

Human Resource Management



UNIT 1 INDIAN ENVIRONMENT: THE CHANGING SCENARIO

Objectives

From this unit you can understand

- the evolution of Indian environment from historical perspective to present scenario
- appreciate the paradigm shift of the Indian business

Structure

- 1.1 Introduction
- 1.2 Historical Perspective
- 1.3 The Dual History of India
 - 1.3.1 Pace of Change
 - 1.3.2 Liberalisation, Privatisation and Globalisation (LPG)
 - 1.3.3 Downsizing
 - 1.3.4 Outsourcing
 - 1.3.5 Information Technology
- 1.4 Challenges for Organisations
 - 1.4.1 Global Standards
 - 1.4.2 Life Cycle of Organisation
 - 1.4.3 Price led Strategy
 - 1.4.4 Decision Response Time
 - 1.4.5 Knowledge Capital
- 1.5 Summary
- 1.6 Self-Assessment Questions
- 1.7 Further Readings

1.1 INTRODUCTION

The Indian social environment is seen in various terms depending on the position of the viewer. The diverse views that exist however seem to create a debate on whether the social processes of the country are "good or bad". There exists a long tradition of seeing it from the eyes inherited from the British Colonial perspective in which Indian social processes are seen as passive, non-vibrant, indigent and lazy. There are other points of view which seem to find redeeming features in Indian social processes that are seen as potentially strong and capable of being energetic and productive.

The post liberalisation era of the last decade has witnessed unprecedented pace of change in volume, scale, speed, complexity, discontinuity and increased turbulence in the business environment. The emergence of global economic order has made it imperative for organizations to achieve global standards of performance, to gain and maintain competitive advantage. The hyper competitive scenario has necessitated a fundamental transformation in the conduct of business.

With pressure to do more and more with less and less resources, coupled with service orientation and customer relations management, organizations are left with no options other than re-organizing their resources by developing appropriate design and re-structuring of activities and functions. Re-structuring thus is inevitable to align the



internal processes and systems to changes in the external environment. This will have a far reaching impact on behavioural processes in organizations.

1.2 HISTORICAL PERSPECTIVE

Objectively India has been, for ever, a region wherein diversity of beliefs, faiths and ideologies have poured in from all over the world. Thus today India is one of the largest combinations of faiths, languages and customs. No other nation in the world has so many current languages and customs as India has. No other country boasts of a larger number of faiths and ideologies without coercive forces demanding uniformity.

To this objective fact there exists a diversity of responses. The lines of responses of all alien perspectives find this multiplicity and diversity an unmanageable and bewildering liability. In the nineteen forties the West had predicted a disintegration of India into smaller countries within 20 years of finding Independence from colonial rule. In this line of thinking the fact of India remaining one nation is a matter of mystery. The second line of response to the objective fact of multiplicity of our society is to search for an underlying unity. The underlying unity lies in India being a culture state as opposed to the concept of nation state which has defined national boundaries (for instance) in Europe.

In a nation state political ideology and processes of power distribution remains reasonably uniform giving rise to a national identity. Historically however India has been a culture state in which although many different political entities have flourished in the form of countries with a monarchy, the dominant elements of their culture have been uniform. This basic framework was demonstrated also in medieval Indian imperialism in which Indian culture was potent fountainhead and helped design societies in the far reaches of South East Asia. These countries were all politically independent but had institutionalised processes which had their origin in India. Thus, there was no central seat of power in India that determined governance of say Kampuchea but the Kampuchean people revelled in the Ramayana, Mahabharata and Budha's teachings. For their social organisation they held in value, ethics and living processes based on Indian philosophies.

Following its own course of development, civilisation in India took a path in which militancy and military capabilities were neglected and allowed to wither away on a large scale. Intellectual and spiritual pursuits flourished however and are being continuously rediscovered by researchers.

Indian society was deeply devoted to the generation of philosophical insights and treatises were written on them in great detail with a bewildering span of topics. In all this a core belief was that man is an expression of nature therefore aggression and violence were devalued, even in their universally accepted form of military prowess. This rendered the country vulnerable to foreign aggression. Earlier foreign aggressions were marked by a subsequent process of absorption and integration. The hallmark of the process of this absorption and integration were institutions which encouraged dialogue and recalibration of social, political, intellectual and religious norms for people to employ and follow.

Box 1

The social design of the classical period in India postulated the institution of Rajasuya/ Dharma Yagna. The institutions could be activated through a call issued by a King to intellectuals of different persuasion of a region or the country to assemble for dialogues. A time and locale were set. The assembled intellectuals would be invited by the King to take stock of the social phenomenology, dysfunctionalities, deviances and deviations which had cropped up, dislocating the structural and interpersonal codings conventionally held as legitimate. In the allocated time the dialogue would crystallise recommendations which would legitimise some of the deviances and deviations. The assembly of intellectuals



would also recommend structural modifications to create new space and identity for ethnic groups who had entered the area or had come into existence due to cross-marriages across the groups. The institution of Rajasuya/Dharma Yagna was a potent instrument in maintaining the process ambience of the society. Its constructive function was to recalibrate the correspondence, congruence, convergence and coherence of the human psyche of the era with the social design. The institution kept alive the resilience of the social design to cultural identity with a diverse ethos. The dialogue organized and integrated the experiential elements into new configurations of structural and interpersonal codes. It helped the individual to sustain his relatedness with the society instead of becoming an outsider.

(From key note Address of Puling K. Gag, International Conference 1986 "TRANSCIENCE AND TRANSITIONS IN ORGANISATIONS", Indian Society for Individual and Social Development)

This hallmark institution provided Indian society the strength to review and recalibrate new inputs thus never creating the forces of majority versus minority, preventing the rise of fundamentalism and leaving society to continuously balance psychological needs and social organisation. But following the expansion of Islam the attacking forces chose to convert the populace rather than integrate with the existing culture. The newly entered crusaders for Islam became a ruling minority, they were then followed by the British, who too chose not to integrate but remain the ruling minority until 1947. The Muslim and the British brought with them a fresh look at the social organisation then prevailing in India. They brought an outlook more vigorous and egalitarian than which existed earlier. This provided a significant impetus to question some of the pathologies of the society such as untouchability, caste and rigid brahminical dogmas where institutional values had long ago disappeared. Until these new earnings from the Islamic and Christian beliefs could get integrated even freedom from foreign rule was difficult. Vivekananda, Deanna, Ramakrishna and finally Gandhi became the beacons who showed how this new learning could be integrated.

As a society thus India has withstood for nearly a full century coercive state pressures to convert into religious which have had their beginnings in other cultures and cellmates - Near about 10th century the need to protect indigenous culture from state ' pressure to convert, turned the vibrancy of the earlier society dormant and created a society which reflected all signs of turning moribund, as if the social élan energy and vibrancy had been put in a kind of cold storage and all processes and institutions of re-vitalization renewal and change having been put under house-arrest. Later, Amber attempted a degree of integration by reactivating dialogue and religious eclecticism but with no success with his **Deen-e-Illahi** movement. The Sufis also tried integration through dialogic processes. Akbar's attempt failed completely and Aurangzeb put the Sufis behind bars. The decay and disintegration of Mughal power was an opportunity which was seized quickly and efficiently by the British to assert their supremacy and governance. British governance drew its principles largely from the church and military ethics. These appeared to some degree non-partisan and "fair". The British however retained the firm belief that they were "civilizing" an "uncivilized" country. To this end Indian history was re-written by the colonisers to convey this point to the Indians who were learning English and to the rest of the world.

Box 2

"Time has come when an attempt should be made to write the history of India purely from the historical standpoint, untrammled by any Imperialistic or European point of view", wrote Prof. R.C. Mazumdar in 1927. He goes on further, referring to the then most popular historical work which was used as a textbook in the following words. While V. Smith seems to take great pleasure in thus describing at length the Greek conquest of India which demonstrates, to his satisfaction, "the inherent weakness of the greatest Asiatic armies when confronted with European skill and discipline", he has not a word to



say about the political or military greatness of India as exemplified by her colonial empires in Asia. Again, in describing the political condition of India after the reign of Marsha, he seeks to "give the reader a notion of what India always has been when released from the control of a supreme authority, and what she would be again, if the hands of the benevolent despotism which now holds her in its iron grasp should be withdrawn". These sentiments, which are echoed in other books, are not only, uncalled for and misleading, but are calculated to distort the vision and judgement of modern readers. Those who cannot forget, even while writing the history of ancient India, that they belong to the imperial race which holds India in political subjection, can hardly be expected to possess that sympathy and perspective of ancient Indian history and civilization. European scholars have rendered most valuable service by the way of collecting material for ancient Indian history and civilization, and Indians must ever remain grateful to them for their splendid pioneer work. But they would hardly be in a position to write the history of India, so long as they do not cast aside the assumptions of racial superiority and cease to regard Indians as an inferior race.

(From R.C. Majumdar in Preface to "ANCIENT INDIA")

1.3 THE DUAL HISTORY OF INDIA

India began its new history as a political entity a nation state for the first time in 1947 with two streams of history which appear somewhat contradictory. A history of glorious accomplishments and repeated failure to assert, A history of a vibrant society, one of the oldest in the world, unique in its understanding of man and nature, spiritually highly developed.

Box3

Just as in the period of the deflation of the revealed gods of the Vedic pantheon, so today revealed Christianity has been devalued. The Christian, as Nietzsche says, is a man who behaves like everybody else. Our professions of faith have no longer any discernible bearing either on our public conduct or on our private state of hope. The sacraments do not work on many of us their spiritual transformations we are bereft and at a loss where to turn. Meanwhile, our academic secular philosophies are concerned rather with information than with that redemptive transformation which our souls require. And this is the reason why a glance at the face of India may assist us to discover and recover something of ourselves.

(from Heinrich Zimmer, "PHILOSOPHES OF INDIA")

On the other hand a modern history in which internal forces and the very people themselves seemed to have turned against their own country and repeatedly done damage to it, in short a history to be ashamed of. The shame of this history is further reinforced by looking at Indian society purely with Western criteria of technological achievements and economic prosperity. Objectively in the world order of today only those nations which were militarily active and aggressive in the last three centuries are the ones which are also now technologically advanced and economically powerful, Objectively also it is true that the technologically advanced nations consume per capita many times over the resources, that the individuals of 'less developed' countries consume (including food and energy).

The duality of India's history is important from a managerial perspective in that, the thinking and rational processes are guided by Western beliefs while emotional processes of affiliation and risk management are guided by the Indian experience, The shame, induced by Imperialist doctrines of the west and partly by Indians having let themselves down, time and again, has created a large-scale "losing team" syndrome in our contemporary society. Thus, all rational thought processes are guided by Western beliefs but the feelings associated while engaging in converting plans to action-an Indian in their structure and values. It is impossible thus to expect Indian managers to



bring in spectacular results in comparison with Germany or Japan. Indian however when convinced and determined can bring in excellent results which are brilliant in their own rights. The green revolution is only such example. Perhaps such revolution can spread a managerial revolution or work revolution in organisations.

It as is well known "nothing succeeds like success", a society which has lost its pride invariably finds it difficult to even recognise its own success.

We have come a long way since the 70s and 80. The challenges that organisations face today are very different from the yester years. Let us look into some of the concerns.

1.3.1 Pace of Change

Toffler in his classic book *Future Shock* has said, "As interdependency grows, smaller and smaller groups within society achieve greater and greater power for disruption. However, as the rate of change speeds up the length of time in which they can be ignored shrinks to near nothingness".

Change has affected all aspects of our lives, social, cultural, political and economics. Never before in the history of mankind has change been so rapid, intense and wide-spread. In the last five years alone the Indian market has been flooded with consumer goods and new services resulting in wider choice for consumers. Suddenly organisations in India find themselves in an environment of stiff competition. Organisations are vying with each other to increase their market share by providing value for money and variety of promotional packages. Organisations have come to realise that in the current scenario either they excel or they perish, thereby leaving no room for complacency.

The fast pace and complexity of change has resulted in increased uncertainty in the world of business. It is becoming more and more difficult to predict the developments in various spheres of human endeavour. Due to the increased interdependencies amongst societies and nations in the world change in any one field or any one corner has far reaching impact on the global economy. One might recall the event of September 11, 2001 in which the World Trade Centre in New York was destroyed by a handful of people and subsequent events in Afghanistan and Iraq. The impact of these episodes on global economic order was so devastating that economies of molly nations are yet to recover from the repercussions:

Organisations thus have to prepare themselves to survive in a turbulent, orderless, chaotic and complex environment.

1.3.2 Liberalisation, Privatisation and Globalisation (LPG)

The Indian economy was sheltered and protected with very little competition until around July 1991, due to the serious financial crisis as also the then emerging trends in developed and developing countries all over the world, India chose to introduce economic reforms with a view to opening up its economy. The opening up of the Indian economy has posed numerous challenges and has also provided Indian organisations enormous possibilities of an unlimited global market.

Liberalisation was aimed at easing barriers to entry and exit of businesses and other sectors of economy through deregulation of market and doing away with the "license raj" in the early 90s. Before economic reforms it was the government that decided what people would eat, drink or drive. Gone are the days when the consumer was left with little or no choice. De-regulation now lets the consumer decide on what will sell. A favourable climate for foreign direct investment minus the license hassles has helped create a better business environment. Domestic firms also have made entry in variety of economic sectors and in sizeable numbers. Deregulated markets have contributed to lowering of prices and quality improvement particularly in consumer products and services.



Privatisation meant transfer of assets of public sector undertakings by the government to private hands through the process of outright sale or disinvestment of equity by the government. In keeping with the spirit of socialism public ownership of the means of production and distribution became an important objective of the national policy in India. According to the latest estimates available, a total investment of over rupees two lakh thirty thousand one hundred forty crores (Rs. 2,330,140 crores) at the end of March 1999 in the public sector, the overall rate of return on capital employed (net profit to capital employed) was only 4.8% in 1998-99. This poor profitability has thus not contributed to developing a vibrant economy but has also imposed severe budgetary strains on the government.

It is in this context that privatisation of public sector undertakings by different means including disinvestment acquires legitimacy as one of the options for revitalising the Indian economy. Management of these enterprises in private hands will not only usher in changes in the business perspective but will also generate surplus essential for growth of business and contribute to the development of the economy. The government has already initiated the process of transferring ownership through disinvestment in the joint sector of Maruti Udyog Ltd. and in the public sector in ITDC, BPCL and many are in the offing. With the change in the patterns of ownership, the organisations will have to reorient themselves to function in a competitive environment, reset their priorities and work towards benchmarking themselves with the best in the industry globally.

Globalisation entailed removing trade and tariff barriers so as to facilitate foreign direct investment, entry of multi-national corporations and opportunities for Indian organisations to conduct their businesses and operate in global market.

No doubt globalisation brings with it its share of disadvantages. The environment is becoming competitive, complex and is rapidly changing. There is a pressure on companies to meet the international standards of performance in parameters like productivity, cost, quality, delivery and service and continuous innovation. For example, high labour cost in the US has inspired them to set up call center operations in India where labour is cheaper and technically qualified.

Box 4

Number of US Jobs Moving Offshore

Even as US companies rush to cut costs, a recent report (US Department of Labour and Forrester Research, Inc.) indicates that one out of every 10 jobs in the US software industry will move to inexpensive emerging markets such as India by the end of 2004.

<i>Job Category</i>	<i>2000</i>	<i>2005</i>	<i>2010</i>	<i>2015</i>
Management	0	37,477	117,835	288,281
Business	10,787	61,252	161,722	348,028
Computer	27,171	108,991	276,954	472,632
Architecture	3,498	32,302	83,237	184,347
Life Sciences	0	3,677	14,478	36,770
Legal	1,793	14,220	34,673	74,642
Art, Design	818	5,576	13,846	29,639
Sales	4,619	29,064	97,321	226,564
Office	53,987	295,034	791,034	1,659,310
Total	102,674	587,592	1,591,101	3,320,213

Source: Times of India, New Delhi, 19 November 2003.



Table 1: Downsizing in some Indian Organisations

<i>Company</i>	<i>Period</i>	<i>Workforce Reduction (In %)</i>	<i>Productivity Increase (In %)</i>	<i>Productivity Measure</i>
Tata Engineering	1998-2003	38%	156%	Turnover per employee in Rs. lakh
Bajaj Auto	1997-2003	42%	67%	Vehicles per employee
Tata Steel	1993-2003	45%	163%	Production of crude steel in tones per employee per year
Mahindra & Mahindra	1998-2003	34%	88%	Profit per employee in Rs. lakh (automobile sector only)
Bank of Baroda	1999-2003	13%	110%	Profit per employee in Rs. lakh

Source: India Today, 'Working Out', Rohit Saran, 14 July 2003, pp. 38-40.

1.3.3 Downsizing

Organisations in developed as well as developing economies are under pressure to reduce cost and improve quality of their products and services. Doing more with less and less, i.e. maximum output with minimum input is a trend towards that end. It is imperative for organisation to downsize all their resources including manpower in order to remain competitive. A wide variety of methods are being used by organisations such as reducing the cost of input material, process improvement, low inventory, controlling wastages, eliminating wasteful practices and cutting down expenses.

The downsizing of manpower has led to massive lay off, a trend that is likely to continue with the introduction of automation and high technology for increased efficiency. While in the US thousands of employees have been laid off in various sectors like Airlines and Information Technology, Indian organisations have also followed suit in order to bring productivity level to global standards so that they remain competitive. Table 1 illustrates the current scenario in this regard.

[This has been achieved through a variety of methods like Voluntary Retirement Scheme, attrition,, relocation in subsidiaries and units and redeployment, reduction in manpower has resulted in remarkable gains for the organisations as is evident from the above Table. 1 13 vehicles are produced by an employee at Bajaj Auto now as compared to just 67 vehicles in a year in 1993-94. Similarly, Telco has been able to achieve a productivity growth of 156 per cent as its per employee turnover has increased from Rs. 16 lakh in 1999 to Re. 42 lakh in 2002-03.]

1.3.4 Outsourcing

Trade barriers are being dismantled, entry restrictions have been done away with, the world is moving towards creating a boundaryless economic order. It is natural, for organisations therefore to look for green pastures for accessing cheaper and high quality products and services. "Why own if you can buy" has emerged as an approach to surviving in a hyper competitive environment. Organisations therefore are outsourcing a number of business processes, product or sub parts and services to organisations which are able to provide low cost and high quality service with speed.

For developed countries India is an attractive destination for outsourcing Information Technology related services. This trend is increasingly being adopted by practically all public and private sector organisations in India also. For example, automobile majors like Maruti and Hyundai outsource a wide number of automobile parts like wind-shield, wipers, etc% to other organisations. In public sector undertakings, usually the



canteen, transport, maintenance, security jobs are being outsourced. The trend is going to grow at a faster pace as the pressure of global competition becomes more intense.

1.3.5 Information Technology

The IT revolution in wake of the nineties has changed the global business scenario drastically placing new demands on organisation to innovate, reform and restructure with emphasis on quality, design and flexibility. Improved communication systems have ensured greater control over activities and have contributed to immense improvements in factors of effectiveness including lead times, inventory and quality standards. The internet boom has enabled organisation to tap new markets and reach markets which they never could have before. A direct link has been established between the company and the consumer. This change has come about due to increased speed, high accessibility and networking. The focus is now on information and knowledge. This would necessitate seeing the businesses differently.

There is a need to constantly acquire new skills and expertise without which one would be left behind in the Information Technology Revolution. The emphasis is on information sharing and knowledge management.

1.4 CHALLENGES FOR ORGANISATIONS

As a global player, India has not been able to match other industrialized countries in terms of 'quality' and 'price' of its products. A review of industrial performance and productivity in developing countries found that between 1950 and 1982, India was one of the worst performers. India's share in world trade declined from over 1% in 1950s to about 0.6% in 1990s. Within Asia, it lost its pre-eminent position in industrial and economic spheres. On the social side, also, the country fared badly even in comparison with some of the neighbouring countries in South Asia (UNDP, 1995). The main reasons for the slow down of industrial growth are low productivity, high costs, low quality of production and obsolete technology.

In post liberalisation era however, Indian organisations have been gearing up to take the challenges head on. The Indian economy has shown remarkable recovery during the last decade in terms of Macro Economic Indicators including the Foreign Direct Investments. Several Indian organisations are in the process of transforming them-selves into multi-nationals and are on the path of becoming formidable global players. The sustained competitive edge however, would call for meeting the following challenges.

1.4.1 Global Standards

In borderless global economic order, it is imperative for organisations to achieve global standards of performance in productivity, quality, cost, delivery and customer service. The capacity to learn from one's own and others' experiences, to innovate and to incorporate innovation in product and services with speed will be a prerequisite for sustained growth and global presence of Indian organisations of today and tomorrow.

1.4.2 Life Cycle of Organisation

The organisation's life cycle has undergone a complete transition. Organisations are made up of their products and procedures, people and their relationships, knowledge and technology. Innovation has gained importance. Manufacturers are thus producing products with new variations in features at a phenomenal rate making the product



cycle shorter. Expertise and technology go hand in hand with innovation. Rapid technological advancements and the need to constantly upgrade one's skills have led to shortening of the technological life cycle. Thus there is a constant need for retraining and redeployment of manpower. The life span of organisation is increasingly becoming shorter. The growing trend towards acquisition, merger even bankruptcy is indicative of this trend.

1.4.3 Price Led Strategy

A monopoly usually thrives on a cost-led strategy. The consumer buys at a price quoted by the enterprise as he has no choices available in the market. In such a situation there is no pressure on organisation to reduce cost and improve quality. Cost reduction and quality improvement were conceived as contradictory. In public sector enterprises, prices of many products and services were administered by the government of India. The needs of consumers and the price they can afford to pay were not considered.

However, with growing competition providing wider choices of products and services in the markets there is pressure on organisations to produce or provide service at a price which is competitive and affordable by the consumers. Organisations therefore have to develop price-led strategy in place of cost-led strategy.

For Example: Imagine buying a bottle of coke for Rs. 100 seems unimaginable, doesn't it? Keeping the markets sensitivity to price in mind, coke has launched its 200 ml bottle for an amount of Rs. 5. Likewise the incoming calls on Hutch and Airtel have been made free owing to pressure from competitors such as Reliance and Tata.

Thus it is clear that the consumer's role in determining the price has become a reality.

1.4.4 Decision Response Time

In a highly competitive scenario characterised by constant change, organisations have to respond quickly to the internal pressures within the system and demands of the external environment. With the advances in Information Technology, time has shrunk to nothingness. At the click of a button one can have access to information on any subject from any part of the world. Mass opinions can be mobilised instantly. Business transactions can be carried out without any time lag. Speed by which organisations respond to these demands will have a decisive role to play in their survival vis-à-vis their competitors. This will call for continuous and progressive reduction in decision response time in organisations.

1.4.5 Knowledge Capital

Amongst all the resources available to the organisation, knowledge capital is unique to the organisation which can neither be copied nor borrowed. Human resources as custodian of knowledge thus are being considered as assets capable of growth with no known limits. Individually acquired knowledge and intellect will need to be converted into collective knowledge and collective intelligence. It is this collective knowledges that provides distinct competitive advantage to the organisation. Organisation there-fore, need to continually invest in utilizing, nurturing and developing its intellectual capital.



1.5 SUMMARY

From this unit you can understand how significant was our Indian culture and the present day scenario of the Indian business with impact of Liberalisation, Privatisations and Globalisation.

1.6 SELF-ASSESSMENT QUESTIONS

1. Enumerate the conditions which led to economic reforms in India.
2. Discuss the challenges encountered by organisations in the face of globalisation.
3. Outline the socio-economic issues arising out of globalisation in India.
4. Have you noticed any change in the way that organisations are conducting their business with the introduction of information technology enable services?
5. Discuss the pros and cons of Liberalisation, Privatisation and Globalisation (LPG) in developing and developed countries.
6. What implications will downsizing have on employee morale in organisations?
7. Outsourcing will add to the already existing burden of unemployment. Comment.
8. What steps organisations in India need to take to bring productivity and quality level to global standards? Examine their implications to your role as a manager.

1.7 FURTHER READINGS

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UNIT 2 SOCIAL ISSUES AND ORGANISATIONAL RELEVANCE

Objectives

Li this unit you will be able to understand

- the relevant social issues
- paradigm shift of work culture and their issues in the present scenario

Structure

- 2.1 Introduction
- 2.2 Social Issues
- 2.3 Paradigm Shift
 - 2.3.1 Work Organisations
 - 2.3.2 Social Structure
 - 2.3.3 Dependency Syndrome
 - 2.3.4 Cultural Dimensions
 - 2.3.5 Managing Diversity
 - 2.3.6 Gender Issues
 - 2.3.7 Knowledge Workers
- 2.4 Changes in Social Institutions
 - 2.4.1 Changes in Family
 - 2.4.2 Changes in Community
 - 2.4.3 Changes in Education
- 2.5 Organisational Relevance
 - 2.5.1 Employability
 - 2.5.2 Changeability'
 - 2.5.3 Social Tension
 - 2.5.4 Democratisation of Work Process
 - 2.5.5 Empowerment
 - 2.5.6 Service Orientation
 - 2.5.7 Changing Expectations of Stakeholders
- 2.6 Summary
- 2.7 Self-Assessment Questions
- 2.8 Further Readings

2.1 INTRODUCTION

A major transformation in environment necessitates a shift in individual and collective paradigm as the old ways of explaining reality tend to become dysfunctional. The old construct of reality does not allow us to comprehend and incorporate the changes and the demands of the emergent environment let alone being responsive to change, what John Naisbitt in his famous book *Mega Trends* calls the current period the 'age of parenthesis' (Naisbitt, 1982) meaning thereby that we are constantly in the phase of transition from old to the new.



2.2 SOCIAL ISSUES

The new history, beginning from 1947 was started with the euphoria of regaining freedom, this released a great deal of energy and fervour towards nation building. In order to accelerate the processes of nation building, the country chose to industrialise itself as rapidly as possible and Western models were emulated on a large scale. This resulted in almost everything Indian being seen as intrinsically inferior. The collective impact of this was a loss of elan as a result of which before taking any new step India looked abroad for precedents. Thus the reality of local experience was rapidly hidden under a false mask of Western intellectual rationality. For instance, all education began to focus itself on only techno-economic information rather than helping the youth develop appropriate perspectives and create a new culture of belonging, achievements and commitment.

All social institutions which reinforce and strengthen the sense of belonging of Indians both to India and to their respective communities and organisation began to get devalued resulting in a large scale erosion of norms to follow and values to live by, Spontaneous solutions to realistic problems facing people in the lifestyle and their work place were no longer easily available.

All this in managerial and organisational terms generated a search for security such that employment generally came to mean a source of social status and economic security. A syndrome of survival emerged on a large scale. In this syndrome creativity or productivity took a secondary place but ensuring continuance of security became the primary concern in the individual's relationship with the organisation. Mechanisms for management of differences both in society and subsequently within organisations nearly broke down. Thus the decade starting mid sixties began to see large scale emergence of both industrial unrest and communal tensions.

More urbanised and more industrialised parts of the country began to offer greater opportunities for economic success and at the same time began to show greater amount of stresses, valuelessness and breakdown of fundamental social institutions such as the family.

The attempt to create rapid industrialisation has generated rapid urbanisation in India. A large part of our industrial workforce (including white collar) are often only second generation urban and industrial members. The values of agrarian society still characterise much of the work processes within organisations,

The Indian economy has been largely on agriculture. As such large part of its design of living and social structure have been centered around the imperatives of the technology of agriculture. From a management perspective it is important to note that in an agrarian life-style people know how to live together and work independently, often in isolation, while the industrial world today demands the ability to work together and live in small families. In an agrarian society there are no significant or major group tasks that are undertaken, group tasks are undertaken in crises or for community activities such as festivals. Economic activity of the individual is rarely interdependent with others except in the market place. Also in an agrarian society formal organisations for achieving specialised output is an unknown phenomenon.

As such it is easier to find individual brilliance in performance while synergistic efforts and team work are difficult to generate.

Structures in the minds of people are drawn almost entirely from the family. As such all authority relations are given a totality which is often illegitimate and uncalled for. That authority in a task system comes from the task role the individual holds is normally not seen, but he is attributed authority on a total scale by the subordinates. Mahatma Gandhi is the most illustrious example, who showed how the exercise of



authority need to be placed within legitimate limits from time to time.

Organisations, most of which are designed on the concept of contractual links, thus find themselves getting pulled in the direction of becoming affiliative systems. Employees at all levels end up remaining concerned for their own security.

Organisation thus soon begin to acquire a network of social and inter-personal linkages which seem to dilute the task relationships.

In the Western ethos most relationships have a significant contractual element. In India however relationships are heavily tilted towards an affiliative nature. The Western designs do not take into account, thus organisations usually do not give scope to its people to fulfil their social and affiliative needs. These needs then get displaced to task level transactions making the processes of task management and exercise of authority difficult.

Organisations thus have the responsibility of helping their own members develop reasonably uniform codes and attitudes towards work as well as design and manage suitable social activities in the nature of ceremonies and events. Failure to do this tends to heighten doubts, fears, anxieties and isolation which then create defensive behaviour.

2.3 PARADIGM SHIFT

Paradigm refers to fixed mental states or metaphors, including a set of beliefs, values and assumptions through which we construct as our personal reality. It represents internal mental and emotional structural thought forms that are used to construct reality (Thomas Kuhn, 1970). Paradigm helps us to explain reality, assess what is possible and what is not with regard to people, object, situation or phenomenon. External world thus is a projection and manifestation of conscious mind and is determined by non-negotiable paradigm existing at sub-conscious and unconscious level. We actively create the world we perceive and our response patterns are directed towards reinforcing the existing paradigm.

Societies develop their own respective collective paradigm which provides the basic framework by which they explain the nature of reality, enact their external environments and define their-relationship with external world. Reality thus is socially constructed based on the shared consciousness amongst societal members. The collective fixed mental states or metaphors include a set of beliefs, values and assumptions through which a society constructs reality.

The world has witnessed major shifts in paradigm since agricultural revolution. The agrarian society was characterised by mind-set which included,

- Permanent settlement
- Joint and extended family
- Religion as the main social control mechanism
- Teamwork and collaborative orientation
- Self sufficiency through symbiotic relationship
- Distinct roles of men and women
- Ascribed status based on caste hierarchy
- Consumption based production for meeting

It was in the seventeenth century in the Western Europe that industrial revolution took place which sought to replace the agricultural era paradigm. The industrial paradigm emphasised,



- Large scale migration due to urbanisation
- Nuclear family
- Special purpose social institutions (legal/administrative) as social control mechanisms
- Individualism and competition
- Increased dependence on trade and commerce
- Converging role of men and women
- Achieved status based on careers in organisation
- Profit maximisation

It was around mid sixties that saw the emergence of post industrial paradigm with focus on,

- Borderless global village
- Live in arrangements single parent families
- Self direction and self control reinforced by belief in spiritual values
- Dynamic flexible networking
- E-commerce
- Exploration of identities and roles of men and women
- Achieved status based on expertise
- Management of intangibles - latent power

The individual and collective paradigm of a vast majority of Indian populace is even now based on the agrarian mind-set. Effecting change in the paradigm of employees particularly in the traditional unorganised sector to meet the challenges of emerging information based society will be an uphill task for managers of the future. Thus, there will be need to align employees behaviour with the changing paradigm.

2.3.1 Work Organisations

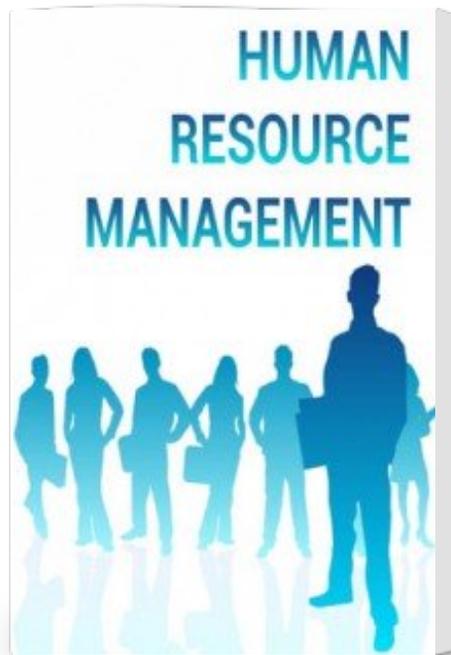
In India, work was performed as social obligation and caste system symbolised differences in occupations. Work organisations are embedded in social system and cultural values. Majority of people even now work in agrarian sector central to the social system which sustains the traditional social system.

2.3.2 Social Structure

The Indian psyche is dominated by legitimacy that it provides to social hierarchy. Thus, they feel secured in the framework of superior subordinate relationships. The hierarchical framework is so pervasive that the Indian child internalises the process of hierarchical structuring of persons and relationships. This further gets reflected in behaviours directed towards protecting and looking after those who are inferior to him and maintain distance, reverence and respectful compliance with his superiors. This leads to strong in-group orientation and out-group hostility. Attitudes, norms and behaviour of the in-group members are different and often opposite to those of the outsider. Conflict and cooperation therefore seem to exist in the Indian society. As in-group members trust each other and destruct the out-group members.

The same notion is extended to organisations as well where subordinates expect their superiors to be protective, caring, affectionate and nurturant in their relationship with them.

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