

## **Structural and Process Interventions for Organizational Development and Resource Stability: A case study with Novax, Hyderabad**

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### **Abstract**

The authors report the Structural and Process Interventions for Organizational Development and Resource Stability with a case study carried out in multi-product company Novax Headquartered at Hyderabad Metro. The authors have applied various new insights that help understand managing change and the development, an occurrence that happens along with such change, and associated creative practices within the organization. If managed strategically, the organization's growth can be exponential, and the impact would be huge in terms of development. The authors have dissected the problems with present organizational and job structures and suggested appropriate organizational and job structures with job grades. The study resulted in an optimized organizational structure and linear job grade structure with optimized operations. This enabled Novax resource stability and optimal operational solutions with reduced costs with long-term sustainability

**Keywords:** organizational change, structural intervention, process, Novax, resource stability  
Introduction

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### **Introduction**

Organization Development is an effort that is planned across the organization, and managed from the top, to enhance the effectiveness of the organization and health through interventions with process change, structural change, and behavioral science. To change any system everyone needs to move in one direction for successful implementation of the change. In the recent past, organizations are witnessing changes with enormous speed. Organization development is a field of research, theory and practice in enhancing the knowledge and effectiveness of people to accomplish enhanced performance. Structural interventions are worked out with a group of stakeholders and the interventions start from top levels to analyze, plan and define intervention outcomes. Cummings and Worley (2001) emphasized a three-step process of system interventions – a) preparation the large group meeting, b) conduct the meeting and following on meeting outcomes. The system thinking interventions are fast, inspire action, provide broad-based information with sustained commitment.

Kurt Lewin provided a three-stage change process: unfreeze, change, and refreeze. The change process involves recognizing the change, creating the change, incorporating it, and managing it. However, the success of an intervention depends on how employees are motivated and actively involved. Wilfred Kruger provided the Iceberg model of change, which visualizes the essence of change in an organization and the barriers to it. Kruger opined that top-level managers only look at the tip of the iceberg, while underlying factors are not visualized. According to Wilfred Kruger's model, below the water, the two more dimensions are management of perceptions and beliefs and power and politics management. He further opined that superficial issue Management can only achieve results at a level consistent with the Acceptance that is below the surface. The 5'O' model (Optimized organizational structure, Optimized Human System, Optimized operations; Optimal culture and Organized Knowledge) was provided by CAMI (2019)/

### **Review of literature**

Organization development and intervention is an effort and planned across the organization which is managed by top at CEO and strategic management level to enhance the organizational effectiveness through pre-planned interventions using behavioral science (Beckhard, 1969). The conceptual models that differentiate strategic interventions are needed to match rational strategies to different organization change solutions. The individuals should be involved emotionally in-depth in the change process with value-laden, emotionally charged and with a sense of oneness for successful implementation of change (Harrison, 2910). Rahim et al. (1979) developed a model to manage organizational conflicts identifying appropriate diagnosis and their effects and implications. This diagnosis is must for developing appropriate intervention strategies in the organization. Lack of communication and communication between peers and subordinates, lack of personal development few major concerns identified in a study on health care workers of Norway institutions (Mikkelsen et al., 2000).

Structural interventions promote the organization's health by altering the structural context to enhance the health. and reproduced. These interventions are used in multiple disciplines, public health, psychology, where the interventions are common. However, some critical issues need to be addressed before applying any structural intervention to avoid subsequent implications (Blakenship et. al., 2006). There is a widespread conception that socio-cultural influences the personality and behavior of persons in India. However, there were favorable and unfavorable influences on the growth of entrepreneurship in Indian society. The links among the entrepreneurial success with gender parities and social-cultural variables like caste, religion, the structure of the family influence entrepreneurship in India (Shivani et al. 2006). The phrase "structural intervention" is a relatively new term with a mode of implementing changes beyond an individual to change the organizational outcomes and this type of intervention was used widely in healthcare systems (Bloom and Cohen, 1977).

Process interventions are carried out to modify own processes including operations, application of knowledge to help the working community understand the leadership impact, authority and leadership styles (Kpundeh, 2004). Process intervention will have a positive impact on the process with groups' satisfaction with the decision made, with quality of groups and decision products (Miranda and Bostron, 1999). Nielsen and Abildgaard (2013) presented an evaluation framework based on process-oriented organization theory. The critical elements were grouped into four overarching categories for evaluation in the intervention program. The four categories

are actors, context, design process. Evaluation during the process as well as of the overall effects were analyzed and documented for organizational benefit under different circumstances. Fisher (2017) in his two experiments examined the process interventions using two experiment groups and reported the process interventions led to better decisions than pre-task interventions. The process interventions stimulated the pooling of information and reduced negotiation preferences, irrespective the timing of the process.

## **Methodology**

Novax has its operations at the Hyderabad Headquarters with all India based network. The present organization structure is Matrix-based organization headed by CEO and Zonal Directors for South, North, West, East and North-East zones for look after sales, service, and other operations with each zonal operational Head. Now the operations are decentralized with several operations and other levels of staff, and further lower-level working for each zone leads to several job grades and functions and with no coordination among the zones. Therefore the Novax has decided to undergo structural and process interventions to achieve optimal operational efficiency and resource stability. The matrix structure of the Novax is presented in Figure 1.

**Strategic Changes:** This is the first phase carried out for Novax company. Under this phase, some new products introduced to face the competition, acquire new customers and suppliers, figure out new production processes and make new alliances with the outside market forces. During our research, the authors also found that the organizations face typical challenges during their development phase or when it undergoes a change. The organizations face a conflict of interest between their existing products and markets with that of the new ones. Novax was in a dilemma whether the organization and its people to react or behave totally differently because of such changes take place. For example, there are no one-on-one meetings between the teams and the leaders/managers to evaluate their performance. Everything is automated. So, people in the organization communicate only through machines but not directly communicating with their leaders!

Novax introduced new technologies. It has to change the reporting structure of vendor partners and suppliers. People have to adapt to newer technologies. There was a clear gap between understanding and doing things. Sometimes, the changes have not been introduced thoughtfully and carefully without testing them adequately. It was visible that new products have failed, new technology has bugs. Of course, these were teething problems, but these can never be neglected, for they may turn into things that cannot be handled forever, and the loss can be irreversible.

The changes during the development stage demand the necessity for reskilling and upskilling. For example, the salesmen have to deal with more sophisticated customers or purchase executives with much larger, powerful suppliers digitally. The organizations shall have to check whether the changes that take place or are being taken place are politically motivated in favour of certain people or groups within the organization. It has to ensure that there would not be any resentment. Novax attributed the change is good, it has to be handled strategically and carefully to avoid any uncertainties because of the launch of new products or new metrics.

The Novax displayed great cautiousness in ensuring that there is the decentralization of power, democratizing the decision making; however, making each and everyone accountable for such decision making.

**Structural Changes:** It changes the reporting relationships amongst its employees, and if necessary dual reporting structure may take place for better governance within the system. For example, the head of Human Resources may be required to the CEO (Chief Executive Officer) with dotted line reporting to CFO (Chief Financial Officer) to ensure better human resources planning and hiring because it involves payment of compensation and other statutory obligations, such as Income Tax, Employee Provident Fund, Gratuity, Bonus, Incentives, etc.

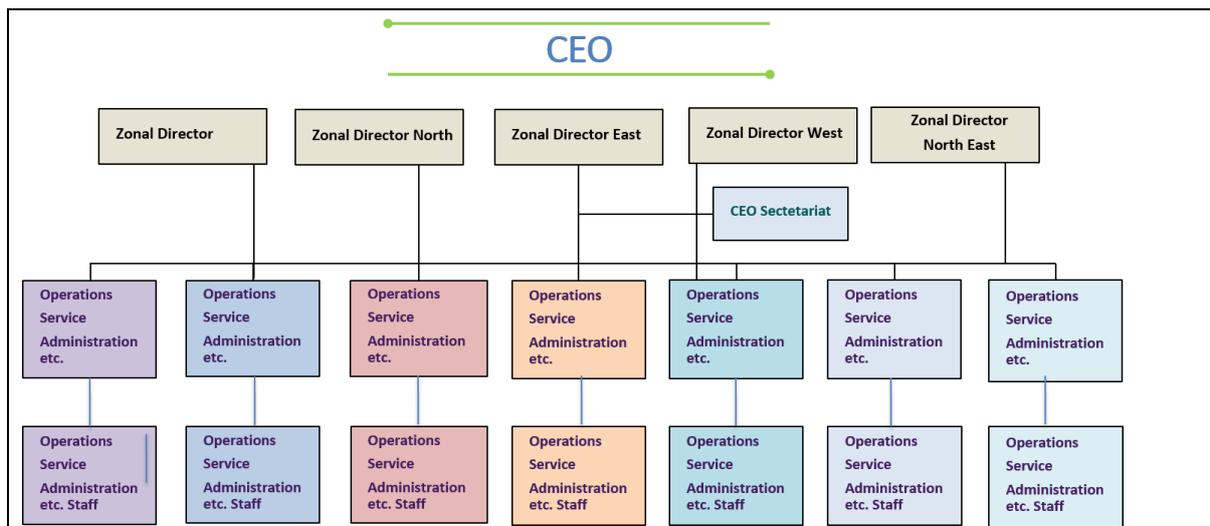
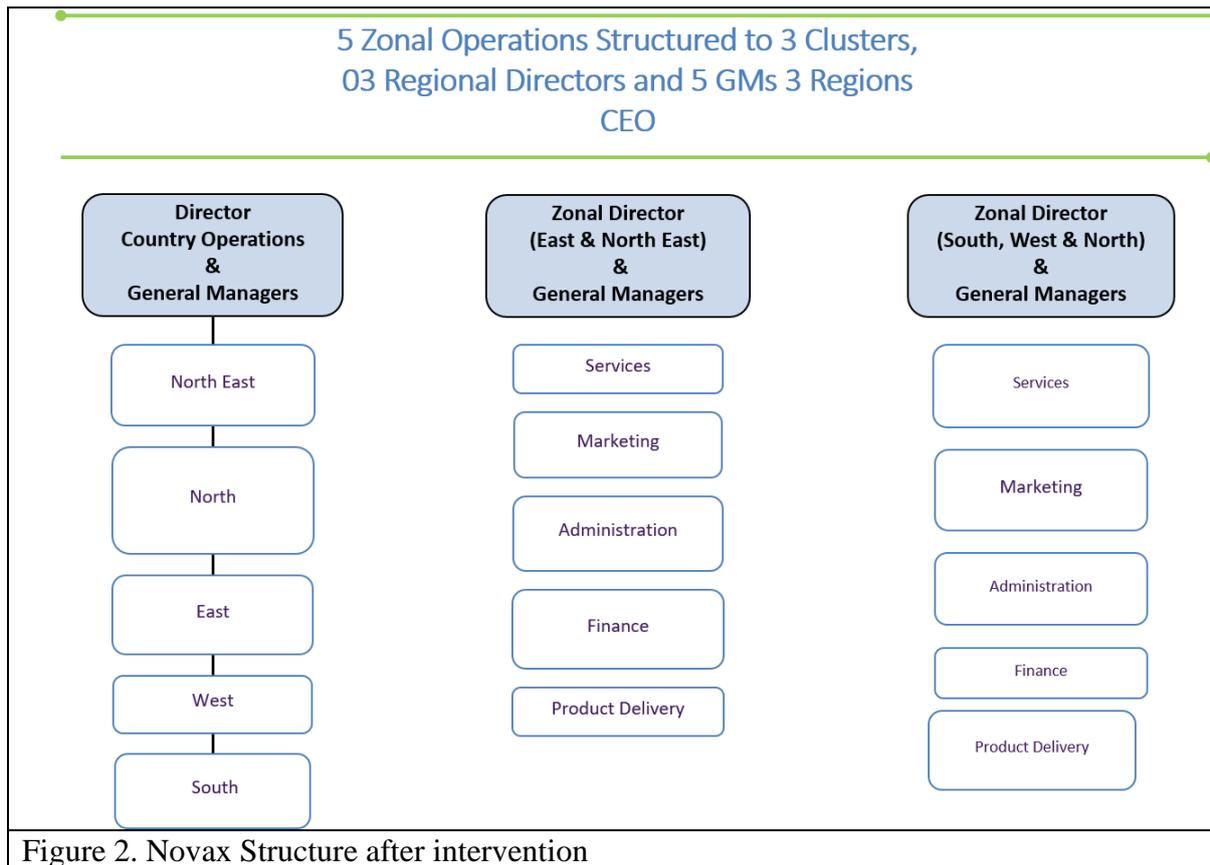


Figure 1. Novax organization structure (present structure)

Before any structural changes employees' opinions were considered through a survey questionnaire asking the questions like “Is the company structure built on key competitive factors”, “The competency of the people matches the job responsibility”, “There is the considerable speed in decisions” and so on. Based on the responses of the staff the organizational structure was modified which is presented in Figure 2. There is minor modifications to bring all five zones into 3 clusters with 5 GM each for each cluster. This resulted in bringing all operations into a single spine which is easily manageable



**Process Changes:** During this phase, the organization changes its systems and processes to maintain agility in analyzing the data and proactively service its customers. It introduces fresh analytics, moving from paper-based to digital dashboards and reporting. The organization would also change its systems concerning performance evaluation methods and shift to OKRs (Objectives and Key Result Mechanism) where regular check-ins occur at all levels, replacing the old performance appraisal process.

To change Jobs and roles job descriptions for all the roles collated and standardized. Before this exercise training was given to the managers who will be involved in this exercise. Job descriptions were drafted and standard job descriptions were created for common roles. Job evaluation according to the standard job descriptions was done using a community tool. Further job grades and skill grades developed. In the third stage, staff mapping as per the new job grades and skill grades with the help of supervisors was and done and compensation benchmark developed for the jobs. In the last stage implementation of linear organization structure with jobs was released. Any anomalies rectified with the staff group meetings. The process change and linear structure of job changes are presented in figure 3 and figure 4

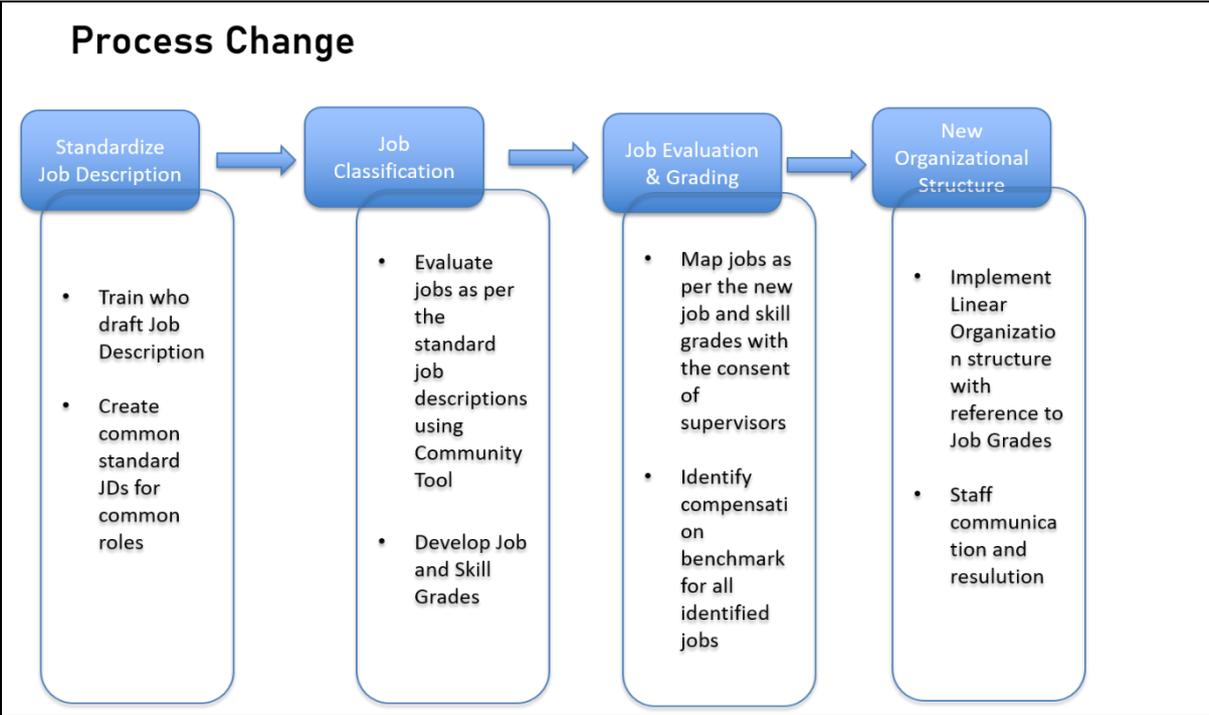


Figure 3. Process Change for identifying new jobs and grades

### Job Grades

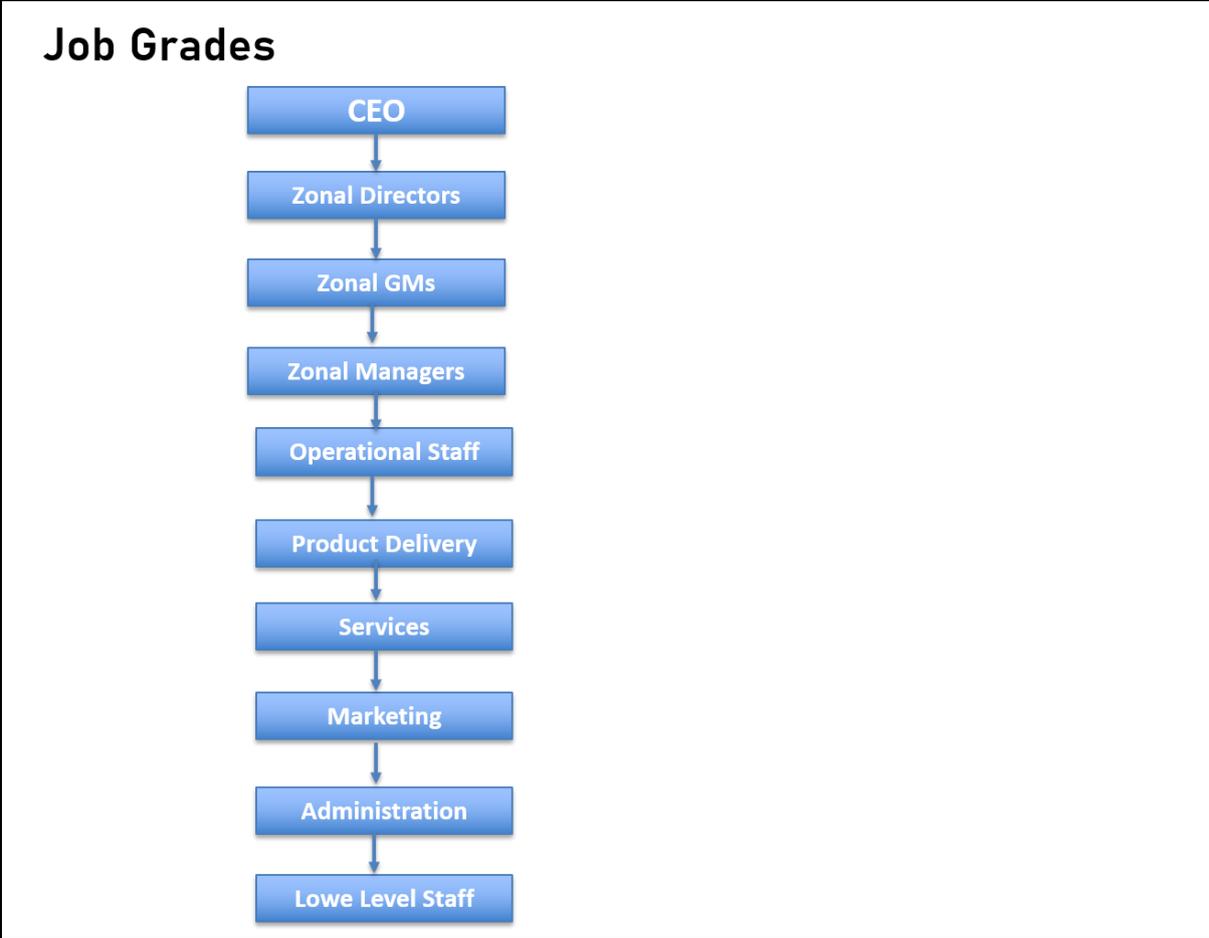


Figure 4. Job grades with linear structure – post process change

## Results

With the structural interventions, Novax could achieve an optimal structure in place and revised job grades with linear structure and responsibility are fixed at each level. The operations were centralized with one Director, and respective General Managers fixing the responsibility. This was none for all the zones across India. As the responsibility as fixed the operational and decision making quick with minimal wastage, real-time customer problem fixing, collection of bad debts. In the new structure employees of aware of to whom they are responsible. The linear job structure allowed the employee their reporting roles, day-to-day responsibilities, jobs, and immediate peers. As the structure is linear the employee is responsible for immediate peer, and the peer will assign the jobs and recommend for higher pays based on the employee performance.

## Conclusions

Organizations, in general, go through several phases during their journey. They evaluate their performance at regular intervals, revisit their priorities, and continue their journey to stay relevant in the market. In any organization, the initial stage can stimulate the team for even a small change while growing is exciting. Much creativity takes place at this stage. After which, organizations reach a stable environment. At this stage, structural changes take place to outline the business operations. While doing so, they may lose focus upon innovation and/or neglect the latest happenings around them, resulting from which the people in the organization start losing the spark and the excitement they had experienced during the initial phases. Added to this, the products or services, or solutions they offer reach maturity, and the market slowly replaces their products with a new set of products. That is when the threat of substitutes begins, and the organization needs to adapt to organizational change practices to keep the pace of organizational development. The immediate task for them is to recapture their initial energy and take a look at their visioning once again to look at new possibilities.

In this context, the authors have conducted research and found the following category of changes the organizations would undergo.

### Significant aspects in managing Change in Novax

The researchers could find significant behavioral change in Novax staff which led the authors to successfully implement the organizational, structural, and process change for better management, and address the competitors strategically with new product mix. The following are the salient features the researchers concentrated upon

**Commitment:** The Novax top management should invariably be committed to the change and support in all ways. The senior management team is required to identify who are the key agents of change and see that they are briefed and trained appropriately to manage change by them. Another important aspect is to buy in the consent and time from each employee in the organization as this helps the process not get sabotaged the effort put in place for change by the management.

**Communication:** The Novax and the leadership team have to communicate with every employee or stakeholder in the firm and explain why such changes are necessary for the organization's development.

**Establishing frameworks:** For every process and methodology, there must be proper frameworks and structures to effectively implement the change as envisioned by the organization in the alignment of the goals of both individuals and the organization.

**Training:** While the organization envisions future development, it has to conceptualize the training programs to better understand the new technologies, new processes, new systems, and frameworks. These training programs help to align the people with organizational objectives. The Novax started the appropriate training programs

**Measurement:** It is essential to measure the change whether it yields good results, or end up in regression. The Novax will develop an appropriate mechanism for measuring the change and results.

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Thus, the impact of such change in the organization should be measured with appropriate metrics and take it forward gradually to attain the objectives and stay relevant in the marketplace.

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