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**Abstract**

This case is based on 'The Case of the Complex Organization' and can be considered similar to a continuing case. What is described here is the management response to the problems depicted there and the difficulties observed in the change implementation process. The focus is on real world complex organizational processes wherein various aspects of management are interrelated and dependent on each other; and with particular reference to Indian work conditions.

**Introduction**

TASS (Technology Administrative Services and Systems) had two main businesses: the Design and Technical Specifications Division (DTSD) which provided design services to the engineering sub contractors of the larger engineering firms and the Project Management Services and Systems Division (PMSSD) which provided all types of project management services for them including requirements planning, scheduling etc. In theory therefore, the sub contractors were the direct customers. In practice however, the large engineering firms who had the expertise and qualifications to bid for and handle large construction projects, such as factories, power plants, irrigation canals, roads, bridges, railway projects etc, were the end customers. In addition TASS also did a

little management consultancy relating to projects.

Though TASS was considered to be a crown jewel of the group, actual revenues were relatively low. The new promoter (heir of the original promoter) had a number of businesses to manage and therefore was unable to spare it his full, undivided attention for long. However since the image of the group was tied to TASS it was important to rectify the situation at the earliest. As fate would have it, he was also able to tap a valuable resource person – C – a previous manager of TASS who had left for a better offer and had risen to the top of the profession. A new post of Managing Director was created, (above the CEO), and C was appointed Managing Director of TASS and given the job of turning the situation around. In addition, after some time an advisory staff comprising of several employees from various departments of other group companies including HR, operations, finance and strategy were deputed to TASS and given the task of orchestrating the change.

In view of the seriousness of the situation several initiatives were launched simultaneously. One of the first steps taken by the advisory staff, which had the advantage that it could be implemented immediately, was to investigate the causes of the stagnation. To this end, it was decided that the employees themselves held the key to the problem and that their expertise, knowledge and wisdom

should be tapped. A number of committees were set up to investigate the problem sources and suggest solutions. The appraisal system in particular was the focus of one such committee who were directed to come up with a new review system for implementation at the earliest. The initial response was enthusiastic. The new MD as turn around manager also initiated a complete overhaul of the organization. Top management was shuffled and there was rotation of managers at all levels. When the incumbent CEO retired, a new CEO was brought in from another elite organization. Several other top officials (staff) were also hired from outside.

The mandate that had been given to the MD by the promoter was clear: 'TASS used to have a superlative reputation. Determine what went wrong. Meet the customers; find out what they want. Take remedial action at the earliest. Get it back on the path to profitability and growth.' Accordingly the new MD along with the new CEO met directly with the company's clients and made efforts to get undistorted feedback. The sub contractors were delighted and poured out their grievances. According to them in the new and competitive environment flexibility was essential to remain profitable. Under the existing system there was in fact some scope for discretion, but this needed to be expanded and the customers should be permitted to state their requirements rather than it being specified by the officials at TASS. Unfortunately, it was their perception that some of the employees of TASS had become extremely rule bound and inflexible and unless their influence was curbed no change could take place. Based on the views expressed by the customers further changes were made. Some of the existing managers

were redeployed and transferred to other locations and other departments. Others were politely informed that their services were no longer required.

The CEO and MD also scoured their own contacts in order to acquire new clients and even managed to persuade the promoter to join them in this endeavour. No stone was left unturned in trying to generate new business.

Potential growth avenues were investigated and two areas were identified as having a good fit with the existing businesses of TASS: *forward integration into Project Implementation and backward integration into Engineering Design*. In both areas, project management and design, TASS already had some in-house expertise. The Management consultancy business was also strengthened by acquiring an existing Management Consultancy Division (MCD) with a good reputation from another firm which was eager to exit the business. Since the new CEO had an engineering design background himself, the newly formed Design Division (DD) would be supervised directly by him. Ultimately it was expected that TASS would become a full fledged EPC (1) contractor.

Sometime after the above initiatives were launched the following conversations took place between some employees at various points of time. The excerpts reported are more or less in chronological sequence. (Note: It may be assumed that all facts, incidents and examples, reported or referred to in the conversations, are essentially true. Arguments / opinions should be assessed on their own merit/logic)

### **Cast of characters:**

Maithreyi (M): Expert with overall 17 year's experience. At the time of the first conversation she was a scheduling specialist in the PMSSD.

Vaishampayana (V): Veteran employee with 13 year's experience. At the time of the first conversation he was a design expert in the DTSD and the EO of his cell.

Ramanujam (R): Veteran employee with over 10 year's experience at TASS. At the time of the first conversation he was a certified Civil Specifications professional and a Team Head (TH) of one of the units in the DTSD.

### **Conversations**

#### **A**

R: Did you hear about that committee on HR issues? They tried to collect some inputs by sending around a questionnaire.

V: Don't tell me, nobody responded?

R: That also. You are correct. Almost no one responded.

V: Oh? Someone actually responded?

R: Actually lots of people responded, but they only asked for clarifications, so then the committee themselves realized that something was wrong.

#### **B**

V: All these changes are all useless.

M: Don't say that.

V: Tell me one good thing about all this?

M: (Gleefully) Well I think something good did come out of it. You remember these fellows when they were sitting in positions of power how they used to hog the good stuff? Now they are at the receiving end, they are cribbing about the work assigned to them. The mechanical expert does not want to do

mechanical engineering and the chemical engineer does not want to do chemical engineering. All they want is to do business development, have expense accounts..

R: This is too much! When the promotions were made, one was already in Grade A (2) and the other got promoted to Grade A and now they say they don't know how to do the work! And these are the people top management is supporting.

#### **C**

M: Where are these great people who are going to lead us into the Promised Land from?

V: All premier organizations – some are from academics, some from research institutes and all others have some industrial/commercial background.

M: Please! Let me tell you a story about one of these premier academic organizations from whom we are recruiting. There is a water tank there on the campus. That water tank was designed and constructed by the civil engineering department. There was a grand function where the Director of that organization was supposed to inaugurate the tank by starting the pump to fill it up. As the tank started filling up, it started vibrating. So they shut the pump and furiously consulted each other about what was wrong. Then one bright person came up with an explanation about resonance and harmonic vibrations. So they waited till it stopped vibrating and then restarted the pump and again the tank started vibrating, but instead of dying down, the intensity of the vibrations started increasing. Then the Director got irritated and ordered them to stop because it was becoming dangerous. The tank still stands there unused: a monument to their incompetence. They cannot build a simple small water tank and

they are going to do engineering design and project implementation? Our “non-premier” engineers are much better.

**D**

R: I don't know. How were the people selected for that meeting?

M: EOs and HoDs and senior employees.

R: No! I am sorry to say that is not correct. How is Y senior? He joined only two months ago. Look, let me tell you something. No one knows how the committee made the selection, because the committee did not make the selection.

M: Then?

R: They only asked the EOs and HoDs to bring along some senior employees. The EOs and HoDs took along whom so ever they wanted.

V: Hey, please don't blame all the EOs.

M: But how can some one new, who does not even know how things are done here, know what requires to be changed?

R: That is what. We were not selected because we have at least some idea about how the system works. If anyone asks us we can say where the problems are. But by taking new fellows, anyway they don't know so they can't talk too much, and even if they talk they can be easily dealt with. You tell them anything and they will have to shake their heads. But if you ask anything, what do they say? 'Fresh blood'. 'Open minds'. But even that is okay – what about the committees?

V: It was really insulting. I carried out this same exercise last time. Okay so it was under the direction of G. If the big bosses think that I am a small fellow or incompetent, what about the others? We have got at least three other experts in that area. When they want something done then they will talk to G, but otherwise they will not recognize any of us.

Alright, let some one else be the committee convenor. Ask the MCD people. They were fuming. The Committee on Marketing and Positioning of TASS has no one from marketing, in fact no one from the MCD. But there are people from civil, chemical, mechanical, electrical, instrumentation, piping ...

R: That is one problem. My problem is different. Every time I suggest something my committee convenor is suspicious. Then I have to prove to him why it is correct. And in his weekly report he simply signs his own name. He doesn't even mention the rest of us. But is there is any doubt then he refers to us.

**E**

V: Have you heard? Or rather have you seen?

R: The email? That is old news I thought everyone knew.

M: Old news? Perhaps you are the right person to explain what all that junk about certifications is?

R: (with folded hands) Please don't say that. I will go back now itself!

V: It is very simple. For technical work the govt has specified that experts must be qualified. So we are informed that we will have to obtain the required qualifications, otherwise we cannot sign on the documents.

M: That is okay, but I don't do any engineering. I am only involved in scheduling. So why should I need that certification? And on top of it, I had an interesting discussion with that new COO who joined us. He wants to change our operating procedures. So I told him it goes against the manual. You know what he replied? 'Who makes the policies? We make the policies. Now go and make the changes.'

V: (completely taken aback) He said that?

M: Yes! He doesn't know why those procedures

are there and he doesn't care. We need the records and documentation for quality control. No records, no ISO. On one side I have to waste my time with some useless certification and simultaneously standards keep falling. You should hear him talk. (Imitates with gesticulations.) Tarjets! Projets! Eskedoodles! (3) At least previously we were good at some things. Now we are trying to be like our competitors and we are becoming mediocre at everything.

**F**

R: I heard that the present CEO earns several times what the previous CEO got.

V: Why only CEO? What about the MD? Even all the other new officers earn at least twice what the old CEO got. All sit in nice A/C offices and keep their seats warm and their shoes polished. Meanwhile we are still waiting for permission to purchase a back up generator for the site.

**G**

R: So now we have all three – a down sizing expert, a recruiting expert and a retention expert. Don't know what is going to happen.

M: No, we know what will happen: it will reach equilibrium.

R: looks at M in horror.

M: See it is a steady state system: as long as inflow and outflow are equal, the level of water in tank will remain the same.

V: (Completely confused and irritated) What has water in tanks got to do with us?

M: Steady state equilibrium – the number of employees remains constant. Of course it's a bit like a railway platform. People keep coming and going so that could be a problem.

V: (incredulously) A problem? Only one

problem?

R: Let her continue. Listen to what she's going to say.

M: Sorry, bad joke. Too much work, not enough sleep.

**H**

M: If Q can be fired then it can happen to anyone

R: What ever one might think of his role, if one person embodied enthusiasm and dedication it was Q. He was the only one top officer who was always accessible. People will lose what ever little enthusiasm they still have for what they are doing.

M: It is like the market for lemons – employees have a better idea of their own capabilities. So irrespective of what happens they will start reducing their contributions

V: So you are saying that as a result of this people will become useless – they will do less and less and will become capable of less and less

R: Naturally, the muscle not used becomes atrophied

M: No, people will stop working for TASS, but they will start working more for themselves i.e they will focus on those things which will improve their market value.

V: Not everyone is capable of such things – some yes, but others no and those others will become dead wood. No one wants to do anything which is not their responsibility.

**I**

R: Do you know the side effect of all these growth initiatives? We are asked to go easy on our clients because they are also potential clients of PMSSD which provides all types of services for them including planning and scheduling, which is very lucrative since it is

essentially standardized. The job of the DTSD very much tougher for various reasons: standards and regulations change and there is also estimation involved. For example, a road planned for 20 years should have the designed inbuilt capacity to be able to last 20 years and to carry the actual level of traffic that is present after that time. The same holds for all other infrastructure whether it is pipelines, irrigation or power lines. But if we are careful, then our immediate clients are sometimes unhappy and if by chance, for any reason what so ever, they do not also use our project management services, top management will say it was because of us. Once, we were required to check some one else's specs for a project that was ultimately cancelled. But in the meantime when the PMSSD didn't get their order, they complained so much that our reputation was completely damaged in the eyes of the big bosses. Of course when it became public that the project had been cancelled, they themselves became the target of top management.

V: Just as people managing your money have a fiduciary responsibility to you, as third party providing engineering services we have a responsibility to our clients' clients and to their clients, which often ultimately means the public who uses those roads or bridges or buy their products or services. The system should have in built checks and controls and it used to have. We ensured that the designs were robust and in accordance with the spirit of all safety requirements. We used to ensure compliance with the legal and other regulatory requirements. Now we are doing it as per the requirements of our sub contractor clients and they want those checks and balances removed, but as a long term

consequence, the better engineering companies are not happy with them and ultimately with us. The clients we are getting now are able to pay more but they also cut corners. They only want their own designs/plans to be rubber stamped, and if we ask any questions we are 'customer unfriendly'.

R: I was talking to some of the Management Consultancy Divn (MCD) people the other day. Even they are taken aback at the developments. Perhaps I unintentionally provoked them. I told them, 'I thought you people would be happy.' Then one of them replies to me that wishing for things is fine, 'I can also wish that I become the President of Bizarreland (4) but one has to realistic'. The target proposed that their revenue should increase 10 times in 3 years apparently has made some of them a bit sceptical.

M: All big plans. There is one small job which we keep outsourcing. I have been asking that we should train one of our people so that we can do it in-house by ourselves, for months now. Otherwise every time we have to chase the person (to whom the job has been outsourced) to get the work done and it is always late and often slipshod. We are planning huge new white elephant projects but we are not able to arrange to get one person trained to do this job.

J

V: So I told him that the two schedules are clashing and ask what should be done. So he answers me that that is why I have been made an EO – to take decisions like this.

M: Did I understand you correctly? Project Leaders exist to create conflicts – and EOs (who are much lower in the hierarchy) are appointed to resolve the conflicts?

V: Don't tell me. For everything we are told decentralized, but when it is convenient decisions are still made unilaterally by higher ups. Committees work without sharing their findings and simply assign responsibilities. Dud work gets delegated, but deciding who goes on visits with air fare paid is kept centralized and I am not even informed. All sorts of education trips are being planned and you can guess who will be going on them.

M: These are just junkets to have a good time, like we keep reading in the papers about government and ministers.

**K**

M: Everything is going to pot.

V: It has been happening for a long time, but we are only now noticing it. Everything exceeds the time limit.

M: That is also correct, but what I meant was that even places where mistakes are not normally made are now making them. Your unit for example

V: Oh, that is because R was on leave. So the others didn't do it properly.

R joins them

M: Tell me, I thought you never took leave during crucial times. You were even out of station for your friend's marriage.

R: (slightly upset) Everything has a reason. I needed to visit my parents. Yes, I could have done it later, but then I found that my inputs were not ready. So I informed my boss so that he could contact his counterparts in other departments and follow up and what did I find? My boss was planning to go out of station at the same time. So I thought why should I alone become the goat? Unfortunately the marriage was at short notice so that also got missed.

M: Not just goat, sacrificial goat.

V: And after the sacrifice, they make biryani and celebrate!

**L**

M: Have you seen the new appraisal system? It has so many requirements that no one can meet it

V: What requirements? Even the bosses themselves don't meet the criteria. Having promoted themselves now they want us to try and satisfy the new criteria. And the best part is that the criteria can be waived if required.

M: Don't you understand? Under the guise of objective criteria we have implemented the perfect "case by case approach". No one can meet the criteria. So the committee has the discretion to decide which criteria to waive. I was talking to one of the MCD people and he says, 'M, you are a straightforward person so when it comes to you all rules and regulations will be applied. But there are some other people and for them anything is possible'.

R: But if we look at those below, their plight is even worse. By hook or by crook efforts are being made to reduce the number of non managerial staff.

**M**

M: I don't understand. In a time of crisis like this we should pool our resources and focus on solving the problem. Imagine if O, P, and T were all here and working together to tighten the system. We could have really achieved something. Instead they are everywhere else.

V: This is all politics. Because the MD and CEO are new, using the excuse of the crisis, all sorts of changes are being made: reshuffling of portfolios, competent people seen as threats and transferred or pushed elsewhere, oldies retired, people loyal to the previous bosses relieved of responsibilities, smooth talkers

promoted, hangers on promoted, yes men promoted, people with strong independent views sidelined, all sorts of stupid policies implemented

## N

V: G is really pissed off. Imagine him commenting that people don't have any work and can be usefully employed doing news reading. He has been interacting with the new MD and CEO. The big bosses don't even know what capabilities we have. For almost everything they say, 'Oh do we have that? I didn't know'.

R: Every time I go to a meeting, I feel like slapping that fellow. The way he talks as though he is always chewing something and cleaning his teeth with a toothpick. It is disgusting. And his voice is completely indistinct.

M: That day in the meeting I was reminded of a story S narrated long back. Apparently in the village, there was a play one day. The zamindar was late. When he arrived he had missed the first part. So he simply told them that he had come and asked them to start, meaning 'restart'. Exactly the same thing happened that day. F came in late after the meeting had started. So H says 'Start again and tell him what has been happening.'

## O

M: So what's the news? When is the treat?

V: What treat?

R: You are giving us a treat? Good!

M: Hey, I heard you fellows are getting promoted so clearly YOU are giving ME the treats.

R: What promotions? Today I heard that different coloured papers are being procured: green, yellow and pink

V: Meaning? Promoted, warned and fired?

R: (Grinning) Possibly.

M: Six months to decide the colour of the papers?

R: (Bristling) What six months? When did this nonsense start? That committee was set up at the beginning of the year. Then they took three months to come up with the new form.

V: But they asked us to fill it up in three days.

M: I know, I know, how much running around we had to do, and then they were supposed to get back with individual feedback within two months. But even after that another six months have gone, so now I am wondering – how are they going to assess this year's performance? No one told me anything about my performance of last year, so how do I know what I am supposed to change or improve? That means no promotion this year either?

V: And now almost the year is gone and we are talking about coloured papers!

R: Forget promotions, they may say we should have fired you last year, pay us back for the year!

## P

M: That was speed. Meeting yesterday, results today, and draft plans required in a week.

R: Speed? It was a big bamboo! When was that committee formed?

M: Beginning of the year – about ten months ago.

R: What did they do for ten months, till now? Nothing. Now they got bamboo and they are throwing everything on our heads. Is it possible to plan such changes in less than a week? But top management says that they are great!



**Q**

M: (dejected) Well at least you fellows got something from the review.

V: Yes, we have got more trouble.

R: (To V) Yes, you are perfectly correct. Now they have made me an EO also.

M: Do you notice any pattern here? Lots of promotions but mostly eyewash. All people in Grade B were promoted to Grade A – so most of the top managers got promoted. But very few middle managers got promoted. At least you two got some benefit. Mostly we were left to rot.

V: Be happy that you are not worse off. Z got transferred. When they asked him for feedback about his boss they promised it would be confidential. Next week his boss calls a departmental meeting and starts shouting that he is the boss, he has all rules and regulations with him and he knows how to deal with trouble makers. Now Z has been told that if he wants to continue he must accept that new posting on the site.

M: (shocked) Anonymous feedback got leaked?

V: (snorting) What anonymous? What leak? The great man in charge of collecting the feedback himself revealed Z's name to his boss.

**R**

V: People are getting their plans certified and passed because of political reasons even though they are jokers.

M: Tell me about it. That change specialist fellow talks about strategy. All he wants to do is to sell his boss's decision so as to get his boss's boss's approval. First make a decision and then try to justify it. Exactly backwards. Jokers outside are one thing. Jokers inside are far more dangerous.

R: No, no, cheats are far more dangerous. A few days ago some fellow came for third party certification. After two days we find out that he had modified the original tender requirements so that his design will meet the requirements. When we reported this, the boss asks me whether we have kept a copy of the report including the contractor's letter with the falsified requirements. When I said yes, he said that in that case it was not our concern and there was no fault on our part.

M: We are committing hara-kiri

**S**

M: So how was the meeting?

V: Why do you ask? Do you have any doubts?

M: Was it so bad? I just saw that mail ...

V: Worst! First they call a meeting without informing anybody what it is about. All the Executive Officers (EOs), Department Heads (HoDs), and select members of each department are there. All top management: Project Leaders (PLs) Deputy CEOs, CEO and MD are also present. Then they tell us that the intention is to brainstorm about making changes to the system.

M: But –

V: Wait. Let me finish no? For two full days we fought and fought and finally a solution was formed. D (the convenor of the committee that called meeting) took the responsibility for providing everyone with the solution. The solution came yesterday with a covering note mentioning some changes. I look at the solution. It appears to be different from what we had generated in the discussion. It seems that D had discussed the solution with top management and then made some changes that they wanted.

M: I don't understand. This was a top management initiative. They could have just

supplied the solution they wanted. Why waste so many people's time?

V: The whole process is eyewash. The big boss wants results so we are pretending to show results. The changes proposed have been decided beforehand. The whole exercise is to prove that a systematic process has been followed to justify the changes

R: Okay, now I understood something in that mail. You know what? In that mail they say that changes can be proposed by anyone and forwarded through HoD/EO. Each department will suggest changes – which others may not be aware about – therefore only those changes desired by top management will be passed.

## T

V: The goal is to become a silicon valley.

M: Okay so first set up a branch office in Dakshin Pradesh.

R: (Taken aback) What? What has Dakshin Pradesh got to do with anything?

M: The border area of Dakshin Pradesh is a valley. Of course Dakshin Pradesh is on the other side of Bizarreland, but (waving airily) that is a minor technical detail for an organization of our capabilities. Start building garages. Then people will rent them and use them as the offices of their start ups. Voila! Silicon Valley.

V: Yes, that valley crosses over into Bazaarland and then all the business will get up and run away across the border!

## U

M: Have you noticed? The rate at which people are leaving has increased like anything and they are all doing well for themselves. Everyone who has left has improved their career prospects.

V: Yes, yes, even the change masters are leaving.

M: What?

V: haven't you heard? All the whiz kids who came over for the turnaround are starting to leave.

M: Going back to their parent organizations?

V: Going wherever – how does it matter. They are leaving.

M: That seems a bit doubtful.

R: There is no doubt – they are leaving

M: No, no, not about their leaving but about them going back. Why do you think their parent organizations let them come here? Either it was easy to relieve them or their bosses wanted to get rid of them. If they were really whiz kids their companies would not have agreed to send them here.

R: Then it is even worse. We are the only fools here.

## Notes:

1. EPC: Engineering, Procurement and Construction
2. Management Salary Grades in TASS run from Grade G (lowest) to Grade A (highest grade below CEO)
3. Targets, projects, schedules
4. Many writers refer to the division / divergence of India and Bharat. In some parallel universe, the Indian sub-continent (of our universe) was instead divided into Bizarreland and Bazaarland. This case is set in those two lands.)