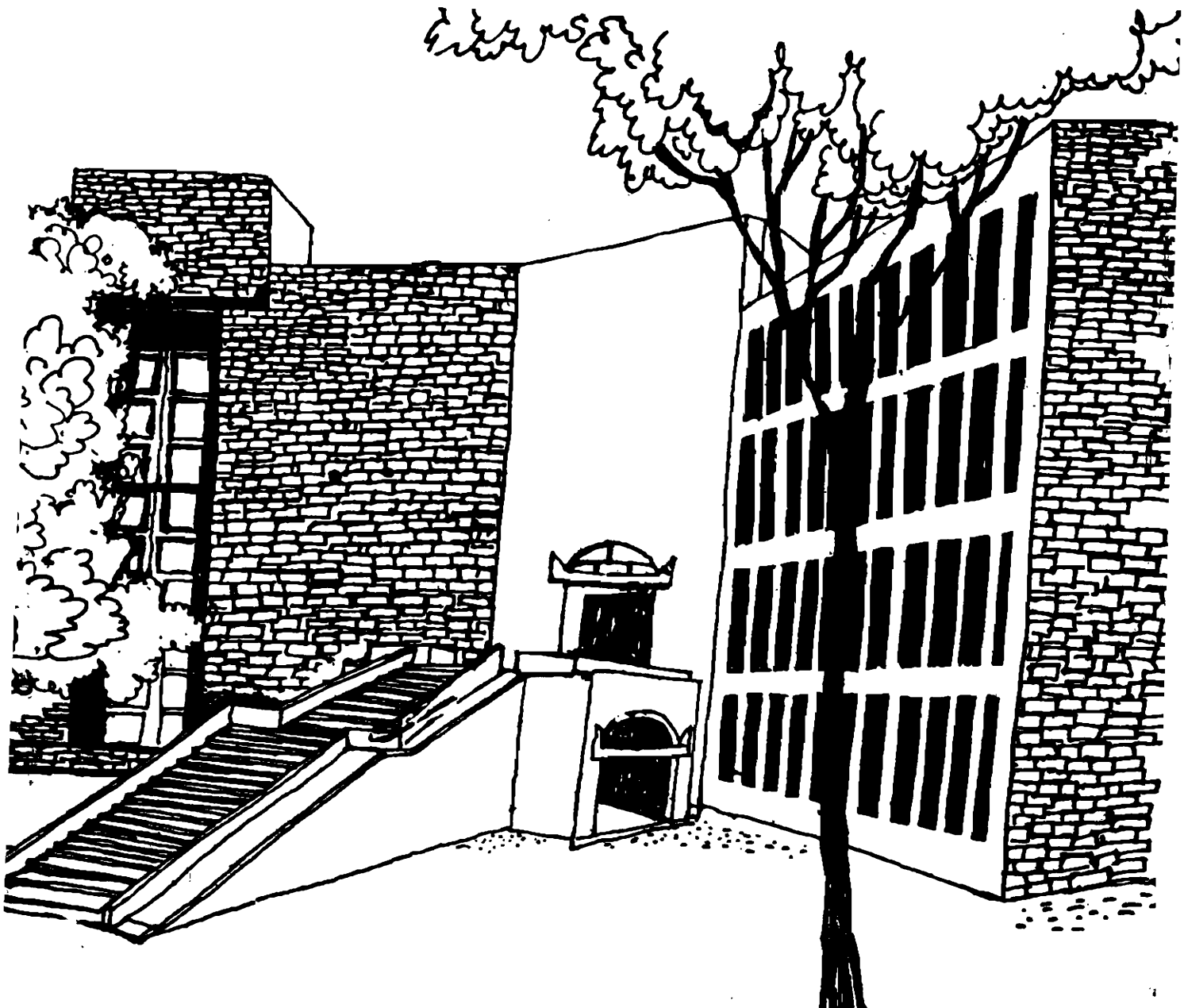




Working Paper



**BUILDING A WORLD CLASS ORGANIZATION:
CHALLENGES AND OPPORTUNITIES**

By

Indira J. Parikh

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**WORLD HRD CONGRESS
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**BUILDING A WORLD CLASS ORGANIZATION:
CHALLENGES AND OPPORTUNITIES**

JANUARY, 2001

**PROF. INDIRA J PARIKH
INDIAN INSTITUTE OF MANAGEMENT, AHMEDABAD**

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**BUILDING A WORLD CLASS ORGANIZATION:
CHALLENGES AND OPPORTUNITIES**

INDIRA J PARIKH, INDIAN INSTITUTE OF MANAGEMENT, AHMEDABAD

Abstract

This paper was presented by the author at the "World HRD Congress" held in January 2001 at Mumbai. The paper reflects upon past, present and future of Indian organizations. Indian organizations have not been able to keep pace with internal and external change in the environment. The liberalisation of the Indian economy in the 1990s has made it imperative that to become "World Class" and remain competitive, organizations need to incorporate many changes. They need to adopt good management practices, policies, strategic perspective and people processes but also new technology. They also need to have superb leaders. Those Indian organizations that have introduced state-of-the art technology and made structural changes however, have found that simultaneous and multiple initiatives has generated anxieties in the minds of the people involved.

The role of the leaders in organizations have moved from Phase I (when the organization or leader has direct interaction with most employees), to Phase II, (where the organization become more task focused and formulated some long term strategies), to Phase III (when the organization has expanded, has professionals focused on tasks, quality and excellence), and a synergy is brought about amongst various functions.

This paper then defines the concept, "Organizational Excellence" and gives a few examples of Indian CEO's who have attained "World Class" status for themselves and their organization.

Finally, the paper has taken an in-depth view of one Indian organization – namely Mahindra & Mahindra, Farm Equipment Sector, (FES) and has studied the organization how over a time period of almost five years. The FES has adopted BPR and refocused on core areas thus, transforming themselves from being a traditional organization to moving toward a "World Class" organization. The role of the corporate team, the leadership and the employees are the critical factors.

There are many lessons to be learnt from the FES experience, the author has identified the following:

1. Incremental excellence versus multiple and simultaneous initiatives.
2. Leadership commitment versus collective commitment to change
3. Internally directed change versus consultant facilitated change
4. Introduction and implementation versus sustainability and enduring change
5. Organization and individual excellence versus work ethos and work culture
6. Challenges and opportunities for the organization versus giving shape to the institution.
7. Building new traditions and creating pride in the product, organization and the country.
8. Self discipline collective discipline and systemic discipline.

**WORLD HRD CONGRESS
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**BUILDING A WORLD CLASS ORGANIZATION:
CHALLENGES AND OPPORTUNITIES**

**INDIRA J PARIKH
INDIAN INSTITUTE OF MANAGEMENT, AHMEDABAD**

WORLD CLASS INDIA: A HISTORICAL PERSPECTIVE

Today's Indian and Indian organisations present mixed images of their potentials and their present. There was a time, many aeons ago when India as a country reflected quality of products and a country full of wealth and riches, which was plundered many times over. With the beginnings of industrialisation and the starting of assembly line mass production, India initiated processes of adapting, adopting and borrowing western technology, management structures, tools and techniques and management knowledge from the West. The very same West and the countries who had praised the products of India, its architecture, its textiles and its resources as one of the finest and non-comparable anywhere in the world. What happened to a culture and a society which was once synonymous with beauty and elegance of its products as well as quality and excellence of manufacturing and service?

Today's industrialised India and its organisations are considered to be producers of shabby goods, borrowers of all technology and products, aping the West in life style and living reflecting the image of poverty, overpopulation and lacking all infrastructures of education health and hygiene for its citizens.

The future scenario of India is beginning to show signs of a dramatic shift with Indian intelligence at a premium with the IT and software and hardware of IT. All of a sudden the world has woken up to the real intellectual potential of India and Indians.

The interplay of India's past, its present and the potential future impact the Indian organisations with the possible reality to become world class organisations, competitive

in the global markets. Let us look at the world and the known world class organisations so that those Indian organisations can be located in the larger global context and their world classes location can be understood.

One-third of Fortune's Global 500 listing for the year 1970 had dropped out of sight by 1983. By 1990, a full 300 had vanished. While these statistics are not enough, the factual information that these organizations have withered and vanished is enough to reflect upon the reasons for the failure of these companies. One reality, across time which confronted all of these organizations is that they all encountered changes. The changes were in the internal dynamics of the organization and the external global, technological and business environment. The reasons for the businesses failure could have been their inability to respond and adapt to a changing environment. If firms are to thrive in this millennium, they must focus on the challenges posed by the changing business environment. (Sundararajan S, 2000).

Between 1950s and 1990s India followed industrial policies anchored in socialism and welfare of its unemployed. In preliberalisation India, corporate leadership was comfortably limited to wrestling licences from the central government, after which the market could be counted on to beat a path to the company's doors. Neither vision nor inspiration, neither motivation nor power sharing was necessary: a feudal framework was sufficient. Without the spectre of competition threatening profitability, maintaining the status - quo - was the only consideration. (Jayakar Roshni, 1996.) Indian organisations had developed comfort zones and for a long time lulled themselves into believing that they are growth oriented (Parikh, Indira.J 1996).

Five years after liberalisation (1990s) new rules of survival emerged. None of the Indian organisations had prepared for the change or were aware of the impact on them given the shift in government policy to liberalise. As corporate, they had to keep pace and respond and manage quick changes in the environment. As a result, they soon realised that in order to survive and remain profitable, they needed not only good managers but also superb leaders. The leaders of many organisations felt the need to bring state-of-the-art technology to upgrade the existing technology and to redesign existing structures in their own organisations. They also had to redesign management

practices, systems and strategies to stay “on the top”. New organizational visions were made by CEO’s and translated into “action plans” down the line. The HR and personnel functions (which had previously done more of administrative activities), now had to change their roles and take on restructuring of organisations, flatter hierarchies, reduction of manpower and training and retraining of the existing employees. The Indian organizations needed to rise from twenty to fifty years of slumber to a pace of productivity, which would give adequate returns. The organizations needed to be focused on quality and excellence focused on quality and excellence.

Organizations introduced new technology, new organization structures, and management practices. However, the ground for planting these new processes was not prepared. Moreover, nor were the people prepared for these new initiatives to move from one context of a traditional, familial, personalised affiliation related work culture to a more task and function oriented formalised work culture. Somehow, it was assumed by the leaders and designers of change that new culture was good for the organization and assumed that people would follow the path and direction of change envisaged for them. However, this did not happen. The employees and the organisations started to lag behind. The large number of employees and the rest of the organization could not keep pace with the new vision, aspirations, expectations and demands of CEO’s. Moreover, a large number of employees overnight began to experience a fall in self-esteem, a lack of self-worth and a feeling of being devalued by the same entrepreneurs and leaders who valued their earlier contribution to the growth of the organization. (Burger, PC., and Doktor B., 1976, Diva S., 1979, Arbose J., 1982).

In fact, most employees in organizations that changed, nostalgically talked of the earlier work culture and the personalised relationships and accessibility of the owner-managers or leaders and a feeling of identification, belonging and ownership with the progenitors, leaders and the organization. This nostalgia in fact inhibited the shift of employees to more formal, functional and task processes in the organization. In fact they found it difficult to respond to a fast paced change. Let us take a look at the past and the present environment of Indian organizations, which impacted the organization

culture and inhibited the organizations to respond to the challenges and opportunities to give shape to world class organizations.

The process of initiating transformation to move towards world class organisation's also generated many new anxieties. Some of the anxieties and apprehensions across many organizations reflected the following themes:

1. Introduction of new state of the art technology or upgrading technology generated tremendous anxiety and apprehensions for employees in the organizations. To a majority of employees introduction of new technology meant streamlining of the organization and as such reduction in people across levels. The employees are intelligent and experienced to know that in order for the organization to be competitive and cost effective the numbers had to come down drastically. The nagging question confronted by most employees was what would the organization do with the additional people if they did not ask them to leave? Many CEOs reassured the employees that they would not be asked to leave but the performance needed to improve which would then be monitored and measured. Lack of answers to these questions made most employees uncertain of their location and jobs in the organization.
2. Redesigning of organization structure meant reallocation of existing people in key positions. These decision were held back by the designers and policy makers for a long time and there was very little transparency in the decisions. This added to the fear and anxieties at the staff and managerial level. The lack of openness and transparency in sharing this thinking created gossip, speculations and inferences, which created panic and unrealistic versions and meanings of reality. The process of articulation was held back as there were concerns and apprehensions about throwing out some of the loyal, dedicated and sincere employees who had truly become redundant.
3. Whatever was known of restructuring and redefining of managerial roles through the grapevine or directly suggested was that some functions were bound to become redundant or non-existent. Those functional role-holders became quite apprehensive of their status, location and position in the new set up. The lack of information, uncertainty and ambiguity added fuel to the fire in the organization.

The management came under great criticism for bringing change in the organization without including the employees or inviting their participation.

4. The hierarchical layered structure got attention to be redesigned to a flat structure. This meant removing or reducing the disparity, which existed amongst levels as well as across levels of management. However, this also created anxiety around issues of redundancy and limited opportunities for growth or career path.

PEOPLE PROFILE OF INDIAN ORGANIZATIONS

From many who joined organizations in the 70s and 80s it was their first job and the only organization. The individuals grew in their career and social status as the organization grew. They prospered as the organization prospered. Their quality of life improved, their aspirations changed, ambitions changed and the employees attributed the security of their life styles to the growth of the organizations they were in. The organization worked with a policy to recruit people and train them to the requirements of the organization. The organization provided security, stability, opportunities and prosperity. Over a period of time the people profile in Indian organizations started to acquire certain characteristics and patterns. There were a large group of people in the organization who were dedicated, loyal and sincere. They flourished and worked in the traditional management style and took pride in their years of service in the same organization and with the same people. The growth of the organizations made it necessary and inevitable that new people were recruited who were professionally trained and qualified. Both groups of people were dramatically different from each other. The recruitment of new people pushed for faster paced transformations in the organization.

Both groups of people brought their capabilities and competencies, which were quite different. However, the organization experienced fragmentation as the two groups pulled and pushed the organization and the leadership in different directions.

ROLE OF LEADERSHIP IN INDIAN ORGANIZATIONS

The role of the leader in Indian organizations has gone through several phases. The role of the progenitor / leader is of critical significance in the Indian organization. During the Phase

I and II of an organisation's growth, the leader is personally accessible to people. He, by his charismatic personality and identity profile, commands personal loyalty, commitment and dedication. He generates a set of people who swear by him and to them 'he' is the organization. His leadership style generates very personalised and direct linkages with people. There is direct interaction amongst the role holders. There is also a competition among key role-holders as to who has more functional and personal access, as well as, linkages with the leader. Phase I of organisation's growth contribute to a leadership style, which is people, related and who, over a period of time, acquires a larger than life image. (Parikh. Indira J., Rath. Laura, 1996.)

Phase II of an organization's growth pushes the leadership to a more focused task orientation and a more cohesive interface with the external environment. The leadership tends to arrive at some short and long term strategies and formulation of policies. A resemblance of formal structure emerges and there is an increase in the number and quality of people. However, the leader needs to maintain his personal contact and his accessibility with these employees.

Phase III of the organization arrives when all that has worked in the past is no longer adequate and sufficient. The organization has already grown from small to medium to large. The business environment has changed and is changing dramatically. At this phase professionals are recruited. The organization is pushed to focus on quality, tasks and excellence in performance. It has to focus on competitive strategies of expansion and diversification, as well as, strategic alliances. There is a need for creating synergy amongst different functions and evolving a corporate structure, corporate roles and processes. When the leadership attempts to do this, the people variable in the organization generate a dynamics which becomes the core issue for the leadership to grapple with. Figure 5 presents the role of leaders in Indian organizations in the context of different phases of growth (Parikh, Indira.J. and Rath Laura 1996).

Logically and rationally the employees across levels accept the growth as well as the changes required in the organization and their roles in it. However, operationally there is a strong pull to refer all decisions to the top or the senior-most managers and accept his reflections, and views or suggestions as his decisions. The deeply embedded coding to refer or take advice for decisions upward is very strong. Just saying that

delegation is important and decentralisation is essential is cognitively accepted but not necessarily implemented. This process requires differentiation of and clarity between primary and secondary system (Parikh, Indira. J. 1990). The need for the senior managers to take managerial leadership roles becomes essential in this phase of Indian organizations' growth and environmental context.

The role of leadership is to integrate and harmonise the traditional leadership, interface with the employees and evolve a new interface which mobilises the employees and the organization to energise itself for revitalisation and renewal (Parikh, Indira J, 1998).

ROLE OF CEO'S IN THE GLOBAL ORGANIZATIONS

At this moment, what is required from Indian organization and what is postulated in the successful global organization seem to converge. The global organizations themselves are grappling with the flux and transition and responding to transformation in different ways. Today, the task of the new leader is to influence and direct through ideas and imagination, to share power instead of amassing it. Avers Warren Bennis: "Whips and chains are no longer an alternative, Leaders must learn to change the nature of power and how it is employed" (Jayakar, Roshni, 1996).

Leaders who invest personally in the process of developing future leaders are also building the most precious of organizational assets. The long-run success of leaders cannot be measured by whether they win today or tomorrow. The measure will be whether their company is still winning 15 years from now, when a new generation of leaders has taken over. (Tichy Noel, 1999).

Transformation means redesigning business processes, even inventing new ones. Business Processes should be redesigned to contribute simplicity, speeds and balances. Change masters use information technology to alter the basis of competition.

Hearts and Minds: Transformation is a people issue. The way they handle change makes the difference between success and failure. Harvard Professor John Kotter writes "Transformation is impossible unless hundreds or thousands of people are willing

to help. Employees will not make sacrifices, even if they are unhappy with the status quo, unless they believe that useful change is possible. Without credible communication and a lot of it, the hearts and minds of the troops are never captured”.

Present success does not guarantee future success. And neither does change. Organizations in the process of transforming themselves must do so in the context of their long-term corporate goals. Company leaders should ask themselves: “How do we anticipate change?”, “How do we manage it”?

The world's most successful companies know that changing before the next downturn or market shift indeed, changing before you have to -- is the new rule of the game. As Jack Welch says, “Change should not be event”, but rather a continuous process in the quest for success. (Salazar Rachael, 1995).

General Electric, in 1981 was generating \$ 25 billion a year in sales and \$ 1.5 billion in profits. However, when Jack Welch, the Chairman joined he had a philosophy of change before your have to” Although GE was strong on profits, it was a non-global business with a cumbersome bureaucracy and modest technology. Today, thanks to “Welch” philosophy, GE has become a lean and mean global company with \$60 billion in annual revenues.

The works of Peters and Waterman emphasises the importance of vision and organizational culture built on trust and caring in excellent organizations. One of the ways of understanding the strategy of creating, interacting and overlapping clusters in “excellent organizations” is to look upon the linkages such organizations build with the users, as well as with various functional people within the organization.

ROLE OF CEO'S TO BUILD ORGANIZATIONS OF EXCELLENCE

Here we have taken a look at western authors and organizational perspectives, interventions and approaches to excellence. These are no different than the ones required for any Indian organizations moving towards excellence. Moreover, when we look at some of the leadership and leaders interface with the employees reflected in the studies, we recognise that these interface qualities between leaders and masses and

collectivities of employees have been the hallmark of Indian leaders. These very same qualities of the leaders made the Indian organization grow. The shackles of license raj, strangulation in the name of administrative controls, suffocation through scarcity of resources and enormous visible and invisible wastage in the name of social welfare and as such employment could not drown or destroy the spirit of Indian leaders or organizations. The Indian organizations grappled with these handicaps, barriers and roadblocks and yet continued to grow to India becoming the sixth industrialised nation in the world. So the question is what was missing? What is missing? And what needs to be added to make India an "excellence" oriented industrialised nation?

Let us look where India has excelled in the last decade. The nineties have brought India on the world map in Miss World and Miss Universe beauty contests. There are innumerable local unorganized individual talents who have excelled and become visible on the global scene. Individual artists musicians and dancers have excelled in their performance. However, these are individuals dedicated and committed to their arts with passion and spirituality. When we look at the mass excellence then the Y2K bug brought the Indian intelligence and analytical abilities to receive global recognition followed by the IT industry. However, this too was not the excellence and world class organization we are referring to. In the recent past there are glimpses of world class large organizations in India.

The Multinational Alliances for the Advancement of Organizational Excellence or MAAOE (formed in 1998) employs the following definition of organizational excellence:

"Organizational Excellence is the overall way of working that balance stakeholder concerns and increases the probability of long-term organizational success through operational customer-related, financial, and marketplace performance excellence". (Edgeman, R.L., Dahlgarrd, S M P., Dahlgard, J J., and Scherer, F.,1999)

Examples of Excellence

Azim Premji, Chairman of the Indian software company, "Wipro" is ranked as the world's third richest man after Microsoft's Bill Gates and Wal-Mart's Robson Walton. His personal fortune of \$ 54.7 billion dwarfs that of the Sultan of Brunei at \$ 29.3 bn.

When asked in an interview on 24.3.2000, the secret of his success, he is quoted to have said, " Wipro is not blessed with the abundance of resources that many multinational companies enjoy. However, what we do have is integrity, unshakeable self-confidence, determination and effort to bolster global competition. We have been able to acquire "world class" processes develop world-class teams and attract world class leadership. (Interviewed by "Career Magazine" on 24.3.2000 Downloaded from the Internet). As we can see Azim Premji talked of WIPRO and his people and not himself.

Successful radical transformation has meant retooling the company's four core components - strategy, process, information technology and people. When we look at INFOSYS and Narayan Moorthy his reflections are also always of the team and his groups of people. He is praised for his media shy approach and not indulging in personal glory, but of the contribution made by his team.

In the public sector the one name which stands out for his team work and team effort is Dr.Abdul Kalam. His team approach to leadership is famous. With him the credit goes to the team for the success of the work and the blame goes to him and him alone.

JOURNEY OF FES: CROSSROAD OF THE PAST: THRESHOLD OF THE PRESENT A WORLD CLASS ORGANIZATION OF THE FUTURE

Here we would like to share a story of an Indian organization who attempted and initiated a process of transformation to respond to challenges and opportunities. It made a choice of a path of technology, structure, and management practices and processes and educating its people. The story of transformation is Mahindra & Mahindra's Farm Equipment Sector waking up to the reality that the giants are on the doorstep and it has to take up the challenges and create new opportunities for itself.

Mahindra and Mahindra , with sales of 14 billion rupees in 1996, is India's tenth largest company and its largest manufacturer of utility vehicles. In the decade of the 90s, the M&M group of companies were at a crossroads. And they had to make a either a choice, non-choice or a choice by default. From 1994, onwards under the

chairmanship of Keshub Mahindra and Anand Mahindra M&M has undergone radical transformation. M&M had many choices and alternatives in technology. From state-of-the-art technology, to upgrading their machines incrementally or business process reengineering (BPR). They made the choice of BPR. They have done radical re-engineering of their shop floor. Simultaneously, they opted for a restructuring of their corporate core a refocusing of their strategy around a smaller group of business, a reformulation of management practices and a redesigning of systems, and roles. To make M&M globally competitive, they adopted **Business Process Reengineering (BPR)** as their main technique.

BPR is seen as the precursor of a broader range of inter and intra-organizational changes. Such changes include increased democratization of the workplace, employees' empowerment, customers focus and so on. The very failure of some BPR initiatives is often laid at the door of a failure to change organizational values, redesign the organization structure and prepare people to respond to BPR through their role change and redefinition's.

Through BPR organizations focus on process: it requires organizations to revisit their traditional functional structures and to some extent, it also encourages them to relearn some of the lessons they learnt early on. They then recreate some of the process simplicity that is symptomatic of new, younger companies.

BPR also prompts questions concerning how companies can achieve process excellence. Many organizations conclude that in order to delight the customer, they must work intimately with other organizations (McHugh P., Merli G. and Wheeler III, W.A., 1995)

History of M&M

In the sixties, M&M went through one of their best phases. The people were young and enthusiastic, the focus of the company was on growth and productivity. There was good discipline in the workers. There was unity and coherence between management and workers.

In the seventies, with the organization's growth, there were of people across functions, in M&M. There were issues between the Union and management and the workers and the Union supported by the law of the land. This contributed to a work culture of sub-optimal efficiency.

The eighties brought about a lot of restructuring and consolidation of the organizations' potentials and capabilities. There were clear definitions and expectations from the employees. The business environment was rapidly changing, markets were being opened up to increasing competition and the FES had to gear up for increased productivity.

The nineties brought about significant and dramatic changes in industrialisation in India and as such the M&M group of companies. The M&M group as a whole was restructured. The concept of BPR was opted and the organization structures of M&M were redesigned. From an existing departmental, functional and divisional structure, the structure was redesigned to the concept of cells, modules and strategic business unit (SBU) structure.

In order to change, M&M invited outside consultants to help them initiate the process of change. The business environment had changed greatly. Competition and market forces, as well as increased global perspectives made M&M look at their core businesses in greater detail. At that time, they decided to disinvest their oil drilling business, construction, business and machine business.

Then M&M focused on 2 core areas of vehicle production, which were - (1) Automotive area and (2) Tractor area; called Farm Equipment Sector (FES).

In restructuring the business they split the company into 6 proper divisions, each with their own President. The President, for the automobile division for example, would be in charge of not only production, but also finance, research, marketing etc. Similarly, for the tractor division the President would be in charge for the total tractor division and its related activities.

The structure of M&M has one division for Automobiles and related businesses, a second for tractors, a third for infrastructure, a fourth for trade and financial services, a fifth for telecommunications and sixth a division for automobile components.

M&M have a corporate body governing and monitoring all these divisions' performance. Human Resource Development is a part of the corporate function. Corporate Finance is also a part of the corporate function.

At this point of time in 1996, while the then TD (Tractor Division) now FES was introducing the technology driven change through BPR, the corporate team of M&M and the President of FES recognised that just introducing and implementing BPR would not be sufficient. The success of BPR would be if all the employees took BPR as their mission. They also recognised that employees could take up the BPR as their personal mission if they recognised the need for it, accepted it as an organizational inevitability, equipped themselves in the roles, and acquired the skills to operationalise the BPR. For this they needed to be included, conditions for their participation created, both managerial and technological education to be imparted and overall, all the employees needed to be upgraded in their organizational perspective. As such, in order to respond to the multifaceted dimensions of the need of the organization the corporate team and President of FES of Mahindra & Mahindra group of companies chose a multi-directional and multi-pronged approach. They worked with a team of consultants.

1. McKinsey to facilitate in strategy and to evolve a corporate blueprint of the architecture of the organization.
2. IIMA to initiate an OD Intervention specifically related to people. OD intervention meant a diagnostic study providing internal benchmarking followed by workshops in management education, understanding of managerial role and managerial effectiveness, leadership roles across levels, professional and self-renewal and individual counselling to facilitate dynamic response to change in the managerial locations and roles. For this individual and group meetings were conducted with all levels of management, staff, supervisors, workers and the union members.
3. Another consultant worked with the module leaders and cell leaders to define and facilitate the operationalisation of those roles. This meant clarity of module leaders

and cell leaders role, attitudes, operationalising the structure and membership in the organization.

4. Workers education in BPR as well as their roles in operationalisation he implementation of BPR. Approximately 3000 workers underwent this process of education.
5. Supervisory training for BPR as well as supervisory effectiveness through workshops conducted by another set of consultants.

The organization ensured that all these interventions converged to ensure effective implementation of BPR as well as the new structure.

All these structural redesigning has meant that people got relocated and their job profiles also changed. Some managers felt that this has been to their disadvantage, while others felt that they are doing better, have more responsibilities and accountability and feel themselves to be active participants in the change process.

The FES has come a long way from the time it took a decision to start on a journey to professionalize its employees and to transform FES into a world class organization, focused on quality and excellence. The three key co-ordinates reflecting BPR, organizational cultural transformation and restructuring, added momentum and created a dynamism, which released energy into the organization

TRANSFORMATION AND MOVEMENT FROM THE PAST TO THE PRESENT

As the FES stands today it has passed many a milepost and undergone many transformations:

1. from centralised dependency to beginnings of autonomy and interdependency
2. from helplessness and immobility of collectivities to confidence and self esteem
3. personalized performance appraisal to professionalism and team appraisal
4. from a culture of frozen energy of employees to energy flowing in the new directions

5. From a structure holding the organization frozen and captive to a living and dynamic structure supportive of change and mobility.
6. from a process of shedding past historical baggage to initiating management process of action initiatives and giving shape to the folding future of FES.
7. from a system with few initiatives to many initiatives creating a flux in the system and
8. to a system where anxiety in people has been transformed to a flow of excellence and excitement in a coherent and convergent direction.

TRANSFORMATION IN COLLECTIVITIES OF PEOPLE

The collectivities of people in FES have been mobilised. The scope of the transformations taking place include:

1. A group of employees / managers looking upward for direction now energised to take charge of their roles as well as their Performance Units (PUs).
2. A collectivity of employees sitting on frustration and futility now mobilised with hope and rising aspirations to achieve, succeed and make a difference.
3. A collectivity of employees looking upward for bestowal, affirmation and recognition now owning up their contributing role as that of an internal change agent.
4. A collectivity of employees living in comfort zones protecting and holding onto their security of loyalty and conformity now transformed to a collectivity of employees charged with enthusiasm and treading onto a new path with initiatives and beginnings. Openness to take assertive actions, adventures and discover new managerial resources within themselves.
5. One small group caught in the time warp of the past and unable to respond with new initiatives and beginnings to a group discontented and disillusioned with the transforming systems and feeling betrayed and let down.
6. The mix of employees, old (in terms of association with FES) and new creating a dynamic and vibrant collage in terms of inter linkages and task and functional collaboration.

TRANSFORMATION IN LEADERSHIP INTERFACE WITH THE ORGANIZATION

Like the collectivities of people, the leadership in FES too is transforming in terms of its interface with the organization.

1. The leadership role's vision and dream are moving towards making a difference in emerging environment and the new reality of FES.
2. Leadership is graduating from over-engagement in operations and manufacturing to taking a strategic leadership role.
3. The leadership role that was at one time providing space for dependency is now focusing on change, dynamism, growth of people and organization excellence, achievement and success.
4. The leadership is now able to convey and take initiatives that emerge as a coherent grand design in which the diverse elements seem to fit into a cogent whole rather than create a feeling of confusion and drift.
5. The new key role holders are geared to take charge with the leader and collectively give shape to the FES of today and tomorrow.

The FES restructuring has released largely positive energy. The overall structure is clear to a large number of employees, as is also the need of the new structure. However, the structure is perceived and accepted as inevitable but not owned. The individual is located in the role but his location is still not firmly anchored. **There is confusion in some, ambiguity in others and uncertainties in some others.**

Almost every individual manager has been relocated and as such is experiencing change. This relocation combined with new challenges and expectations is gearing a large number of employees to perform→achieve→ succeed or fall by the wayside.

The organization is experiencing hope and aspirations are rising for it to move at an accelerated pace. The energy of this movement has come from various sources. There is a feeling that the movement needs to be aligned and calibrated across the different parts. However, the direction and destination is clear.

The organization has opened many of its windows from where large groups are looking outward to observe and understand the external reality. Simultaneously, recruitment of

newer and younger people has worked towards bringing the outer reality into the organization and thereby, energised it.

There is clarity of tasks, organizational performance and regeneration.

The organization has had a spring-cleaning. Under-utilised and non-useable, obsolete processes; structures and systems have been shed and/or reorganised to make them operative. Yet, the organization has not been able to celebrate and experience joy and happiness.

With all these simultaneous transformations it does not mean that the organization has become picture perfect. There are some lingering issues, which remain:

1. Overall the FES is moving towards autonomy in each of its units. However, the message of change is not being clearly received across the organization. There is an element of doubt in the system and psychological barriers and hence some effort is required for clarity of communication and directionality of change.
2. There is creation of new role space within each of the newly designed units and the top management comes through as waiting and watching with lot of expectations. Top management is part of the change and as such has an active role to give shape to the new work culture.
3. The system is feeling reasonably confident of its performance.
4. The performance appraisal system is creating some anxiety and apprehensions. The appraisal systems need to be conveyed and understood more clearly.
5. The concept of teamwork is beginning to emerge. However, for a long time the organization has been used to a hierarchical system with the seniors holding on to their authority. There is some openness in some of the seniors to redesign their managerial and leadership roles, while some others continue to be rooted in the past and in the hierarchy.
6. Overall the group's life space is enhanced in terms of quality of personal and professional life.
7. The organization needs to convey the direction and focus of change with persistence so that the messages are registered in the minds of the employees.

8. Organizationally some functions are more geared for professional task oriented approach while others continue to hold on to the past modes of working.
9. The organization structure and its processes need to be clearly conveyed across the organization.
10. There are pockets where the organization is working with new paradigms of managerial and leadership roles.
11. There are pockets where the past historical baggage is carried and the organization is unable to shed the baggage.
12. In some linkages the energy of the organization is caught across levels in frozen interfaces.

Having lived in comfort zones for long periods of time, the organization is now experiencing the pain and turmoil of dislocation from these zones. However, if change has to take place and if new choices have to be operationalised, this dislocation is necessary. The organization is grappling with new directions. Pockets of enthusiasm, anticipation, an eagerness to take on challenges and an inner urge for movement and growth are beginning to emerge throughout the organization.

LEARNING TO BUILD A WORLD CLASS ORGANIZATION

With the experiences of transformation and the organization's attempt to grow into a world class organization, there are clearly some lessons to be learnt for FES as well as for Indian organizations.

9. Incremental excellence versus multiple and simultaneous initiatives.
10. Leadership commitment versus collective commitment to change
11. Internally directed change versus consultant facilitated change
12. Introduction and implementation versus sustainability and enduring change
13. Organization and individual excellence versus work ethos and work culture
14. Challenges and opportunities for the organization versus giving shape to the institution.

15. Building new traditions and creating pride in the product, organization and the country.
16. Self discipline, collective discipline and systemic discipline.

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