

Managing Change in Organizations
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Lecture – 39
Change Management Cases and Examples

So, good morning and welcome back to this 8th week session on Managing Change in Organization and in this week we had been discussing about various issues related to say transformational changes are where we go for turnaround. And also discuss how we can audit and account for effective change management and different stages. We also looked into that how various changes converge and get us some experience provide some kind of learning to us.

So, in continuation of that what we are going to discuss now is that will take up some examples cases of Indian companies who have managed change successfully. We will also takes take up cases of change managements which have not been so successful, those who have not been able to change themselves. So, we start with Indian cases examples of change management and in this continuation we are going to discuss you prominent cases of change management in Indian companies.

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Management of Change In Indian Organizations

- Indian Organizations are changing at an unprecedented rate.
- There is a need to understand the speed, degree and permanence of this change and transformation.
- Changing aspirations, technology and globalization are driving deep disruptions among Indian organizations.
- Change management needs to be embedded across the entire company and needs ongoing attention throughout
- If firms can change faster than your competitors, while exceeding stakeholder expectations, then they have a competitive advantage.



If you look at change management in Indian organizations now you will find that after liberation process. Most of the organizations are also going for change restructuring,

bringing about new technology, changing systems and processes are going for improvement in their product and processes.

Most of the companies have to understand that yes, the speed of change the degree of change and how this change is going to help them to transform the organization. Similarly, the expectations of the people are changing, technology are changing and since we are living in a globalized world this is causing lot of disruption among Indian organizations. So, those organizations who are not going to do well are not going to say respond to these challenges will not be able to perform well in future.

So, what is required is that most of Indian organizations have to ensure that they go for these kind of changes which is required and this should be a kind of cyclical in nature that will continuously go for these kinds of activities. So, keep on changing themselves depending upon the requirement. And if they are able to change faster than their competitors definitely they would be meeting the expectations of the various stakeholders including employees, suppliers, investors everybody and they will be able to make some kind of competitive advantage to them.

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Examples of Change Management

ICICI Bank Industrial Credit and Investment Corporation of India

Background

| Year | Change Activity |
|----------|--|
| Mid 1980 | Diversified into merchant banking and retailing |
| 1987 | Co-Promoted Credit Rating Agency CRISIL |
| 1988 | Promoted India's first venture capital company |
| 1990 | Diversified into asset financing like |
| 1991 | Tied with UTI to set up screen based security markets |
| 1990 | Entered into insurance business |
| 1992 | Tied with JP Morgan to set up investment banking company |

Logos: Swayam, All India Institute of Financial Management, etc.

Now, moving further to discuss some of the cases I have taken few prominent cases the first one that I have taken his ICICI bank which is our also known as Industrial Credit and Investment Corporation of India and you can see the logo here. Now, if you look at this company that ICICI bank today and the kind of transformations that they have going

through; they have been going through various years. For example, mid 80's they diversified into machine banking and detailing.

Then, 87 the actually promoted co promoted a credited rating agency which is known as CRISIL you may be know knowing about it. Then, they also promoted the first venture capital company in India in 1988 and 1990 they also diversified into financing like activities. Then, 1991 when they tied with UTI to setup screen based security markets and then 1990's they basically they entered into the insurance features. In 1992, they tied up with JP Morgan to set up investment banking.

Now, if you look at the kind of diversifications are there since it have been trying to bring about starting with the merchant banking to CRISIL to become a merchant banking, then asset financing, then retail banking, insurance, right are even going for investment banking. This shows that ICICI had been very very dynamic its change approach and keeping in mind the requirement of the bank they had been able to diversify them to different related area so, this is what we call a strategy change in the organization.

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Change Management at ICICI

Leadership Change: KV Kamath took over as CEO in 1996
Initiated new Changes in the Organization

Organizational Restructuring: Dividing the company into
Infrastructure group (IIG)
Oil and gas group
Planning and treasury department
Structured Product group

Focus on Customers: Three new Departments
Major client group (MCG) handling top 100 customers
Growth client group looking after the needs of mid sized firms
Personal finance group

Competency development: Training and seminars, Graduate management training programme

Compensation Structure: Contract based to attract risk takers and tenure based for job security

In 1997, ICICI became the first Indian financial institution to go online
• In September 1999, ICICI Ltd got listed on the New York Stock Exchange, NYSE, the first ever Indian financial institution to go the American Depository Receipts, ADR route. The next year, ICICI Bank followed suit.
December 2005, ICICI Bank announced its initial public offer to the Indian market and amassed over Rs 80 billion.

2009, Kamath handed over the reins to Chanda Kochhar

The slide features logos for Swamyam and other educational institutions at the bottom.

Now, moving further if you look at the change management activity is actually started in 1996 when KV Kamath took over a CEO of a ICICI in 1996 and he was the person who initiated a lot of changes. So, he is the person who led the change so, you remember we

talked about leading change. So, it is very important the top managers take the initiative to any new changes and he was the person who went for this kind of new changes.

And then what kind if you look at the kind of restructuring exercises that he carried out in the organization like he divided the entire company into three groups like, infrastructure group, oil and gas group that is called ioig then and the PT direct Planning and Treasury department and a structured productive. So, these are the four different departments or four different independent units that he created within the ICICI.

And then the focus was on the customer. So, based on the customer requirement he created three new department. So, especially major client group you can see and the major client group was handling the top 100 customers. So, there was a top customers whose who are investing with the banks. Then they had the growth client group who are who looking after the needs and the midsized companies and then their personal finance group were living up to the general public.

So, now if you look at that the leadership changes, the change in the structure and then changes in the departments all these were carried out keeping in mind the business of the organization. Then they also went for competency development to ensure that people are able to change the capabilities depending upon the requirements. So, they went for training and seminars and they also started a 2 year GMTP, this is known as graduate management training program.

In order to ensure that people are going to be motivated enough when these restructuring program which was going on and the company was able to make profit, they also try to link it with a reward; that is compensation structure. They also tried to bring two different kind of structure, one was based on contract based which is going to attract a high risk taking employees, prospective employers and the other one normal tenure based who are looking for job security. So, these are the different kind of you can say a changes which were brought by ICICI under the leadership of KV Kamath.

Now, in 1997 it became the first financial institution to go online and 1999 it got listed on the New York Stock Exchange. This was the first ever Indian financial institution to go to the American Depository Repository that is ADR route, right. Next year ICICI bank also followed suit and in 2005, it announced it is initial public offering to the Indian market and announced it is and actually collected 80 million dollar, right.

So, if you look at the history of ICICI and the kind of change management activity that was taken under then CEO mister Kamath, it was able to compete with other banking institutions and then 2009 actually Kamath handed over this reins to Chanda Kochhar because Chanda Kochhar became the new CEO and then recently Chanda Kochhar also left the company this is now under that new leadership.

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Major Changes in ICICI

Five S implementation to improve work environment and Total quality management

- seiri** (sorting out)
- seiton** (systematic arrangement)
- seiso** (spic-n-span)
- seiketsu** (standardise) and
- shitsuke** (self-discipline)

Outcomes..

- Best advantage is that Five S could be easily followed by everybody from the peon to the president.
- ICICI company claims to have saved Rs 7.5 crore.
- Five S has contributed generously, making up 50 per cent of the savings.
- The lower rung employees boast of tracing documents in record time just 30 seconds.
- By 2000, it had half a million retail bank account holders. That number skyrocketed in the next few years; and it had 10 million retail bank account holders by 2004.
- ICICI Bank claims to be the number one credit card company in the country with 2.5 million cards issued in less than five years.

In December 2000, Bank of Madura merged with ICICI and the integration was successful with proper HR initiatives.

swayam

Now, if you look at the change management basically the kind of activities as strategies which they adopted was they went for five S implementation. So, Japanese actually terminology and they talked about these five terms of which include seiri that it means sort out the problems; then seiton that is systematic arrangement you arrange the activities systematically ok.

And then seiso that is spic n span that basically then you are going to see that what are the different kinds of activity and when you are going to complete it, so this basically talks about better time management. And then standardize – seiketsu that we are going to follow standard processes enough to perform the activities; and then shitsuke that is self discipline. It means that employees are going to discipline themselves. So, they are going to develop a culture so that they are able to perform well. So, they as a part of the change management strategy they also adopted this five S implementation in the organization.

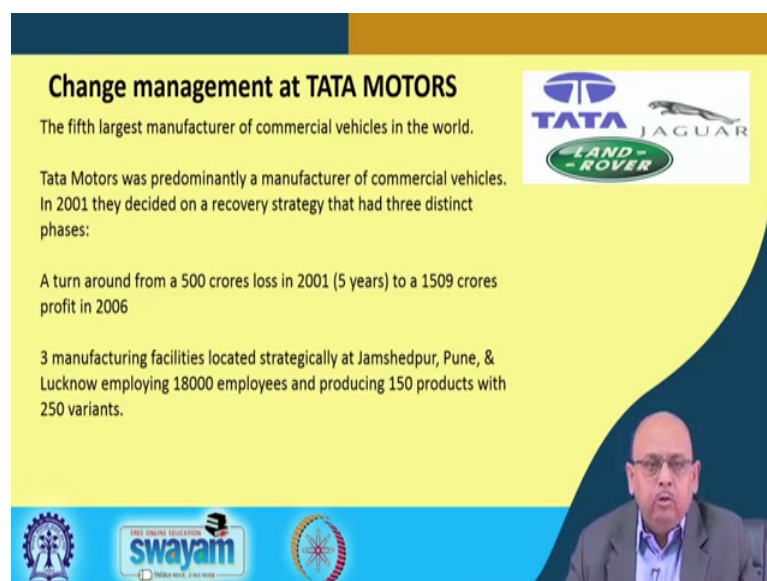
And you know the in 2002, again this Bank of Madura merged with ICICI and the integration was very very successful though most of the integrations recently which has

happened it is not been able to give results, but this merger with my Bank of Madura and ICICI was very very profitable for the ICICI it was because the proper HR initiatives which are taken by the managers are both the company's relate to the integration. So that they could see that the relate issues related to change like communication compatibility leadership was reduced and then they are going to successfully merged and as a result both the company's must together very very well.

Now, if we look at the outcome of this change management activities you can see that S, best advantage was that S it was followed by everybody, from the peon in the organization to the president everybody followed this kind of system. It also contributed generously making up to 50 percent of the savings, so this as a result of this basically they were able to cut their cost. Then also the when the lower rung employees boast of tracing documents in record time just 30 seconds because they had gone for online.

So, by 2000, it had a half million retail bank account holders and it increased to 12 million in 2004. So, you can see that they have been increasing their customer base like anything. Then it claims to be number one credit card company in the country now, I have a 2.5 million card issues in the last 5 years. So, you can see that result of the change efforts that was carried out by Kamath and then his procedures producer Chanda Kochhar, lot of structural technical and all kind of changes were carried out ICICI and then it resulted in better performance for the organization.

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Change management at TATA MOTORS

The fifth largest manufacturer of commercial vehicles in the world.

Tata Motors was predominantly a manufacturer of commercial vehicles. In 2001 they decided on a recovery strategy that had three distinct phases:

A turn around from a 500 crores loss in 2001 (5 years) to a 1509 crores profit in 2006

3 manufacturing facilities located strategically at Jamshedpur, Pune, & Lucknow employing 18000 employees and producing 150 products with 250 variants.

Logos: TATA, JAGUAR, LAND-ROVER, swayam, and a circular logo with a gear and a person.

Now, we are going to move to another organization well known organization which is known as Tata Motors. Now, if you look at the Tata Motors and the different activities you know that it is considered as the fifth largest manufacturer of commercial vehicle in the world and these are the vehicles that they make and then brand name basically which includes Tata, Jaguar and Land Rover, right.

So, it was a manufacturer of commercial vehicles specially and then they went for a recovery strategy, basically because in 2001, they basically there was loss of almost 500 crore rupees, right. So, the kind of strategy which they adopted to turn it around was to see that they under to certain activities in various phases to ensure that the company was able to make profit. So, in 2001 from 2001 to 2006 the company was able to make a profit of 1500 crore rupees. So, it was a very successful turnaround which has happened in Tata Motors and it would be considered as a transformational change in the organization, right.

And, they have three manufacturing facilities you know as you know that Jamshedpur, Pune and Lucknow which roughly employees around 18000, the number may go up or down the current status yet not yet known and they produce almost 150 products with 250 variants; it means they do not really produce vehicles, but also produce various parts of the vehicles and the number include almost 150 products that they have at their disposal.

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Change Initiatives at TATA motors

Formulated a six year road map . 3 phases of two years each of turnaround.....domestic growth ...and international growth

Revenues have doubled
ROCE have increased Six Times
EVA has Quadrupled

Long term strategy & vision of driving improvements through out the organization.

Recognition of people, suppliers/vendors, dealers as vital links in the transformation process.

Brought in improvements in the management systems & process to establish itself as a "learning" organization.

Measures of leadership effectiveness was established

Fast trackers were identified & encouraged to take more responsibility

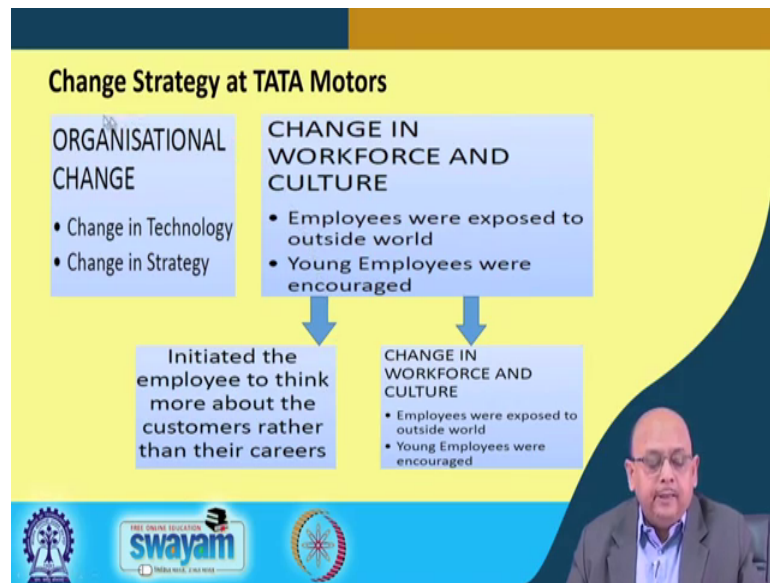
The slide features a blue header, a yellow main content area, and a blue footer. The footer contains logos for Tata Motors, Swayam (The World Education), and another circular logo. A small video inset in the bottom right corner shows a man in a suit and glasses speaking.

Now, moving to this Tata Motors story of change management we see that kind of initiative that they had taken ok. So, what they did especially they formulated a roadmap in 3 phases and each phase of this roadmap consisted of two years. So, the first phase they went for turn around as I talked about it; the second phase they went for domestic growth and then they would diversify they will find international growth, as a result of this these things happen.

These are the outcomes of this change initiatives which were taken by Tata Motors like revenues owners, ROCE increase six times, economic value added has quadrupled means a four times increase they there. And this was the result of a long term strategy and vision for driving improvements throughout the organization, right; where they went and recognizing peoples, suppliers, vendors, dealers. So, everybody was a part of the transformation process, it means, they get they got the involvement of everybody in the organization when they went for the transformation. And they also try to improve the processes and systems, so that they could call them a learning organization which I knew I do not know that learning organization is considered as an organization is also going for continuous improvement and innovation in their product and processes and that is what produce have been doing now.

Even the leadership was very very effective and those who had fast trackers they were identified; it means those who had the capability to perform well and they will also take encouraged to take more responsibility, so that they can they could also grow with the company and that is how they also lived in linked individual needs and expectations with the organizational lead and expectations.

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Now, if you look at the change strategy which was adopted the Tata Motors, these are the two kinds of strategies which adopted was one was organizational change. So, they went for changing the technology to bring more efficiency and productivity and also they will for strategic changes.

Along with change in the technology and the strategy they also went around changing the culture and also the workforce, so that they will have more dynamic talented workforce. So, the employees were trained they were exposed to the outside world, young employees are also encouraged, so that they could take more responsibility.

As a part of the change in the workforce and culture the two initiatives that which we are taking by in organization include right like they were about to allow to think more about the customers rather than their careers ok. So, that required a shift in the mind set of the employees, so that they can think about how they can better satisfy the customers and they also try to bring about a change in the cultures, by exposing them to outside world, by encouraging them. So, that is how they could understand the kind of culture that would be required to better satisfy their customers, right.

So, you can see here the kind of transformations and the kinds of strategies which are adopted by Tata Motors in relate to in terms of scope three areas; that was technology, strategy and cultural changes. And in addition to that they also went about changes in the

people management systems and practices so, that this is aligned with this one because if it is Tata Motor is improving his performance it is also going to reward the implies.

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| PHASE 1 | PHASE 2 | PHASE 3 |
|---|--|--|
| To reduce the break even point. It called for major reductions in variable, fixed and interest costs. They went in for e-sourcing. The company adopted CAD and CAM systems. They launched Customer and Dealer Management program in 2003. | This phase concentrated on the development of product. The positioning in the market place was strengthened by: New sales planning process Reducing the impact of cyclic business. Improving liquidity and profitability of dealers. Re-orienting towards customer satisfaction. Extending the reach for distribution network. | International Diversification was a key part of this phase of transformation strategy. Looked for opportunities for inorganic growth. They identified 12 countries as priority markets. In order to facilitate globalization, the previously independent export division was merged into passenger car and commercial vehicle division. |

Now, as a part of this change strategy if you look at the different phases I talked about the first phase where they went for turnaround, then the second phase when they for went for the domestic growth and the third phase when they went for international diversification, right. These were the strategies at different phases which are adopted by Tata Motors.

Now, if you look at the first phase what happens they try to reduce the break even points so that they could start making the profit. They also try to reduce variable cost, not only variable costs, but fixed costs also, also the interest. They went for e-sourcing, right to save the cost; they also adopted CAD and CAM – Computer Aided Design and Computer Aid Manufacturing. They launched customers and dealer management program in 2003 so, based on this basically they were able to turn it around. So, that the company to start making profit.

In the second phase, they went for domestic growth ok. So, they went for development of different kinds of products and that is why you will see that Tata Motors it has come out different type of vehicles, right and they try to position them place in the market. So, they try to see that how they can strengthen their position in the market ok. They had

new sales plan they try to reduce the impact of cyclical business because you know some seasons they are better business compared to others.

They also try to improve liquidity profitability of the dealers through this leadership and so dealership management program, they try to ensure dealers that how they can make better business. Then, also they try to orient the dealers as well as employees to reorient everything towards the customer. So, customer focus was the most important thing and then they also extended their distribution network, so that they can better serve the customers especially in the post selfies.

So, once they were able to basically bank upon their domestic growth they moved finally to diversification as a part of their transformation strategy change strategies. So, they look for in organic growth in the areas where they could do better and they identify 12 countries as a priority markets. So, they also started exporting their products into different markets and then as a part of the globalization process they had independent export divisions, for both the passenger car service commercial vehicles, right. So, they went for and this was a part of the international diversification especially the marketing, so that they could market their product in various countries both the passenger cars as well as commercial cars.

So, you can see that as a part of the change initiative with different phases they focused on different activities to ensure growth and development and this happened when they went for changing the technologies, change in the strategy and also looked into the culture of the organization. So, they change culture, technology and structure and what to call say culture of the organizers and based on this they were able to move out smoothly from one phase to another phase to make sure that Tata Motors is going to make a good profit.

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And when it comes diagnosis basically they try to get input from the environment; environmental input, what kind of technological changes are happening elsewhere, what kind of product line improvement is required in terms of their products. Then the kind of strategies which they are (Refer Time: 19:24) like cultural changes, changing the people management and systems and practices. Then leadership also looked into the see that how committed people are how patience they are to see that the business growth.

Then, they went for cultural changes, values, myths, traditions; then in IT they went for training people, they adapted CAD and CAM systems. Then they also infrastructural changes and try to see that how the organization can be more flexible and adopt to the changes that is happening elsewhere. So, they try to redefine the roles and responsibilities by restructuring the organization also try to ensure that people are going to be more flexible not only people, but organization also were going to more flexible to the requirement of the environment so that they can face the competition in a better way.

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International Mergers and Acquisitions

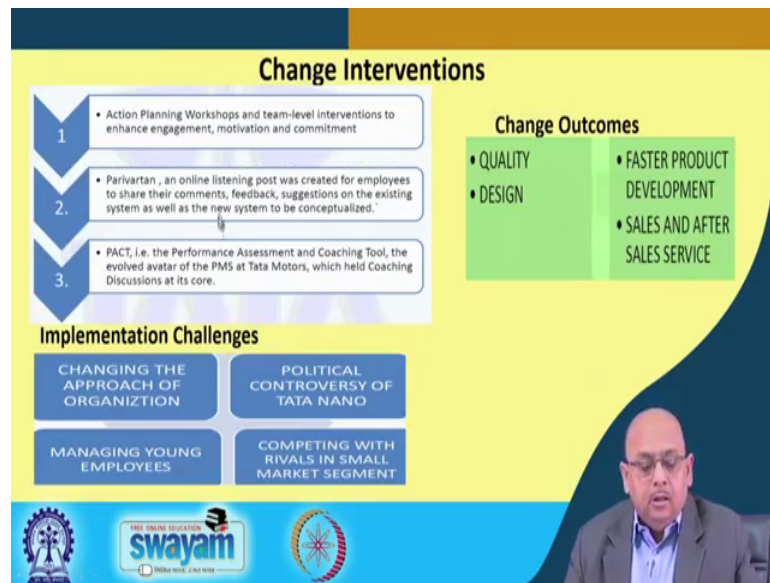
- In 2004, Tata Motors acquired Daewoo's South Korea-based truck manufacturing unit.
- On 27 September 2004, Tata Motors enlisted at the New York Stock Exchange.
- In 2005, Tata Motors acquired a 21% controlling stake in the Spanish bus and coach manufacturer Hispano Carrocera.
- In 2006, Tata formed a joint venture with the Brazil-based Marcopolo, Tata Marcopolo Bus, to manufacture fully built buses and coaches.
- In 2008, Tata Motors acquired the British car maker Jaguar Land Rover, manufacturer of the Jaguar, Land Rover, and Daimler luxury car brands, from Ford Motor Company.
- In May 2009, Tata unveiled the Tata World Truck range jointly developed with Tata Daewoo.
- In 2009, its Lucknow plant was awarded the "Best of All" Rajiv Gandhi National Quality Award.
- In 2014, Tata Motors introduced first Truck Racing championship in India "T1 Prima Truck Racing Championship".

Logos at the bottom: Swamyam, and other organizational logos.

Now, if you look at the international growth and diversification there only that try to export into the various countries, but they also try to going for a lot of mergers and acquisitions. So, in 2004 actually acquired this Daewoo's South Korea based-truck manufacturing in it, in 2004, it was listed in stock exchange in New York. 2005, it had a 20 percent controlling stake in Spanish bus and coaching manufacturing Hispano.

In 2006, it formed a joint venture with Brazil-based Marcopolo, Tata Marcolo Marcopolo bus to manufacture fully built buses and coaches. In 2008, you will find that it required the British car maker Jaguar Land Rover, manufacturer of the Jaguar Land Rover and Daimler luxury car brands from Ford Motor Company. 2009, it unveiled the Tata Motor truck range jointly developed by Tata Daewoo. In 2009, its Lucknow do awarded the Best of All Rajiv Gandhi National Quality Award, 2014Tata motor is introduced first Truck Racing championship in India T1 Prima Truck Racing Championship. So, you can see that the kind of innovations that they have been doing through these mergers and acquisitions get better results to Tata Motors.

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And so, what actually happens if you look at the kind of change interventions that were carried out. So, action planning workshops, team level intervention, for better client gives me motivation and commitment at the first level; second level they started a program which is known as Parivartan, online listening post for the employees to share the comments, feedback and suggestions and how they can improve the systems. Then, they had a pack performance assessment and coaching tool. So, this is a kind of intervention that they carried out at the people front, right.

So, this performance management and assessment tool they try to see that how they can evolve and develop a better performance management system, right. Then they also tried to implement the changes that they had carried out very well. So, for that they went for changing the approach in the organization, they also tried to manage the young employees; some controversy which were there earlier with Tata Nano they also try to resolve it; then they tried to compete with rivals in small market segments coming. But Nano was not a very successful product, but when there was a lot of controversy when it started its first unit in Singur West Bengal, but and because of this political controversy they had to shift this to Gujarat.

So, lot of change interventions were carried out and they also faced certain problems, but ultimately it resulted in you can say if you look at the outcomes like quality in terms of quality and design they have a lot of improvement in the products and they went for

faster product development and the sales enough to self services also improved. So, you can see the process, technology and product everything went up in the chat Tata Motors so, this is the second thing that we have discussed.

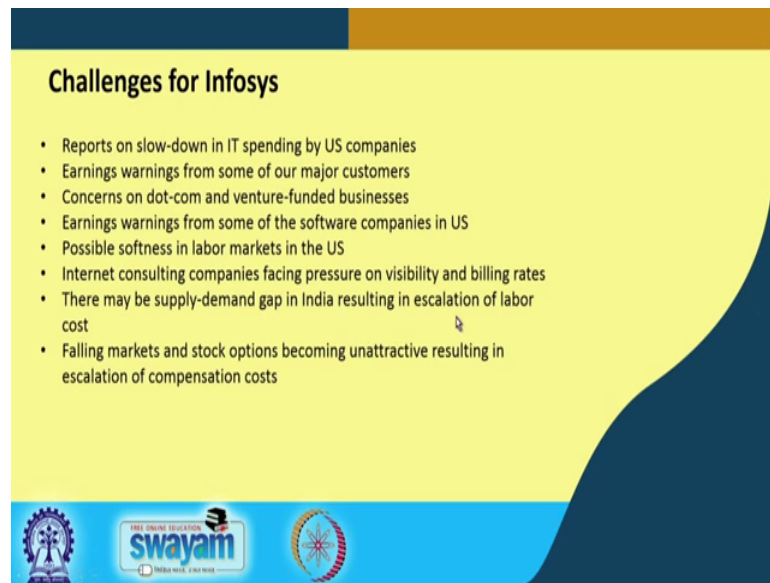
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Now, we will also discuss about an it company which is known as Infosys. Infosys technology limited it is a NASDAQ listed company, the global IT company it global leader in next generation the next generation IT consulting. So, you can see that development that has happened and the reign of leadership that have been changing, ok; starting with 1981 to 99, when Infosys started and the list is listed in NASDAQ; then 2007 how it grew up, in 2009 they have they had a team.

Then, 2002 when Pai Mohandas Pai took over the charge; in 2006 again Narayan Murthy took over the charge and then again 2011, Vishal Sikka came and then finally, again 2013, something happened and he came back and in 2016 again Narayan Murthy has taken over the charge. So, they you can see that along with the changes that were happening structural changes, technological change other kind of changes in Infosys the rein of leadership was also very very supportive to school that they could grow and develop.

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Challenges for Infosys

- Reports on slow-down in IT spending by US companies
- Earnings warnings from some of our major customers
- Concerns on dot-com and venture-funded businesses
- Earnings warnings from some of the software companies in US
- Possible softness in labor markets in the US
- Internet consulting companies facing pressure on visibility and billing rates
- There may be supply-demand gap in India resulting in escalation of labor cost
- Falling markets and stock options becoming unattractive resulting in escalation of compensation costs

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Now, if you look at the challenges which they were facing especially on to compete with other IT companies with IT companies actually there was reports of slow down or IT spending in US companies because, most of the projects that they had taken was from US only, other developed countries. Earning warning from some of our major customers because the customers are also going away, dot-com companies and venture funded businesses were started, right.

Warning comes from the software companies in the US; softness in the labor market in the US and you know after that Infosys was forced to recruit people from the US. Then, most of the internet consulting company were facing pressure on visibility and billing rates, they were trying to reduce the cost of the program product and the processes and they were supply demand gap also resulting in escalation of the labor cost. And the markets were going down and the stock options became an attractive resulting in escalation of conferences some cost. So, these were the challenges which Infosys were facing.

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Investors Concerns at Infosys

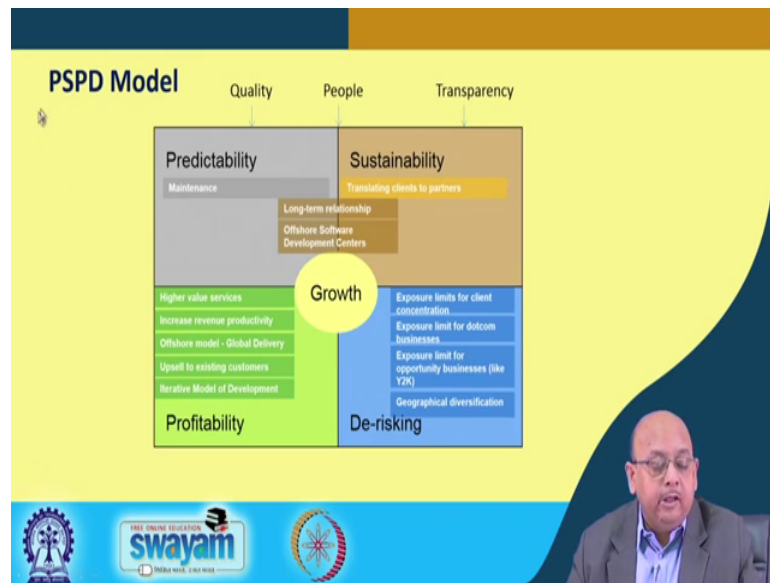
- **Business**
 - Effect of slow-down in IT spending in US on Infosys
 - Visibility in business
 - Future revenue growth
- **Per capita revenues**
 - Ability to increase the per-capita revenues on a go-forward basis
 - Impact on the per-capita revenue growth rate due to reduced dot-com / venture-funded businesses
- **Hiring and Utilization**
 - Ability to attract the best and the brightest
 - Lower utilization rates coupled with increased hiring
 - Labor cost escalation due to falling market price of the stock
- **Margins**
 - Ability to maintain or grow the margins on a go-forward basis
- **Exposure to dot-com/venture funded companies**
 - Strategic investments and accounts receivable

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And, as a result of this there were lot of concern for the investors and Infosys because it will slow down, the business was slowing down, per capita revenues were going down, right and the company had a big challenges is how they can increase the per capita revenue, right especially due to reduced dot-com venture funded business. And then hiring utilization, how they could attract the best candidate and the brightest, because compensation was a big issue at the entry level and many people who are joining and attrition there was very high.

Lower utilization rate coupled with increased hiring; though they were hiring more and more, but at the same time our attrition rate was very high and they had with Ben system also they which could not be utilized properly. And the labor cost escalation was there due to market prices of the stocks and the margins actually the profit margins went down so, they wanted to increase it. So, based on these concerns are the challenges which Infosys were facing in the business they try to make bring a whole lot of changes.

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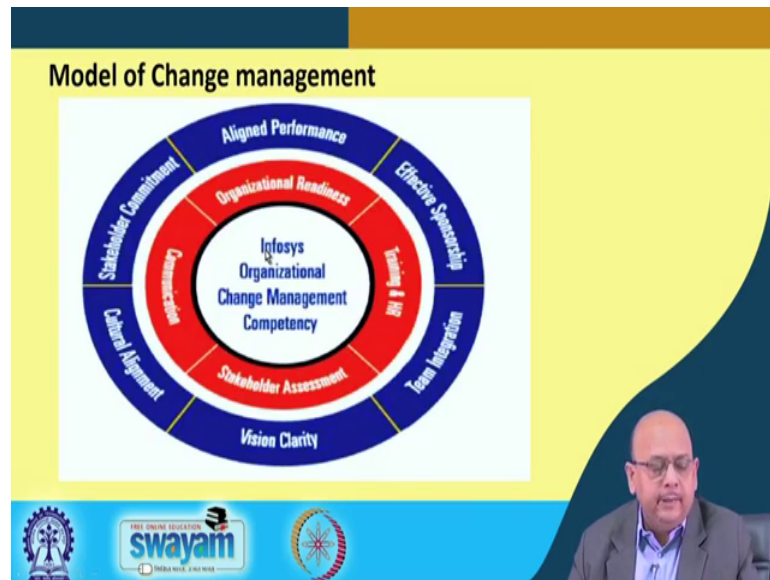
And they adopted a model which is known as PSPD model; Predictability, Sustainability Profitability and De-risking. So, predictability it means that they need to maintain their businesses; then sustainability it means that how they can could translate clients to partners on a sustainable business, so that they can continue their business on a regular basis. Then profitability, they need to ensure high value services more revenue from products, they have to see that how what kind of business model they can adopt for global deliveries, how they can up sell their existing customers so that customer retention happens and what kind of model of development they are going to use; they went more iterative model, so that they keep on changing the model.

So, all these factors including de-risking where they try to limit customer sorry, exposure limits for client concentration for dot-com businesses limit for opportunities opportunity business like were 2000 and then geographical diversification. So, all these four activities were taken up keeping in mind the growth; especially in the long term relationship they need to maintain, so that they could hire better after offshore software development centers, right. So, they try to grow and diversified themselves into various countries and that is why you will find that Infosys has produced many developed and developing countries also.

And the three major concern were there, while they were doing business the first was to maintaining quality of the product and processes looking at the people capabilities, their

development and third, maintaining transparency in businesses. So, with this criteria in mind they followed these principles to ensure that there is a long term growth for the company.

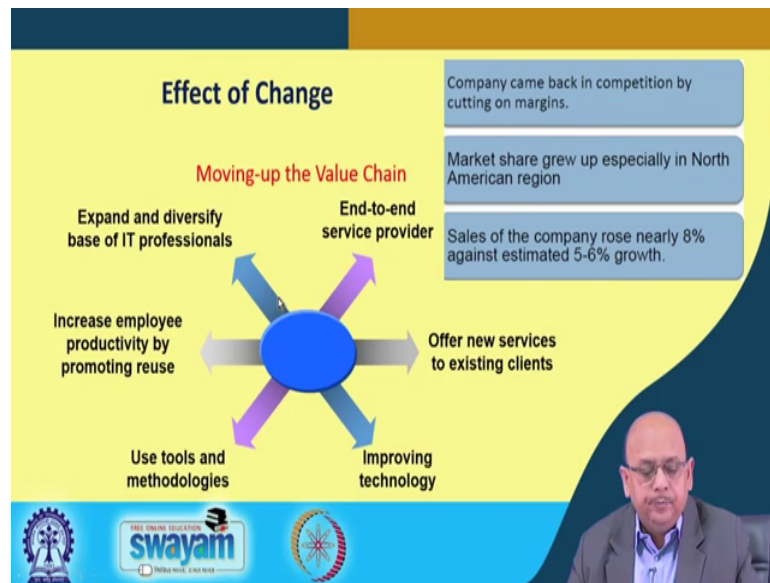
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Moving further you can see that this is the model of change management which they adopted. Infosys organization is known as OCM model basically. In this the changes at the centre and then they try to see that how it could be possible whether the organization is ready for the change, whether people are ready through training an HR activities, you also need to look at the stakeholders so you know the expectations the assessments and communication. So, these four where at the periphery which basically suggest that whether Infosys organizational change management competency is enough to ensure that is going to change.

And then they went on aligning performance, they looked into the sponsorship, they tried to go for team integration, they try to ensure that the vision is very very clear to all the employees ok, they also went for change in the culture and its transformation and try to ensure a stakeholders commitment. So, through these activities external activities and these are the internal activities Infosys try to bring about significant changes in the organization.

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And what was the effect of the change? If you look at this company came back in competition by cutting the margins. There was a market share grew especially in the North American region and then sales of the company almost grown up by 8 percent we estimated 5 to 6 percent. Because of the interventions that were carried out by Infosys the company was able to grow and develop themselves and they try to move up the value chain.

These are the activities through which they did; like expand, diversify base of IT professionals, end-to-end service providers, offer new services to existing clients, improving technology, use tools and techniques and employee productivity. So, through these efforts they try to move up the value chain, so that it could result in better markets and products for the organization.

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Change management at Godrej

Need for Change

Indian economy opened to global competition

- Godrej group was in a Quandary
- No exposure to competition or new technology
- Entered into two alliances: P&G and GE

Entire distribution of Godrej transferred to P&G

- 1995-Break-up of the joint venture between Godrej & P&G
- Post breakup Godrej devoid of distribution system
- Rebuilding exercise
- 1995-TQM

The slide features the Godrej logo in the top right corner. At the bottom, there is a video inset of a man speaking, and logos for Swamyam and other educational institutions.

So, after these two companies we will discuss another manufacturing company which is known as Godrej and Godrej was also not doing well. So, there was a need for change and they will face lot of channels challenges because the global competition, they had no competition or new technology. There was no exposure to competition on the technology ok. Entered into two alliances with Procter and Gamble and GE and entire distribution of Godrej were transferred to Procter and Gamble.

And if you look at the events like there was a breakup of the joint venture between Godrej and Procter and Gamble was breakup Godrej avoided; divide of distribution system to they had no distribution system basically; they tried to rebuild themselves; they adopted Total Quality Management.

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Changes at Godrej

Switch from a family-run business to a professionally managed company

- Changed the earlier model of management hierarchy
- Adopted a participative management model
 - team spirit
 - employee improvement programmes

TQM : • 1995-TQM
Awareness programmes for all employees

- Objective
- Driving force
- Maximize quality and minimize costs.
- Total employee involvement, total waste elimination and total quality control

KAIZEN

- Japanese technique of continuous improvement
- Increase in employee involvement and morale.
- Significant savings
- Flexible

Economic Value Added (EVA)

- 2001-Introduction • Extensive training program for managerial and officer levels
- Training regarding decision making of investments and trade-offs between the income statement and the balance sheet.

360-Degree Evaluation

- Assessment
- Unbiased feedback to the employee
- Self development

The slide also features the Godrej logo in its original and updated forms, and logos for Swamyam and other organizations at the bottom.

So, because of these changes which are sorry the challenges which they face what they did it first thing that you can see that they try to bring about change in the logo. So, earlier logo was this one, now they went for this kind of logo which is which was much better compared to what it was earlier, right.

So, the Godrej which was basically a family run business tried to become a professionally managed company so, this was a major change. They also changed the earlier model of management hierarchy, where the family owners used to control the business and then they adopted a participatory management model. They had a team spirit, employee improvement program, right through which the Godrej was trying to change itself and these are activities you can say four different activities which they carried out to bring about the transformation and change innovation that is TQM. Well, they followed the total quality management program for all employees if they had to define the objective, what are the driving force, the quality and cost to be reduced.

Then, so, kaizen basically it is for continuous improvement. They try to increase implying environment and participation to ensure that how we can continuously improve production processes, which resulted in significant saving and then the organization tried to become most flexible. Then, they added another concept which is known as economic value addition; when they went for introducing training to the managers and officers,

how they could make decisions related to investment same tradeoffs, right and how they could improve their balance sheet.

Then in un front of the employee development they went for 360 degree evaluation ok, through which they could get unbiased feedback about the employees and they also talked about self development, so, how employee could develop them full training and development the interventions.

So, you can see that how Godrej were trying to transform itself through different activities, so that they could bring quality, they could continuously improve themselves, they could make business and they can also make my people happy and satisfied through growth and development.

Thank you very much.