are few of such forces that influence organizations.

The tendency for people to remain as near as possible their native places may lead to several dysfunctionalities in organizational systems besides inhibiting the entrepreneurial growth and innovations. Though in some cases, this offers distinct advantage, e.g., where these employees extend their local network in society to the advantage of organization. However, generally this tendency reflects more the values most Indians cherish rather than the rational fit of individual and organizational goals. This also probably emerges from the Indians' concept of 'home' as the ultimate anchor.

(vi) The receiving system

If organization exist to deliver goods and/or services, it is inevitable that the characteristics of consumers or receivers should have some bearing on their design and dynamics. This aspect becomes important particularly when organizations emerge to serve some specific constitutencies or public with assumed homogeneous interest identity.

The population of organization or family of public enterprises Fernandes, 1982) should also manifest the contradictions which are evident in receiving system. Some of the broad features of these contradictions are mentioned below:

(a) The income and asset distribution in society influence marketable surplus, purchasing and stocking power.

(b) The differences exist in above distribution pattern in different regions endowed variously(We would discuss separately how the organizations originating in more favourable environmental conditions and so succeeding become model to be emulated by organizations in less favourable regions with obvious sub-optimalities in structures).

(c) The specific minorities group or weaker section enjoying certain constitutional provisions for specific help   are the target group of some organizations.   To what extent the design of such organizations differs from the ones set up to serve other sections can also be seen from the population of organizations.

(d) The agrarian base of rural society with highly varied ecological conditions and differential access of different classes of people to natural and physical resources implies distinct differences in the vulnerability of different people to organizational inefficiencies. Or, in other words, the dependencies of receiving system are not alike amongst various classes. The implication being that some organizations designed to serve highly turbulent environment(with vast regional variation in the two parameters – seasonal fluctuation & ecology)may be much more loosely coupled than say the ones designed to serve stable niches. Thus, within a product, process or functional category, one should expect vast differences in the organizational design and dynamics.

(e) The differences in the access various sections of society have to numerous delivery systems, as mentioned above will have a serious implication for the form or design of organizations. However, another way to understand this characteristic of receiving system is to relate these differences with the boundaries of organizations. Developmental organizations serving one group or class of consumer will be asked to serve several other needs by the receipients for which they neither have the mandate nor any wherewithal. As a result they either portray their partial impotence to the receiving system or enter into informal networks with other delivery organizations. Positive advantage/will /of be that information exchange amongst organizations about their res- this pective interface with receiving system will reduce costs of collecting information individually. Disadvantages of this could be that those who loose access to one organization may loose access to others as well if the organizations network very strongly. In fact this is the argument against merger of different organizations or delivery lines as advocated by the proponents of integrated development.

It can also be hypothesized that if there exist different organizations to serve different needs, there will have to be as many queues as the organizations./ that different constituents of receiving system will need all the goods or services provided by different organization though in different measures one can not be expected to stand in all the queues simultaneously. The probability of exclusion of a weaker client or client component of receiving system from all the queues is thus lesser in above proportion.

Another facet will be that all the constituents of receiving system will not give same priority to all the queues. <u>Crowding, elbowing</u> and <u>exclusion</u> thus may be more in some queues and less in others. It is expected therefore that depending upon the nexus between members of organizations and constituents of receiving system, the <u>rules of access and exclusion</u> will apply. It is not unlikely that powerful forces in social environment may some times to avoid their exclusion from the queue may 'manage' exclusion of non-conformist member/s of organization.

In Indian organizations, the <u>porous</u> boundaries therefore allow forces outside organizational control to permeate the organizational boundaries to influence intra-organizational processes. Difference in Indian context from other more developed systems is the lack of distinctiveness in the identity of these forces. These lobbies can not be unambiguously identified always and thus counteracted.

Some argue that be in a democratic system, if the public organizations receive resources from an elected government, why should they object to resource providers' insistence on having a share in the pie or, a say in the organizational matters (Fernandes 1981).

Receiving system thus includes not merely intended users but also unintended user and if unintended users constitute the dominant coalition in social polity, it is expected that they will try to widen the boundary of intended user class – a process which generates severe pressure on structure of organization. If some organizations and members in them still succeed in steering their way clear in favour of intended users, it only shows that one has to lobby within and outside the organizations to generate coalitions which will help it counteract pressures from unintended users. It has been suggested in this regard that "designing diversified, differentiated, loosely coupled organizations makes it possible to absorb and coopt protest and handle conflicting inter-dependencies and demands. At the same times it makes control and rapid changes in the organizations very difficult to achieve. Both the universal principles and contingency approaches suffer severe inadequacies because both pressume a unity of purpose, a managerial omniscience, and a sectional decision making framework that in truth contains more myth than fact ...." (Pfeffer & Salanick, 1977– 28–29). They further argue/most organizations have bought too much order and control at the expense of flexibility and the ability to respond to the external environment.

Our only contention is that if one finds organizations unable to "absorb and coopt protest and handle conflicting interdependencies and demands," despite loosely coupled structures, the need would arise for taking analysis beyond intra-organizational boundaries.

The organizational environment includes the receipient system as well as other organizations(Perrow 1972, Wood 1981) which are affected by the interface between one organizations and its receiving system. The information may flow less smoothly and frequently amongst different constituents of receiving system. (It may however be mentioned that this exchange amongst organisations is still much more in public organizations than others). We will discuss in next part what are the major characteristics of public sector developmental commercial organizations which will help us to explore the alternative design possibilities in light of given theories most of which deal with intra-organizational variables.

Characteristics of Public Sector Developmental Organizations

We have seen in earlier part some of the forces that govern the emergence or sustenance of various organizations from the point of view of population characteristics. We will now focus on specific characteristics which distinguish these organizations and which define the range of alternative possibilities.

(1) They are pre-ordained set up through legislative acts or an executive order outlining specific goals and administrative structure. (The multiplicity of goals will be discussed a little later). The implica-

tions of this process are that some times the mandate of developmental organizations undergoes revision during debates in parliament or assembly or to avoid serious controversy the grandiose all encompassing objectives are adopted such that it may become difficult to oppose these objectives without inviting social strictures. Further, the managers manning these organizations are not necessarily involved in the process of outlining basic structure. Thus, unlike the organizations designed by entrepreneur or an industrial house public sector developmental organizations undergo a very different process.

(ii) The ties of the organization with nodal and administrative ministries are also spelled out. The nodal ministry implies the ministry with supervisory role; whereas the administrative ministries have the executive powers of appointment, transfers, budget or monitoring control etc.

(iii) The basic bedrock manpower is prescribed in the act of setting up of the organization in terms of positions, levels and also the proportion of direct recruits versus deputationists.

The two contradictory views on the role of deputationists starting an organization are- (a) since the deputationists would have the only limited stake in the ultimate future of the organization, they would only marginally be committed towards the goal of the organization; (b) since they would have limited stake, it is possible that they would be more dispassionate in the use of power and thus be able to build more equitous structures within the organisation. The other aspects of the role of deputationists in developmental organisations are as following. (Shelat, p.c)

(1) Many times it is difficult to hire professionals with a specialised skills since the task may be of limited period. Say,, erection engineer or some other professional.In such cases it is expected to get people on deputation without making long term commitments.

(2) It is particularly difficult in public sector organisations to terminate the services of direct recuits even if the work performance is poor, and a complicated procedure is to be gone through. Whereas in case of deputationists, it is easier to send the person back to the parent organisation if the person is not suitable.

(3) Deputationists bring with them experience and awareness of the rules and regulations which are very essential for growing organisations. At the same time, it has also been argued that this experience and too much of familiarity with the rules and regulations might build a risk-averse behaviour in the deputationists inhibiting thus scope of innovations in the organization.

(4) By taking people on deputation in the beginning and managing the proportion of deputationists at various levels, it is possible to provide adequate promotional avenues for the direct recruits which would be very limited if direct recruits are taken at all levels.

(iv) The administrative culture of the departmental ministry which provide leadership, bedrock manpower and other support invariably percolates down to the new organisation to some extent. For example, the organization sponsored and looked after by powerful ministries derive advantage over those which are sponsored by comparatively weaker ministries. Further, since the initial leadership is often provided by the sponsoring department of the ministry, the decision making ethos of the organization gets woven around such a leadership style. One of the characteristic example of this is some of the cooperative organizations which are headed by the bureaucrats of cooperative department who might have done all their life the tasks like inspection and control. When IAS officers head these organisations, they bring their status in the original cadre to add to the organisational strength. The culture is also influenced through the interaction with other organisations set up by the same ministry. For example, in one of the states various developmental corporations set up by the ministry of agriculture, established a non-profit consultancy-cum-executive organization for rural development which was financed through the profits of these corporations. It was thought that rather than ploughing the profits back in general budget of ∠ state, it may be worthwhile to ∠ th divert the surplus towards the task in which all these organizations individually were engaged in one or the other way. Likewise, all these corporations also had a common rest house in the capital city at centre, so that the individual cost could be reduced by sharing the cost of providing this infrastructure.

(v) Many times the location of organisational headquarters is also stated in the act of the executive order under the influence of various politico-administrative processes. The location also influences the infrastructural support already available as well as the possible network with other organisations existing in the neihbourhood. Location influences the culture of the organisation also. For example, in a state where private sector is given considerably great role in various investments decisions and organization, the chairmanship of the board of developmental organisations also lies within private sector some times. This influences the interplay between public and private interest to achieve multiple objectives of the organization.

(vi) The organizations are at times born big - the size generally being spelled out, i.e., most of the organizations do not necessarily grow from small to big but may start from a given size which may be quite big to begin with. There are several other factors which influence the size of the organization.

(a) Whenever re-organization of states takes place or has taken place in past, the original organizations are split up so that each state may have its own autonomous organisation for the particular purpose.

(b) Some time, some of the sick industries or agro-processing units
are taken over by the government in public interest, when they are
merged with the existing organizations they have size implications.
For example, addition of Beverages to a Bakery industry.

(c) Some time the size also gets determined by the scales of operation
at which operations may have to be begun all at the same point, i.e.
rather than growing slowly so as to increase the market share, at
times the organizations are set up to transact either entire or major
part of the business in a particular sector.

It may be mentioned that it is not always that the size is big, many*
structures which might reflect higher absorption of historical proces-
ses than others.

(vii) <u>Conflicting goals are one of the predominent characteristics of these</u>
<u>organisations</u>. Many times, they are also called goal-free organisations.
Implication being that it is more important to exist rather to pursue
a particular objective steadfastly and in the process endanger even
survival. This issue will be discussed in greater details here because
this has serious implication for the design of an organisation, their
effectiveness parameters,   control, and   linkages with other
organisations.

It has been suggested that many times goals are left ambiguous because
original sponsors do not have a precise idea of what could be accom-
plished. "To ask managers to set qualitative goals under these condi-
tions is essentially to ask them to engage in gamesmanship. If they
promise too much, they risk negative evaluation, if they promise too
little, they risk loosing client." (Cranback - 78 in

The multiplicity/goals is also a mechanism through which organizational
boundaries are enlarged in such a way that at different stages of
growth organization can incorporate different resources existing in
the environment without facing the problem of legitimization. Because
of the way goals are structured, this leeway is built into mandate.
Very often the goal conflict is cited as a reason for poor performance
of developmental organizations. The problem becomes more serious
when through administered prices the capacities of these organisations
to perform high on profit and loss account is impaired. Later when
P & L account is used as performance parameters by the monitoring
agencies, the distortion in product choice, diversion plan and fit
between the organizational goals and recoipient system comes about
to taking the organisation away from the original goals (Mathai p.c).
For instance, in a tribal corporation fisheries development through
exclusive involvement of tribals was one of the major objectives.
After some time, it was realised that the catch of fish was very low
in the reservoir system where only tribals operated as against others
where either mixed group of fishermen operated or non-tribals operated.
The corporation set up for the development of tribals started pursuing
with the government a plea for allowing it to relax the condition of
involving only tribals in the fish collection. In its anxiety to

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*organizations do undergo the evolutionary pangs and thereby generate

on
rank high/P & L account, it wanted non-tribal traditionally more expert
people to catch the fish. Partly the dilemma arose because this corpo-
ration had to compete with other private parties to get the fishing
rights for the reservoir. Since the private parties did not have any
long term objectives in their mind, or for that matter no social res-
ponsibility, they bid an amount which was very high.* After repeated
pursual by the tribal corporation, the fishing rights were allotted to
it, but with a stipulation that it would also have to pay the same bid
amount which the private parties had to give. What happened further
is a separate story. An important point being made here was that con-
flicting goals some time pose real dilemma before the managers in the
organisation making the trade-off really difficult particularly when
developmental organisations are asked to operate on norms applicable
to private organizations. Further, in anxiety to become viable itself,
organizations may some times endanger the viability of poorer clients
(Gupta - 1981).

Many times organisations get astray in their anxiety to fulfil those
goals which at the time of setting up appear more relevant but which
with the change of time no more remained so important. Nevertheless,
an alternative view is that goal-free organizations in their anxiety
to keep themselves moving even if rudderless at times have one distinc-
tive advantage - the possibility of quick adjustments in the strategy
for growth which more tightly structured organizations with more pre-
cise mandate might find difficult. It is a moot point here as to who
actually benefits from this ambiguity because the answer is not black
and white or only one group or the other.

Multiple goals also make it possible to legitimise operation of several
contradictory strategies which may be at times be necessary to absorb
the turbulence in the environment. In fact it is suggested that some
times some of the organizations are designed more to satisfy specific
political objectives rather than to achieve any major economic goals.
At times, the managerial class within such organization exploits the
ambiguity in goals to include such tasks and functions which might
take the organization in the direction in which the lower worker class
might not like.

(viii) The monitoring mechanisms are generally overlapping, at times incong-
ruent and quite often ambiguous. This generates generally inconsistent
signals over a period of time to the people in organisation about
what should be their central concern. The problem becomes all the more
serious when different constituencies in environment evaluate the
organization on their own individual yardsticks. In such a state, it
is obvious that organization would try to rank high on the scales of
such constituencies which provide either the resources for the orga-
nisation or have a strong bearing on organizational survival and
growth. Another factor which creates ambiguity in this regard is the
absence of proper standards by which to measure the performance of
a developmental organisation. For example, when the standards from

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*because they would have caught even the small size fish affecting
future potential of catch in the reservoir.

the private sector are chosen to appraise the performance of a public
sector development organisation, it is not given sufficient attention
that developmental organisations are obliged to provide several faci-
lities to their own employees which a private sector organization may
not necessarily be obliged to provide. Further, the time-frame in
which organization should be expected to achieve viability is also
not spelled out clearly. At times, a state finance/development
corporation is expected to recover its cost fully from each and
every activity. The question has been raised as to whether it would
be more appropriate to look at the overall viability of the organisa-
tion while allowing it to absorb losses in some activities and profit
in others. Further, it is quite likely that social benefits from an
organisation may be more than social cost although finally the organi-
sation may be in loss (Dasgupta, 1982 P.7).

In case of a particular command area development corporation, it was
realised that for some of the activities like irrigation water, cost
were too high to be covered from the beneficiaries alone particularly
with the given risk of power failure and the knowledge that a high |
price policy could have the adverse affect of underutilisation of
installed capacity discouraging small farmers from taking advantage
of the scheme. (In such a case, the subsidies are sought from the
government so as to achieve the basic objectives of the organisation).
Monitoring such options is certainly not an easy task. The problem
arises when the people at various levels of organization do not have
a concensus about the primacy of one goal over another at a given point
of time. The role of professional management in this regard should
be seen in this light, i.e. whether it can help to bring about
concensus on such goals that might conflict with its own short term
interest but might be in favour of long term survival as well as
might be in the interest of poorer clients.

(ix) In many cases it is difficult to find out whether the losses of these
organizations are due to social objectives or due to inefficiency in
their operations. However, sometimes, the choices are much less
ambiguous. For example for a state level dairy corporation an
Apex corporation had drawn up a feasible study for expansion of
dairy industry in that state. When the state government passed on
the report to the managing director of the corporation, he found
it extremely difficult to accept the suggestion because of following
reasons:

(a) The region recommended for development in the feasibility re-
port were already developed, better endowed districts of the state.

(b) The state had witnessed serious riots and social tensions a few
years ago particularly emanating from increasing income disparities
in the rural areas.

(c) The regions which were left out in the feasibility report were
generally drought prone where in a centrally sponsored DPAP pro-
gramme the livestock development was given a special emphasis.
Even though setting up of a milk processing plant at numerous lo-
cations in the state was not very economical, to avoid excerbating
      regional imbalances which might further increase the/tension, an /social
alternative plan for dairy development was drawn up involving con-
siderably higher amount of losses. The chief of state organisa-
tion made a fervent plea with the state government to legitimise these
losses through subsidy, which was granted. Thus losses, in the
organisation were legitimised to serve larger social interests ex-
plicitly and against the advice of national apex organization.
(Aurora 1982 p.c.).

While some have argued that subsidies and financial assistance from
domestic or foreign institutions can generate varying degrees of
regidity and bureaucratic hierarchiesm which can hamper the enterprise
from smooth pursuit of its goals, however, in this case the subsidy
was sought more to decentralise the structure and make it more res-
ponsive to the social context. Therefore, it is necessary that when
the performance of public sector enterprises is evaluated, special
attention is given to the diversified task that they are expected
to perform visualising the trade offs involved clearly.

(x) Many of the developmental organizations are characterised by high
turnover of employees, particularly in backward regions. Some time
it is argued that understaffed organizations are likelty to use their
resources more optimally than overstaffed organizations where much
greater time may have to be spent on settling intra-organizational
conflicts than achieving major goals. However, the point need not
be stretched too far as far as turnover is concerned. One of the
views is that turnover may be an intelligent response of an organi-
zation to the highly unpredictable turbulent rural environment.
Following advantages might accrue on account of high turnover at
various levels:

(a) Injection of fresh blood provides opportunities for reinterpre-
tation or redefinition of organizational boundaries which implies
that some of the resources which existed outside the organization
but were not part of the relevant environment are included in the
relevant domain.

(b) The turnover also provides an opportunity to the organization
for testing out various strategies that people attempt.

(c) Hierarchial differentiation in organization is counteracted to
a considerable degree. Therefore, if turnover process causes frequent
absence of some people, performance of this task by the remaining
people may lead to development of multiple skills. These/even if are/skills
redundant for most of the time, provide useful service to the organi-
sation by carrying it through the stressful period caused on account
of turnover.

The disadvantage of turnover is that it gives an image to the outside
public that the organisation is facing some problem or does not care
much about the people inside it. Second, the turnover is also utilised
as an opportunity by these forces to express their powerplay. Third,
in a developing society where through the political consciousness
emerging in society, several political groups and factions generally
emerge. When resources are scarce, and surpluses are few, the transfer
of an employee is a minimum price which a factional leader might extract
from the organisation to legitimise its power in social exchange market.
In long-term/vacancies many times do demoralise the people at lower / view
levels. At the same time, the ability of organisations to manage with-
out full time leaders testifies the internal strength of the organisational
bureaucracies,as well as in some cases indifference of appointing au-
thorities towards those organizations.

(xi) Public audit plays a crucial role in influencing some of the choices by
developmental organisations. For example, it has been suggested that
rather than doing performance audit the general tendency is to have
propriety audit. Implication being that it was more important to see
how things were done rather what things were done. Partly this is
linked with colonial heritage of bureaucratic systems. The audit many
times deters prople from taking initiatives or transforming these ini-
tiatives into innovations. However, audit could also be viewed as
an opportunity for an organization to get an external feedback on its
performance. Audit could perform the role of honeybee by transferring
innovations/deviation noted in one organization to others.

(xii) The budgetary system or the financial procedures are many times incon-
sistent with the managerial task of such organizations. The inconsis-
tencies particularly also emanate because public enterprises typically
start with strategies that are influenced more by value aspects than
by economic aspects. In the stage I of the organizations the economic
and value aspects are not in balance, in stage II some balance is acco-
mplished through a political process of resolution of conflicts, com-
promise and mobilisation of support accompanied by social autonomy.
In the last stage, the organisation diversifies after achieving an
effective control framework and a suitable value system such that the
enterprise internalises the values as well as learns to anticipate
and integrate them with economic aspects in an acceptable manner to
external decision makers. (Murthy 1982 - 678). The implication is
that public enterprises due to conflicts in the goals values, perfor-
mance criterion etc. pass through different stages of growth which will
have bearing on evolving design of the organisations.

The above characteristics should not appear as   inherent inadequacies
or constraints which foreclose scope for professional management in such
organisations. In fact as we will argue in the next part, many of these
constraining characteristics become advantage when an alternative frame-
work is used in which organisation is viewed in an inter-organisational
historical perspective with clear choice available to the organisational

people to decide which forces in the environment they would like to
align with. In other words, on the one hand, the way these organisa-
tions evolve considerable opportunities are built into them for im-
proving their social effectiveness and second,   they offer certain
unique opportunities for professional managers to utilise their creative
potential so as to achieve such organisational goals that help them
as well as the people for whom organization is intended. It must be
added that individual values of managers in an organization do have
considerable meaning regardless of the smoothening/modifying effect of
dominant ideologies in organizations. These values, we will demonstrate
in next part emerge from the theories-in-use which unlike espoused
theory (Argyris 1982) play a more vital role in determing what a manager
would consider a relevant problem for him, organization and the clients
whose interest don't always coalesce.

Implications for Design : Review of some classical theories

The discussion presented so far involves making following assumptions:

(i) Organizations exist through partial definition of environment. Which
part of the environment they define and consider relevant for the pur-
poses of organizational growth depends upon the nexus between the con-
flicting goals and the forces in society which allude primacy of one
goal over other.

(ii) The public sector development organizations emerge either to supple-
ment the activities of market organizations to operate in those sectors
and spaces where market organizations may not operate or at times, they
also substitute, take over or compete with the market organizations
when it is realized that social goals are not being met appropriately
by existing organizations.

(iii)Following from above, the forces which lead to birth or death of market
organizations may not necessarily help in explaining the birth or death
which is rare in public organizations of non-market organizations.

(iv) Developmental organizations implicitly follow a theory of development
which in a mixed economic federal social structure is influenced by
several factors such as the political structure at centre or state level,
location, the provocation for setting up organization or the theory-
in-use at the level of sponsors which may be international aid agencies,
national apex organizations, ministries or departments.

(v) The characteristics of developmental organizations do not necessarily
reflect the constraints that operate but also provide the perspective
for interpreting these constraints as opportunities.

We will now discuss how the constraints as implied above can also be interpreted as opportunities. However, for doing this, we will have to re-appraise. the given theories of organizational structure most of which have emerged in west though some like Kautilya's Arthashastra evolved in our own country (321-296 B.C.). We will briefly review the historical perspective in which various theories of administration evolved and influenced the people who either designed /managed the organizations. Most important purpose of this review is to bring out that the germination ground of a theory is as important, if not more, as the theory itself to allow full appreciation of its implications. Further, the context or compulsions which operated when a theory evolved have implications for the motives behind selection of some variables and exclusion of other in the theory. Motives also determined /are by the ideology of researcher or theorist which very often is not made explicit and thus a false objectivity some times is imputed to a theory.

In this part we will try first to discuss two major theoretical framework of analysis viz: Taylorism and Human Relation theory. Reason for detailed discussion along above lines here is to underline the importance these philosophies have even today in the minds of organization designers. Further as mentioned earlier, we will also try to demonstrate how the theoretical advance-ments based on above two basic propositions are organically delinked from Indian way of thinking and conceptualising an indivudual's place in society and organisations.

Central question of Taylorism was: How to get more work out of workers, who are naturally lazy and engage in systematic soldiering?

Assumptions:

(a) Scientific estimate of efficient output of any worker .engaged in a routinized tasks can be developed and enforced by those in authority.

(b) There was one best method of doing work.

(c) Though supervision, work study, control, training. fair payment for day's work, the efficiency was to be achieved.

Critique:

(a) Basic criticism was the way standards were devised. Best and most able people were picked up to develop norms for the average people.

(b) Union saw in Taylorism a threat to their comraderie which was being broken by wage system that put every worker on his own and formented rivalry. They resisted being observed like machine. They reacted against Taylor's efforts to transfer to the management the crafts-men's knowledge of their trade which was a threat to their craft and skill.

(c) It was dehumanising in nature.

Implications

The organizations accepting the above premises will begin with the assumption that the workers are by nature indolent and thus need to be controlled. Further, Taylorism required each worker to report to several supervisors, while arguement against it was that no worker could work under more than one supervisor.

Fayol gave prominence to organizational chart, criticized Taylor for suggesting control over worker by several supervisors and suggested amongst other things, " it is an error to depart needlessly from the line of authority, but it is an even greater one to keep it when detriment to business ensues." Further he added, "Dividing enemy forces to weaken them is clever, but dividing one's own team is a grave sin against the business."

Much against the conventional understanding, Weber did not suggest a prescriptive model of bureaucracy. He merely suggested a scheme of authority, responsibility, delegation, accountability and governance of a system that will have explicit rules such that personal discretions in their interpretion will be minimised. Merit of Weber's work lies in interpreting various tenets proposed by him as hypotheses rather than as axioms. He himself mentioned, "The ideal type of leadership - traditional, charismatic, and legal is not a description of reality, but it aims to give unambiguous expression to such a description.. It offers guidance to the construction of hypotheses." (Metholodology of social sciences, P.90).

The subdivision of labour, hierarchy and rules, according to Weber, were the basic features of bureaucracy. To elaborate, the labour was devided into offices or spheres of competence and responsibility defined by law and administrative regulation. The pure bureaucracy provided for a hierarchic separation between super and subordinate offices. It further included, "(a) Supervision of lower offices by higher ones; (b) a stable and carefully delimited distribution of authority; (c) varying degree of social esteem; (d) fixed salaries paid in money and graded in accordance with responsibility as well as social status; (e) promotion and career advancement on the basis of both seniority and achievement; and (f) appeal and grievance machinery."

Further, "The pure bureaucracy operates in accordance with general rules. Although office holder may be free from such rules in their personal affairs there is systematic control over their official actions." (Gross 1964; 141-142). He was however, aware of the extent to which bureaucratic power could overshadow individual freedom and creative potential of men. He mentioned "Material goods have gained an increasing and finally an inexorable power over lives of man" and referred to modern men as "Specialists without spirit, sensualist without heart." (The protestant ethic and the spirit of capitalism; P.181-182 in Gross - 142).

The major argument against Weberian tradition has been that it imputes false rationality to precisely an unequal distribution of power in an industrial society where those who own organization see the world differently from those who work in organization and not always voluntarily. Further, the distinction between what _is_ and what _should be_ despite warning by Weber is not always maintained in literature on bureaucracy.

Human Relation

The major contribution of Hawthorne studies and others by Roethlisberger and Dickson, Mayo, Follet etc. was to establish a relationship between inter individual and group relations on productivity together with the changes in working condition. Major suggestions were :

(i) Since individuals exists in organization to achieve organizational goals, _cohesive_ groups could be formed which would lead to development of internal control system.

(ii) Leadership in organizations boosted morale which lead to greater effort and turn higher productivity.

(iii) There was _one best way_ of organizing human relations in organization.

Numerous critiques of Hawthorne experient have been presented. Some of the important methodological arguments are the following:

(i) Special treatment and special status was accorded to the subjects. (Perrow, 1972, Hedberg 1981)

(ii) Participants in the group were selected on the basis of friendship choices (Argyle 1953; Perrow 1972)

(iii) There was lack of adequate control group; and the size of sample was too small to generalize the findings (Argyle 1953, Carey 1967; Perrow 1972).

Human Relation Theory emerged in response to the criticism of Taylor's mechanistic view of human life but included some of the common assumptions such as individuals exist in organization to achieve organizational goals and their contribution to organizational performance can be improved through improvement in working conditions or provision of material incentive. However, in certain regards it contradicted Taylor's view which relied considerably on the concept of _soldiering_ – natural and systematic. Formal refers to the innate laziness of human nature and latter was caused through the interaction amongst man.

It is not very well known that Taylor's selection procedure for best people had ∕ equally applied to _horses_ too. (Rose 1978, P.36). "In 1903,
∕been

Taylor purchased a mansion, Bloxley, on the outskirts of Philadelphia, and
set about the redesign of an extension classical garden ... the operation
demanded the removal of hill. The horses used were time studied. 'We
found out! Taylor wrote excitedly, "Just what a horse will endure, what
percentage of the day he must haul with such a load, how much he can pull,
how much he should rest." As noted by Copley, "His standard was set by
the best heavy -- dreft horses of the locality, and he used his keen eyes
to chase all others off the job." This similarity of applicability of his
laws to horses·and human apart, another point which should be noted here
is that Taylorism was not an individual's innovation or idea. It must
be related to the contemporary socio-economic situation (as we would see
a little later in more details) and to the prevailing moral climate (Rose -
1978, P.55). The emergence of Taylorism coincided with the emergence of
United States as an leading Industrial power of the world. In less than
50 years an isolationist agrarian society transformed itself into an inter-
nationally aggressive economically imperialist, industrial nation. (Rose
1978 - 55).

To appreciate the historical context of Taylorism and subsequent
Human Relations Theory, the long and the short economic cycles of capitali-
stic development should be looked at. "The relationship between periods
of fast and slow accumulation is one of succeeding cycles of 'long waves
of accelerated and decelerated accumulation determined by long waves in
the rise and decline of rate of profit' (Mendel 1975-129 in Clegg 1981-
P.54)."

The following cycles can thus be noted:

The general depression lasted from the early 1870s until the mid 1890s
and marked the down turn of a long wave; an upturn occurred from the
mid 1890s to the first world war. The next downturn persisted through
1920s to the beginning of the second world war which mark   an accelera-
ted renewal of accumulation that persisted until the late 1960s. Since
then there has been a downturn again (Clegg 1981- 554).

Each upturn, Clegg argues, in accumulation has seen the emergence
of institutions that have intervened in, and thus framed the organization
of the labour process. Taylorism, becaome possible largely because of
development of electricity as an energy source capable of powering new
production technologies such as high speed lathes. Such innovations were
the technological foundation for the erosion of crafts and personal skill.
This erosion, facilitated by Taylor's system has been characterized as
interventions of 'Technical rules' (Clegg 1981) since they stress the rule
of technique over the will of worker.

During the down turn of inter-war period, the increase in de-skilling
and routinizing white-colllar office work was a major devise for increasing
the efficiency of capital. This increase created homogenous labour process
and less differentiated labour force that was recruited from increasingly
differentiated labour markets. This method of intervention managed through
existing inter-organization divisions has been termed extra organization
rules(Clegg 1979).

It is necessary to note here that full employment during world war
second and the long post war boom, posed certain problems for the orga-
nization and the control of the labour process within different enterpri-
ses. One of the implication was the war and post war economies mini-
mised coercive domination of the reserve army of unemployed and it has
been suggested that this led to balance of domination becoming more
hegemonic. In fact, the break-down of social solidarity because of com-
petitive individualistic spirit emanating from the above process led to
subsequent articulation from human relation to human resources and work
humanization during the long post war boom. These interventions have been
termed as social regulative rules of organization "precisely because
more coercive controls were unavailable due to absence of army of the
unemployed" (op cit - 555).

Friedman (1977) has suggested that technical rules and social regu-
lative rules had implications not only for different period of economic
history but also for different elements in the labour process. Technical
rules tend to be applied to the workers who are more peripheral to the
labour process (less strategically contingent), social regulative rules
tend to be applied to workers who are more central (more strategically
contingent).

Further, it has been suggested that Taylor's technical rules could
not be applied universally that is not everyone could be de-skilled nor
could everyone be a high wage labourer. "In both spheres differentials
would have to be preserved for the strategy to work. The affluent worker
is not necessarily a very satisfactory worker in situation demanding
flexibility and some discretion." It is because of these 3 factors that
more strategically contingent workers will be attempted to be controlled
by management through more subtle hegemonic domination that is through
social regulative rules. The division of work forces can be carried
further by extra organizational rules.

In view of the above review of the process through which the orga-
nizational forms emerge in response to historical forces operating in a
society it is necessary to recapitulate the essence of human relations
theories including theory Y which assume the following as summarized
by Tausky (1970).

(i) Human relations can be seen extention of scientific management
because scientific management promises that application of its principles
would increase men's work effort and, similarly, human relations holds
out the tantalizing promise that application of its principles will
yield greater productivity (Tausky 1980 - 192-3).

Further he has demonistrated revealing similarity between both the
propositions that greater work effort and the increased satisfaction by
organizational participants are assumed to be highly related goals. Al-
though the means of reaching these goal differ, in 'scientific management'
reward acts the means to increase satisfaction, in human relations social
psychological reward acts as the means by which to increase satisfaction.

The gains in satisfaction are assumed to benefit organization, in case of Taylor's view increased satisfaction permits requiring greater work effort whereas in case of human relations view greater work effort follows presumably because of increased satisfaction. It has been suggested that the most predominent underlying theme of these schools of thought was the opti- mism following from the belief that conflicts of. interest are not an in- herent characteristic of work organization. .

In fact, one could summarize the assumptions very precisely as follows:

(i) Following from above no conflict of interest is considered so deep rooted that it cannot be made to yield to the appropriate techniques for bringing men into communications with one another in a manner that allows them to perceive the point of view of others, respect it and achieve a solution by consensus.

(ii) Just as in the scientific management view point, unions are besides points since work organizations are not conceptualised on the line of zero-sum model of conflicts(Tansky 1980).

This is the reason why the cooperative view of organization put forward by Bernard way back in 1938 still continues to dominate the organization management scene with very obvious dysfunctionalities. Bernard had argued that:

(i) Organizations are cooperative system;

(ii) peoples cooperate in organizations;

(iii)they join organizations voluntarily;

(iv) they cooperate toward a goal, the goal of the organization. There- fore, the goal must be a common goal, a goal of all participants;

(v) such a goal could not fail to be morale because morality emerges from collective (cooperative) endeavours;

(vi) society could not endeavour without cooperation and the clearest form of cooperation may be seen in organization. Thus in this view if people cooperated and pursued common goals there can be no problem with the output of the organization; these must be a morale insti- tution. (Perrow 1972 - 78).

It is interesting to see how various further developments in organi- zation theory ranging from Levin's field of forces framework to current con- tingency framework,the problem has remained "whether the group was more than some of its parts, and the almost inevitable but shaky answer of yes" illu- strates the dilemma of modern mind. It will suffice to mention here a dilemma which Bernard himself faced as president of Bell company which had publicly outlined the cooperative nature of Bell company and its obligations to investors, employees and patrons. Bernard had maintained that his lo- yalty was divided as equally as possible among the three parties. "The

question was raised as to whether labour was not bearing the brunt of the depression rather than investors, thus making the partnership hardly equal since throughout the depression AT & T had managed to adhere to the principle of $9.00 dividend on each share of stock while the number of employees had been reduced by nearly 40% (although some technological changes had also taken place in the meanwhile). As president of a subsidiary of AT & T, Bernard must have been aware of such issues and yet he came out with the model presented above (Perrow 1972).

The structural - functional model developed most in the writing of Phillip Selznick tried to go beyond the restrictive views of organizations by studying whole organizations in historical perspective together with the social complexities in the environment. Although he does hold the view as suggested by earlier authors that members in organization must make full commitment to the organization. Realising that commitment may not be easily built, particularly because members in organization come from various class backgrounds, he emphasized that the organization could choose the leaders and the followers who could share a community value. In fact the implication was,"when we get results we approve of the leadership; when we do not, we term it as process of goal displacement." (Perrow 1972 - 194).

There are any number of studies which show that people prefer to note or observe what they think is consisting with their internal value systems. The major limitation of institutional school was that while it did take organization and society into account, environment was considered something to be adjusted to without recognizing that organization itself defined, created and shaped to whatever extent possible its own environment. It was not inconceivable to imagine that the turbulence in the environment is faced much less by the organization which are able to coalesce with other organizations to ensure at least the stability of their own relevant environment. Perrow argues that major limitation of institutional school which otherwise had expanded the universe of organizational studies into more relevant domain is its incapacity to deal with possibility that environment also has to adapt to organization particularly when environment includes other organization and the people all of which may not be as powerful as organization in question.

The discussion so far has included the dominant thoughts in organizational theory and the way some major questions have been conceptualized in this framework vis-a-vis the society or the environment or its interaction with the organization in historical perspective.

We will now summarize the orthodox consensus in organization analysis

"The development of organizational analysis up to 1970's was heavily influenced by the leading trends in American sociology defining the central relations and developments in advanced industrial societies as well as metatheoretical centre of functionalism and positivism ... The rational

and functional theories which have been developed with open systems think-
ing by people such as Thompson (1967) have centered on the narrow concern
of 'how an organization can solve the problem of achieving a functional
alignment of its goals, structure, technology and environment in the pre-
sence of persistent uncertainty' (Pondy and Mitroff, 1978, P.4). Outside
of these concepts of generic, quantitative changes in industrial society,
any specification of the interface between rational and functional models
of organizations and concepts of larger societal and community structures
was confined to a static and somewhat underdeveloped notion of goal-oriented
systems integrated into the functional problems of larger societal systems
(Salaman, 1978, P.522). "As we now pass from 1960s and 1970s into the more
uncertain 1980s, these dominant theories of industrial growth and develop-
ment are increasingly being viewed as overdrawn and over-generalized and
as precarious as the short-lived period on which they were based ...
(these views) direct organizational analysis to seek explanations for or-
ganizational structuring in the internal selection processes of the orga-
nization conceived as a separate entity distinct both from the small social
groups contained within it and from the larger environment of multi-organi-
zation systems and institutional complexes" (Sheets, 1981-164). Jermier
stresses "Much of the critical discourse among the various conventional
approaches (classical, structural, institutional, behavioural, human
relations, decision making, human resources, systems, socio-technical,
contingency) however tends to emphasize relatively minor difference
(Argyris 1972; Perrow, 1972) and obscures an implicit consensus which
exists in the field at a slightly more abstract level." (Jermier, 1980,
P.200). In fact the underlying 'taken-for-granted' ideological domaine
of functional organizational theory has been referred by Benson (1979)
as the 'rational-structural' paradigm. He has characterize this approach
in terms of the assumed goal-seeking tendencies of organizations. <u>Que-
stions relating to the organization's role in society are subordinated
to those of more immediate interest: technical problem - solving and
efficiency.</u> It has been suggested that structural functionalise pro-
position that organizations which survive has some sort of proclivity,
making them especially worthy of continuance is assumed (Jermier, 1980).
With this goes the much more profound assumption - what Hart and Scott
(1975) call the 'organizational imperative' - that whatever is good for
humankind can only be achieved through modern organization. If the
'tool view' and natural selection metaphors are accepted, further inquiry
as to the generation of either goals or the mechanisms by which they are
reached is deemed necessary (Colignon and Cray, 1981, P.2). The Corpus
of organization theory Jermier argues becomes a massive technical manual
on how to deal with administrative problems, tacitly and endorsing systems
of domination.

It should be clarified as Gouldner (1955) suggested that every theory
evokes a set of sentiments which those subscribing to the theory may only
dimly sense. Commitments to a theory should not be considered necessarily
the result of a calculative cerebral process which one thinks determines
ones scholarly allegiances. In fact it has been suggested that theories-

in-use at a particular point of time in a social context amongst a group
might represent the dominant mood or feelings of its adherents. This
particularly applies to the thoughts which are taken for granted and are
considered evident to be questioned. Weick (1969) felt that lack of emer-
gence of critical alternatives in organization theory possibly was because
researchers have accepted managerial definitions of problems and conceptu-
alised the field using managerial language. Clegg (1977) has noted this
as the convergence of interests between the management and the organizational
theory.

The Elitist bias of organizational theory, Jermier has attributed to
the problems of academic researchers speaking the language of administrators
and managers (vice-versa) and sharing their word-view and socio-economic
identifications. Since entry to the organization for research purposes
often comes through organizational elites, the academics are in a vulnerable
position which may hinder independent observation and analysis (Jermier,
1980, P.202).

Another problem relates to discussion on the power (to be discussed
separately in detail). The functionalist argument that power gradations
are necessary to perpectuate the system, puts organizational inequities
in a too favourable light. In fact, it has been suggested that the overt
exercise of power to regain control is necessary only when normal "taken-
for grantedness system' fails (Clegg 1977, P.35). The implication is
that one should measure effectiveness of control in the organization in
financial terms such as profit growth and return on investment obscuring
the usual conceptualization of social power in terms of uncertainty redu-
ction which actually is aimed at reducing the uncertainty in economic
conditions. It is not surprising that a historical view of organization
reify the existing organizational arrangements because while the theories
pay homage to the apprent technical superiority of the system which has
adapted to a hostile environment but almost never question the morality
of historical actions. (Jermier, 1982 P 202). Problems becomes more serious
when one assumes thus purpose of the organization to survive without nece-
ssarily questioning at what cost and at whose cost.

Much of the current crisis in organization theory emerges as Goldman
(1978) suggested because organizations has not been properly situated in
their societal context.

Basically the critics of convention organization theory presented have
often distinguished both boundary of concept of organization as well as of
environment as Stephen Wood (1979) suggested that environment is not some-
thing to be adopted to only, it includes various types of other organiza-
tions, institutions, class of people, markets, bureaucracies and whole lot
of cultural and social values set in historical fashion. Further, the
unintended consequence of formal change and not formal change must be
accorded the most significance in context of organizing for rural develop-
ment in developing societies. The need for monitoring social effects of

organizational interventions through which self-designing possibilities under influence of historical forces with clear commitment towards weaker section of the society can emerge, has been suggested as alternative framework for conceptualising the emergence of organizations (Gupta, 1981, 241-250).

It has been suggested that there is nothing so practical as a good theory, for a good theory explains and predicts and so helps the manager to develop more and more effective modes of management (Khandwalla, 1980). We would only suggest a caution here that if a theory does not predict the future form clearly or along the expected lines it would also mean incapacity in the management to adjust with the evolving contradictions with larger societal framework. To that extent theory would need revision. But it should also be appreciated that many times deterministic theories tend to reinforces the notion of future that organizational scientist and practicing managers ensure. With the result the ultimate task of social amancipation suffers in a socialistic society as far as the avowed aim of constitutional framework in our country are concerned. We cannot for a moment dismiss this expectation from the theory that it would contribute towards the design of organization which are socially more responsive and effective.

further Khandwalla asserts that our current management models are heavily western, particularly American. He suggests that, if we could "discover effective Indian alternatives to American models of management controls, or of planning, market research, personnel management, we would be able to work these into management curricula and so increase the students repertuire of action alternatives" ones he or she became a manager. Further, it is added that often management student find great gaps between what they learn at management schools and what they find at work in real life. These gaps some times lead to disenchantment of the companies they work for and visa versa. He hopes that the better understanding on the part of management student and (faculty) of the strengths and variety of indigenous management will cause less friction at their mobility and acceptance in the non-westernized companies in India. Our only submission is that strengths and variety of indigenous management would be identified and noted more precisely when the framework of analysis or theories-in-use are also delinked from the western paradigm. For example, we should be cautious of certain values which have been normatively classified as morale and good in our society so far which need not be morale and good any more.

An illustration of . . . above aspect will be Eklavya's sacrifice of his left hand thumb in response to Dronacharya's insistence on getting 'Dakshina' for the teaching that Eklavya was supposed to have achieved by merely concentrating on his idol. Briefly stating the story began with Eklavya who was a bhil and was denied admission to Dronacharya's Ashram where the wards of king and other royal lords studied. With the support of tribal society, Eklavya concentrated despite his rejection on

acquiring the art of **markmanship** (with arrows and bow) as good if not
superior as the best of the desciple of Dronacharya had. Once when
Dronacharya and his other desciples were wandering in the forest, they
found a fox which was making lot of loud noise. Suddenly they saw an
arrow coming from somewhere and pearcing that fox. It was an amazing
feat to have killed an object only by hearing its sound because the
killer was nowhere in the sight. On enquiry they found Eklavya who
acknowledged this expertise to the idol of Dronacharya which as he be-
lieved, blessed him with the ability to attain so much of perfection.

The dilemma before Dronacharya was that if he allowed a tribal
to acquire a knowledge which he thought was relevant only for feudal
lord and king he would be disrupting the social structure. He also
realised the guilt of not having allowed such a devoted disciple to
his Ashram. In his anxiety to maintain the supremacy of his beloved
disciple (hereo of Bhagawatgeetha – a text of supreme eminence in Indian
Philosophical thought) he asked Eklavya whether he would not discharge
the obligation of having acquired this knowledge through what Eklavya
thought was blessing of Dronacharya, when Eklavya affirmed, he has
asked for the thumb of his left hand which Eklavya gladly offered in
the presence of silent spectators – other disciples of Dronacharya in-
cluding Arjun. Thus ended a pursuit of a class to gain supremacy
through improvement of its skills in a society where subordination of
such a strategic skill was an essential condition for maintenance of a
precapitalist feudal system. The dilemma before Eklavya must have
been whether he should remain loyal to his clan and culture and refuse
to obey the advise of Dronacharya or to prove his cultural conformity
with the dominant values of subserviance to lords in the society
sacrifice his thumb! As stated above he obviously made the latter choice.
(Monteiro 1982, p.c)

The implication is that a society which interprets Eklavya's devo-
tion to Dronacharya as the supreme value of professional ethics, it is
not surprising that ideological deviance invariably suffers at times
by nipping the non-conformity of thought in the bud. It is also inte-
resting to note that Arjun ultimately proved to be extremely fickle
minded indecisive elite. Having been involved thoroughly with the begi-
nning of a war suddenly he realized that he would not fight with the
enemy who comprised of his kith and kin. Thus followed the advise of
Krishna enshrined in Geetha suggesting the posture of 'Sthitaprigya',
i.e. a state of absolute adjustment by remaining in an action without
being involved in it. The possibilities of class consciousness emerging were
thus neutralised through philosophical system which trained Indian mind
to adapt whole-heartedly with the situation which existed without nece-
ssarily taking upon the responsibility for changing it.

In a discussion on management theory and its relevance for develop-
mental organization in Indian context the above reference if appears
incongruous, the problem is with framework/analysis that decontextualises of
both the emergence and application of theory (Hoeftede, 1979).

My contention is not to suggest that there is nothing in the western theory which cannot be made use of in Indian context. On the contrary much of the critical literature emerging in west in response to the contradiction of their own society warns us that we should not have to go through the entire process which they had to undergo before visualising the social implications of Taylorism and other human relations theories. Perhaps another point which also needs to be appreciated is that in a western society where free enterprise is the dominant mode of decision making and resources allocation the fit of the organization with environment is measured by the extent to which it helps in achieving this ideological objective. The state is concerned largely with providing necessary infrastructure for free enterprise to operate in a stable and certain environment. In our society having chosen a particular framework of development atleast as far as the constitutional obligations are concerned public sector organizations fall in a very different class. While some emperical research shows that they do reinforce some times the preference of market forces, the implication is not that they ought to be doing it always.

The problem as mentioned in the beginning of this paper is how to allocate the resources to the region and people in those regions who cannot attract market forces particularly when their interest may clash with those who can. How could various characteristics of developmental organizations mentioned in this paper could be transformed into conditions favouring creativity and innovation is a question only partially covered here. However, the effort of this continuing enquiry is to generate discomfort amongst the practitioners of management science with the theories that they find do not work and thus as Khandwalla argues are no good.

P.S.: "If you want to understand organizations try to change them." And if you find changing requires too much of an effort for which you don't have patience, at least acknowledge explicitly that you would like to manage an organization without understanding it.

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