

## **Dualism In Indian Management**

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With changes in the overall economic scenario, technology and pressure of international competition, there have been wide discussions and debates on the nature of management, its sources, operations, philosophy etc. Even some of the advanced economies like USA and UK which once seemed to enjoy a distinctive pattern of management have been attracted to the debate as some of these countries have been struggling due to competitive pressures from emerging economies like China, Japan, Singapore, Korea etc. One of the issues of concern at the macro level is the antecedents of management in India and abroad especially in Western countries, and its transplantation to other economies with particular emphasis on India. There are many unresolved questions regarding the models of management that can be adopted to Indian context, such as what sort of example of management are we setting? Can it be transferred from one economy to another? Are its policies and practices internationally applicable? All these questions many a times have disturbed many formally accepted concepts specially those relating to management of people.

Most of the management concepts in India have been borrowed from the West. During the last three decades the western especially the American concepts of management have become popular in India and to a large extent efforts are made to absorb some of these concepts in wide variety of organizational settings. The concepts ranged from the Taylor's scientific management, management by objective to emphasis on business process reengineering etc.

Modeled on the western education, Indian universities and Institutes have formulated courses in management to meet the demands for qualified managerial personnel. Similarly Consultants suggest restructuring of the organization and systems based on the Western models. Thus Indian manager today, educated either in the West or tutored in Western management literature attempts to manage and administer the Indian industrial structure on western principles. This, the manager finds, does not work. Compromises results, often accompanied by frustration. Interestingly, work does proceed and goals are to an extent achieved. Management is “SOME HOW” affected.

Based on the study of over forty organizations of various types in India (Virmani & Guptan, 1991; Virmani, 2000) we found that management in India is characterized by peculiar dualism. There is a distinct hiatus between the professed policies and the actual practices followed in the Indian organizations. This is due to the conflict that arises from having alien Western systems thrust on resident Indian practices and expectations.

The socio-cultural environment in India is unique; its peculiarities mould the personality of the management practitioners and influence management practices. Some of the salient features of Indian management is the emphasis on the personality of the top leader in the organization. Our study also indicates that the expectation of the people in India is more towards paternalism. The essential requisite for paternalism appears to be unity in the leadership, and single, identifiable source of power. Duality in this regard spawns patronage. The line of succession, if not clear leads to people lobbying for the position

and in the process subtly divides the organization into cliques. Another unique feature of Indian management is the “familial feeling” perceived by the employees because of the parental attitude adopted by the superiors and colleagues which gives a sense of security and belongingness among the employees. We also found among the organizations studied that harmony is easier achieved when due deference is given to the familiarity, seniority, age and open door communication, be it among the multinational, public sector, the traditional family-owned company or the government department.

Hence, Indian management practices show that dualism exists in almost all aspects of management starting from corporate planning, recruitment, promotion, transfers to financial system and marketing aspects. For example the corporate planning is many times based on extraneous factors rather than organizational which again arises from the principle of patronage based on political considerations, caste, community, region, family relations, old associations etc. Another classic example that can be cited is of recruitment and promotions where the terminology “regularization of post” is often used. The whole objective of the recruitment through regularization process is to justify the appointment on the western model of “meritocracy” through paper advertisement, going through the formal interviews and selection while in reality in many cases a person has already been placed on the position on various considerations, which could be seniority, caste, old associations and patronage.

There is pressure to rapidly industrialize and compete in a liberalized global environment, and with the large number of MNC’s operating in India there is always an temptation to

graft the Western models of management to India, which results in dualism in management. With ever increasing global exchanges there is bound to be influence of people and practices across the world including India. However, the need of the hour is not to directly graft the western models but to blend these models with the inherent Indian environment and practices that will reduce the dualism and increase managerial effectiveness.

The centerpiece in Indian management continues to be the personality of the top leader in the organization. It has been so throughout history and in all likelihood will remain the same in the near future as our policies and social structures are still built around the personalities of the leaders. On the other hand what is obviously required in Indian management is a movement away from short-term profitability and towards long-term institution building. Right now, the personality of the leader overwhelms the institute, in such cases it will be the responsibility of the leader to build traditions and practices that are conducive to long-term institutional building and planning. It could be spread out over a period of time with a gradual institutionalizing of norms and practices while shifting the accent from personality to organization itself.

In this attempt at institutionalization, an endeavor should be to overcome the weaknesses of the earlier system of management. At the same time, the strengths and virtues of those systems have to be built up as institutional norms and structures. The virtues of India's past are internal democratization (as in the trade and artisan guilds and panchayats in

earlier times), caring paternalism (as in the family) and primacy of the institutions (that was there in certain times of ancient India). This necessitates a well thought out succession plan for the top leadership so as to eliminate speculation about future leadership at the same time groom and train the incumbent internally for the positions. If it is not done, speculation regarding the future of leadership within organization leads to the system of patronage, which warps the cordiality of the organizations and results in to cliques, which we noticed in many organizations.

The model organization is not one in which, as is widely believed in India today, a one man run spectacular show while he is there, only to see it crumbled after his exit. The model organization is one, which can run on its own pace by certain established norms and practices irrespective of its leader. The gradual imbibing of this notion in to organizations will mark the beginning of the modern Indian management. A strong system of career planning within the organization, which addresses itself to the training of people for future executive placements, is indispensable for obliterating the clique-oriented and personality- dominated managements in various organizations. Another aspect that needs emphasis is appropriate placement of the employees in line with the strength of the individuals. In case, due to trade union and other pressures seniority is to be respected then attempt should be made to ensure that the senior most is also made meritorious. This may necessitate giving appropriate emphasis to planned training and development. The focus of the annual appraisal system will also shift from being the instrument for rewarding and punishing employees to an instrument for identifying the inner strengths and weaknesses of employees for future development and placement.

Another safe guard against inherent hazard of Indian family system spilling over in to the management of the Indian organizations, is to divorce the ownership of organizations from its managements as has been done in Japan by constituting two-tier boards of management. This may require modifications in the laws relating to industries and enterprises. The family – owned Eicher industrial group in India has set an example by handing over the management of the group to professional managers. Similarly, in the government and public sector too efforts should be made to have longer tenure for the top management with internal promotions and appropriate career and succession plan. Succession planning would insulate the organization from periodic upheavals that normally occur with changes in the leadership. There will be certain continuity in the perspectives and the practices. It will also lend a sense of stability to the organizations over a period of time. Leaders can then extend the span of their perspective for the organization beyond their immediate tenure and look ahead without fear of discontinuation of their plans and ventures after they leave the organizations.

What it all finally boils down to is that Indian management can absorb principles alien to it but these should be modified to suit Indian conditions. If such a blending is not done then the dualism in Indian management could flare up in to conflict and the compromises in policies and principles may fail to work.

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