CHAPTER-6
Findings, Conclusion and Suggestions
Findings:

The study has been conducted to find out the impact of various OD interventions on organizational effectiveness using data from both secondary and primary sources. The analysis of data explored various factors responsible for OD and HRD practices which are presented in the following paragraphs.

Structured questionnaires were administered to the top management, middle management and supervisors separately. By applying factor analysis 15 factors in case of top management, 13 factors in case of middle management and 7 factors in case of supervisors are identified and these represent the pervasiveness of OD and HRD interventions in understanding the concepts, the job, the role, development, and self-renewal aspects. The factors are explained in Chapter-5 in detail.

Analyzing the role of OD interventions in turnaround strategy, it is found that RSP had introduced many workshops for sharing concerns, internal customer supplier concept to focus more integration in functional areas, and some focused issues for improvement of the employees’ operational efficiencies, sense of ownership and accountability etc. Besides these, workshops were also organized for improvement of team spirit and individual departmental performance.

Mass Contact Exercises (MCEs) were introduced and found to be the most successful intervention in problem solving, employee empowerment, improvement of profit and productivity and high morale. Effective communication system for OD and HRD practice as identified from factor analysis also extends the scope and validity of MCEs in the organization. These exercises have been proved to be effective in inculcating a sense of belongingness in the mindset of the employees and helped in a big way in turnaround.

Focusing on Management by Objective (MBO) practice, another intervention named General Managers’ Communication Meetings (GMCMs)
was introduced during turnaround and found to be effective in achievement of target and improvement of dyadic and group relationship.

Besides, the organization had brought certain reforms in general HR policy and practice highlighting the issues like strictness in attendance, temporary absence, workplace discipline, safety, redeployment, and employee participation directly and through unions.

Major OD interventions like Mass Contact Exercises, Team Building Exercises (through GMCMs), Performance and Career Management System, and Training System of the organization, etc. have been found to be effective in bringing the changes in the performance of the organization. It is also ascertained from the views of top and middle management executives that these interventions are working satisfactorily.

In order to identify various behavioral interventions along with planning and execution, the organization had taken initiatives to introduce Total Quality Management (TQM), Quality Circle (QC), Cross-Functional Teams, Job Rotation, Management by Objective (MBO) practices etc. and the performances of all these practices are being reviewed from time to time. As a result, during turnaround, these mechanisms facilitated the management in greater acceptance of other interventions like MCEs and GMCMs.

Analyzing the views of the management representatives regarding the effectiveness of interventions, it is found that all groups in the samples, i.e., top management, middle management and the supervisors have high opinions regarding the implementation of OD Exercise, Performance Management and Career System, HRD, Team Working Practice and Change Management practices. However, it reveals that the top management is relatively more optimistic in their views than others.

While studying the organization's performance before and after turnaround, it is found that production of ingot / crude steel and saleable steel from 1965-66 to 2000-01 did not maintain a steady trend. It registered an increase from 1064590 metric tonne to 1242432 metric tonne and from 782267 metric tonne to 1294398 metric tonne respectively during the same period.
without having any consistency, whereas since 2001 the corresponding figures increased from 1334345 metric to 1990165 metric tonne and from 1353678 metric tonne to 1942144 metric tonne, with a constant increasing trend. The employee productivity has increased from 44.93 metric tonne/employee in 2000-01 to 54.07 metric tonne/employee in 2006-07 for ingot/crude steel and from 46.81 metric tonne/employee to 53.39 metric tonne/employee for saleable steel. The trend of increased productivity is mostly due to various OD interventions in RSP since 2001. This supports hypothesis No. 1 that “the various OD interventions result in improved performance on the part of employees”.

The organization accumulated loss to the tune of Rs. 1035.36 crore in the year 2000-01. After the introduction of turnaround initiatives in 2001, the loss had gradually declined and in the year 2006-07, RSP earned highest profit of Rs. 1336.4 crore.

Rightsizing has been one of the strategies for organizational effectiveness in RSP. The plant had reduced the manpower from 27651 in 2000-01 to 21680 in 2006-07, after introducing various OD and HRD interventions particularly Training and Performance Management System. Though training has been a regular intervention for skill and knowledge upgradation in RSP since 1970s, a change is remarkably felt before and after turnaround. The number of employees covered under various training programmes improved from an average of 8768 in 2001 to 9482 in 2007.

The production of Ingot/Crude Steel has been increased in the first (1965-66 to 1974-75), third (1985-86 to 94-95), and forth (1995-96 to 2006-07) phases under study and has declined in the second phase (1975-76 to 1984-85). The productivity in the first and second phases decreased and it increased in the third and fourth phases.

The Saleable Steel production throughout the study period reflected an increasing trend except the second phase (1975-76 to 1984-85). The productivity decreased in the first (1965-66 to 1974-75) and second phases and
increased in the third (1984-85 to 1994-95) and fourth (1995-96 to 2006-07) phases.

The study revealed that total employment cost increased from Rs. 11493 lakh in the year 1985-86 to Rs. 72041 lakh in the year 2006-07. As the manpower reduced from 39447 in 1985-86 to 21680 in 2006-07, the employment cost per employee increased from Rs. 29136 in 1985-86 to Rs. 341019 in 2006-07.

The study revealed a negative correlation between variables like total manpower and total employment cost which is statistically significant.

From ANOVA analysis (Tables 5.6 to 5.20, 5.25 to 5.37, and 5.42 to 5.48) it is found that there is no difference of opinions due to variation in experience and age in case of top management respondents, whereas in case of middle management it is found significant for Factors like “Cross functional team as an agent for better acceptance of change” and “Status of HRD practice” for age and the F values are found to be 3.806 and 4.784 respectively. This reveals that the opinions of the middle management respondents regarding these two factors are different depending upon their ages. Factor like “Participation with top management in revival and renewal activities” is also found significant for experience and the F value is found to be 3.273. This indicates that the views of the middle management respondents regarding the Factor “Participation with top management in revival and renewal activities” are different depending upon their experiences and similar for all other factors. But in case of supervisors the ‘F’ values are found to be significant for four factors for experience, out of seven factors. The factors are “Role of supervisors in extension of OD and HRD philosophy and practice”, “Dyad’s role in problem identification and solution”, “Scope for quality programme and practice”, and “Acceptance of new concepts”. Hence the hypothesis No-2 that “the executives do not differ by experience and age, in their views on OD / HRD practices in the organization” partially holds good.

Analyzing inter-factor correlation at 0.05 level of significance, taking 0.25 as the cut off point, the highest correlation is found between factors "Scope for a
better HRD climate" and "Scope for development of OD knowledge" in case of top management. The corresponding factors in case of middle management are "Scope and effectiveness of training as an OD and HRD instrument" and "Cross-functional team as an agent for better acceptance of change" and in case of supervisors are "Team effectiveness and practice cross-functional team" and "Dyad’s role in problem identification and solution". Hence it is concluded that there are similarities in the views of the respondents due to existence of inter-factor correlations. These findings substantiate hypothesis No. 3, i.e., "the executives hold similar views on certain OD interventions due to existence of inter-factor correlations".

Conclusion:

Though there is a change in performance since turnaround, it is too early to comment upon the OD/HRD practice of RSP as a performance enhancer. However, the trend shows that the present HR policy of the organization is facilitating OD and HRD activities to some extent for which respondents from top management suggested to make a significant improvement in HR policy for better HRD climate in the organization.

Among all interventions in RSP, Communication Exercises named as Mass Contact Exercises, Management by Objective Practice and Team Building Exercises such as General Managers' Communication Meetings, Performance and Career Management System and Training etc, are found to be most effective in bringing about the changes.

During the turnaround in RSP, the major intervention was the energization of the organization by the then Managing Director. Successful leadership of a turnaround requires The Head to regain political confidence, reach out to stakeholder and clients, and to convince dispirited staff that change is possible and that their effort to do better is supported. Through his inspiring capacity people built trust in him. The “in role performance” of the followers increases. The MD highly influenced the employees' readiness for change taking into account the discrepancy between the desired end-state and the present state, and the individual and collective efficacy of the parties were
affected by the change effort. Basically, intervention in RSP motivated the employees psychologically.

OD in its structural form is absent in RSP. Though organization has a vision for growth and performance and introduced turnaround strategy except one or two interventions (like training and development and mass communication exercise), other interventions neither properly understood nor exercised. The organization is lacking in several interventions like Sensitivity Training, Role Analysis Technique, Survey Feedback, Behaviour Modelling, and Gestalt OD etc. Training as an essential intervention has been used in RSP as a maintenance function than strategic one.

The present professionals in OD department in RSP lack in adequate knowledge to manage the system effectively. The organization also does not avail the benefit of the OD consultant’s suggestions. Therefore, RSP is constrained in its efforts to successfully implement OD interventions. The executives involved in OD programmes are neither experienced nor properly trained enough to introduce the interventions and prepare a right structure for implementation of organizational development. At times it has become difficult to identify the target group for whom intervention is required.

Suggestions:

From the researcher’s observation and from the respondent’s views the following suggestions are made:

1. During the time of orientation of the new comers (both executives and non executives) in the organization, the thrust may be given on the vision, mission and culture of the organization. The newly recruits may be encouraged to know the implementation of various interventions by the OD department.

2. The HRD programmes of the organization should be more employee friendly, as it is not effective as per the views of the top management. Action may be taken for more acceptance of HRD among different groups of executives. This requires greater involvement on the part of all concerned.
3. The various OD interventions like Job Enrichment Programmes, Role Analysis Exercises, Cross-Functional Teams, Sensitivity Training, and Interdependency Exercises may be used frequently as per the requirement.

- Job Enrichment Programmes may be used. If the job is designed in such a manner that it becomes more interesting and challenging to the job performer and provides him opportunities for achievement, recognition, responsibility, advancement and growth, the job itself becomes a source of motivation to the individual. This is done through job enrichment. Job enrichment is concerned with designing jobs that include a greater variety of work content; require a higher level of knowledge and skill; give workers more autonomy and responsibility in terms of planning, directing, and controlling their own performance; and provide the opportunity for personal growth and a meaningful work experience.

The bases of job enrichment developed by Robert Ford (1969) as given in Table 6.1 may be used.

Table 6.1: Job Enrichment Bases

<table>
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<tr>
<th>Task</th>
<th>Motivator Involved</th>
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<tr>
<td>Giving a person a whole, natural unit of work (module, exchange district, division, area, etc.)</td>
<td>Responsibility, achievement, and recognition.</td>
</tr>
<tr>
<td>Assigning specific or specialized task to individuals, enabling them to become expert.</td>
<td>Responsibility, growth, and advancement.</td>
</tr>
<tr>
<td>Making periodic reports directly available to the individual himself rather than to the supervisor.</td>
<td>Internal recognition.</td>
</tr>
<tr>
<td>Increasing the accountability of individuals for their own work.</td>
<td>Responsibility and recognition.</td>
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• Role Analysis helps to make the role incumbent vary clear about what work behavior is expected from him. Hence it may be practiced in RSP rigorously for effective role performance by the employees. The immediate boss has to play an important role in this regard as he has to monitor the works of his subordinates.

• Mass Contact Exercises and General Managers' Communication Meetings should continue as these have been proved to be successful and became popular.

• Cross-Functional Teams may be used as a way to improve team effectiveness.

• Sensitivity Training—the small group interaction process may be used: to make participants increasingly aware of, and sensitive to, the emotional reactions and expressions in themselves and others; to increase the ability of participants to perceive, and to learn from, the consequences of their actions through attention to their own and others' feelings; to develop achievement of behavioral effectiveness in participants; and to develop concepts and theoretical framework for linking personal values and goals to actions consistent with these inner factors and situational requirements.

• Interdependency Exercises may be practiced to develop coordination amongst the people of various departments thereby leading to coordination in whole organization.

4. Training should have to be effective. Competency analysis for better training need identification may be focused. Training should bend more towards enhancing the skill and competency level of the employees. Also focus should be given on training on special areas like OD.

5. Enough scope may be provided to the employees to do innovative works helping to take the organization to a newer height rather than doing routine works. The managers are required to encourage creativity among the subordinates.
6. In case of transfer from technical to non-technical areas, the emphasis may be placed on greater orientation of technical people in non technical activities. They must be well trained before the transfer occurs.

7. During the time of planned change:

- a sense of urgency may be established amongst the employees. This can be done by the SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of the organization.

- a powerful guiding coalitions may be formed by gathering the key people with enough power (it should be a mixture of top management, middle management, lower management, and non executives) to lead the change by performing as a team.

- a vision may be created to direct the change effort and strategies must be found out to realize the vision. The employees concerned may be asked to internalize the vision statement of the organization.

- the vision and the strategies may be communicated to the people of the organization by arranging meetings, in-house seminars etc. The key group may teach new behaviors to the employees to be compatible with the change.

- people of the organization may be empowered by making the leadership strong.

- every step may be taken to manage the resistances to change. Interventions may be designed to change the organization's structure, management practices, and systems (policies and procedures), to overcome the resistances to change. Then interventions may also be designed to affect the organization's mission and strategy, leadership, and culture.

- planning may be made for visible performance improvement, creating those improvements and recognizing and rewarding employees involved in the improvements.

- proper feedback may be provided to check the whole process.
8. Employees in OD department may continue at least for three years to make themselves well aware about every aspects of OD department. Their posting should not be of short duration.

9. Internal task force may be developed or external consultant may be appointed to make the OD interventions more effective. The external consultants may provide new ideas and insights into the system to manage changes.

10. The executives involved in OD programmes may be experienced enough or properly trained to introduce the interventions and prepare a right structure for implementation of organizational development.

11. OD interventions aimed at developing self-directed teams, high performance work systems, and self-designing organizations, as well as large scale systems change models may be used to help the organization adapt and survive.

12. Employees may be more empowered through participative schemes and to take decisions in their respective areas without fear complex.

13. Proper coordination may be maintained among OD, training and development, HR and corporate strategy to build an integrative OD approach. OD should be an effort planned organization-wide, managed from the top, to increase organization effectiveness and health through planned interventions in organization’s processes, using behavioral science knowledge.

**Effective Model for RSP:**

On implementation of the above suggested schemes, RSP may achieve two major benefits: tangible and intangible benefits. Tangible benefits include higher productivity, and growth and diversification. Intangible benefits include better developed role for the employees, more competent people, higher job satisfaction, and more participation. All these benefits may lead to the creation of a developmental culture/OCTAPACE (O-Openness, C-Confrontation, T-Trust, A-Autonomy, P-Proactive, A-Authenticity, C-Collaboration, E-Experimentation)
culture, thereby making the organization effective, which in turn depends upon a number of variables like environment, technology, competition etc.

**Figure 6.1: Model**

![Diagram](image)

- **Future**
  - Development culture / OCTAPACE culture
    - Tangible benefits
      - Higher productivity
    - Intangible benefits
      - Growth & diversification
      - Better developed role
      - More competent people
      - Higher job satisfaction
      - Participation

- **Required / Suggestive OD Interventions**
  - Job enrichment programmes
  - Role analysis exercises
  - MCE & GMCMs
  - Cross-functional teams
  - Sensitivity training

- **Current**
  - Technical interventions
  - Human interventions
    - MCE
    - GMCMs
    - EDRs

- **Past**
  - Technological obsolescence ➔ Modernization of the plant
    - Phase-I
    - Increase in interest on borrowing
    - Phase-II
    - Loss
    - Increase in depreciation