Strategy for Organizing Change

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***Abstract*: Our nation is passing through various phases after accepting GATT and entering into globalization process. GATT was signed in 1991 by then Prime Minister Mr. P.V. Narsimh Rao and then after the geographical boarder is collapsed for the businesses to come in and even go out of nation. Today we are having varied business practices, where in we call it as management styles (American, Japanese management styles etc.) around the world. After globalization these styles started pouring in our nation as foreign businesses started coming in and establishing there set up here in our nation. This has led to intense competition in the market and then it became unavoidable for businesses to change. So for this managing the performance of the employee of the organization has become very important tool to remain ahead of the competition.**

Learning organizations are much more alert on this front and as requirement of time they are always on the toes to bring the change in themselves. Bringing change is not the easy process and that's why the entire process has gained tremendous importance in modern management. Benchmarking is very important for the organizations before starting the change process. A change model has to be designed and then implemented. While designing the change model we should consider the following factors.

- **Structure of the organization**
- **Prevailing Technology**
- **Strata of the employees**
- **Environment**
- **Competitors**
- **Work culture**
- **Attitude of human resources**
- **Organization's SWOT analysis**

In all the strategy for organizing change will decide the success or the failure of the organization.

***Key words:* Organizing change, Managing performance**

I. INTRODUCTION

As the corporate world is passing through the transformational phase of globalization, the change is inevitable and those who are not responding to this will be paying huge penalties and might lead to a closure of the business.

External and internal environment of the organization is changing rapidly. The change is an all-round change, social, economical, political and even cultural and always looking for newer and better ways of doing things. Today the industrial revolution, shareholders and other stakeholder's demand in an organization also forces the organizations to grow and subsequently to change gradually. Added to this, the globalization and inter-cultural exchange had made us even more susceptible to change than ever before. We have been forced to adopt new techniques, due to the fast additions & changes in technology and even in management theories, practices and values. Competition and changing management focus also makes it inevitable. The strategic emphasis on cost cutting and being innovative and competitive makes it even more open to change. Accepting change whether it is structural, operational, functional, role oriented, compensatory or strategic is important.

The competition is forcing corporate houses to grow vertically and horizontally. This is possible by the way of mergers and acquisitions. In all, accepting the change and that too immediately has become cutting edge as far as competition and growth is concerned. The following statistics and graph shows the dynamics of mergers and acquisitions (M&A) particularly in banking sector and this even talks about the importance for change.

II. LIST OF SOME OF THE MERGERS IN THE INDIAN BANKING INDUSTRY

The Bank which acquired	The Bank which got Merged	Year of Merger
State Bank of India	* 5 SB Associate Banks and Bharatiya Mahila Bank	2017
Kotak Mahindra Bank	ING Vysya Bank	2016
ICICI Bank	Bank of Rajasthan	2010
State Bank of India	State Bank of Indore	2009
State Bank of India	State Bank of Saurashtra	2008
HDFC Bank	Centurion Bank of Punjab	2008
Centurion Bank of Punjab	Lord Krishna Bank	2007

Indian Overseas Bank	**Bharat Overseas Bank**	**2007**
IDBI Bank	**United Western Bank Ltd.**	**2006**
Federal Bank	**Ganesh Bank of Kurundwad**	**2006**
*** Centurion Bank**	**Bank of Punjab (BoP)**	**2005**
IDBI Bank Ltd.	**IDBI Ltd.**	**2005**
Oriental Bank of Commerce	**Global Trust Bank (GTB)**	**2004**
Punjab National	**Nedungadi Bank**	**2003**
Bank of Baroda	**Benares State Bank**	**2002**
ICICI Bank Ltd.	**ICICI Ltd.**	**2002**
ICICI Bank	**Bank of Madura**	**2001**
HDFC Bank	**Times Bank**	**2000**
Union Bank of India	**Sikkim Bank**	**1999**
State Bank of India	**Kashinath State Bank**	**1995**
Bank of India	**Bank of Karad**	**1994**
Punjab National Bank	**New Bank of India**	**1993**
State bank of India	**Bank of Cochin**	**1985**
Canara Bank	**Lakshmi Commercial Bank**	**1985**

* State bank Associate Banks – State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore

* Centurion Bank and Bank of Punjab merged to form Centurion Bank of Punjab.

There are several reasons for organizations to change. Some reasons are external and some are internal. Some of the external reasons are as follows.

1. Government policies
2. Changes in the economy
3. Competition
4. Cost of raw materials
5. Pressure groups
6. Changing Technology
7. Scarcity of labor
8. Social pressures
9. Legal requirements, etc

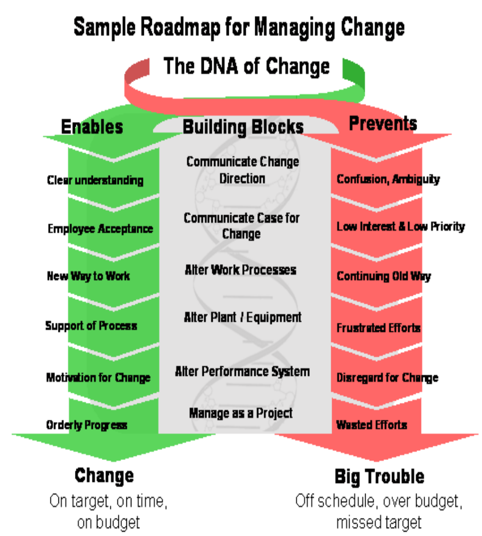
Internal reasons can be as follows:

1. Change in leadership
2. Implementation of new technology
3. Decline in profitability
4. Changes in employee profile
5. Union actions
6. Low morale etc.

III. RESISTANCE TO CHANGE

People always say no to change. This is the human tendency to resist change. Overcoming this resistance is the basic task of the top management. This is always the tough task for the top management. There has to be a planned program to tackle this resistance and here lies the skills of the leadership. Participative management style can be one of the ways to tackle this. We need to find out the reasons for resistance and try to deal it with.

The sample roadmap for managing change can be generalized in following manner.



Once people are convinced that change is necessary, and that the change vision is the right one, it's time to move forward with implementation and consolidation of change.

Implementing the change may not be an easy task. For this the best method to implement it is through the Lewin's change model. In this there are three stages on which organization has to work and they are as follows.

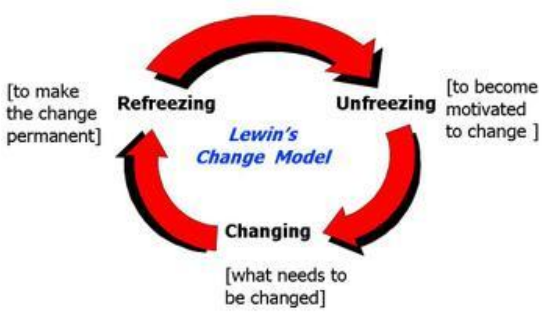
Unfreezing: People are always habitual to the practices and breaking their habits is always difficult. This stage talks about unfreezing them from old and traditional practices, habits and motivating them to bring the change. This can be done by communication or by creating awareness.

Bringing change: In this step we can convince employee by way of communication again and even by training programs. People resist change because of following two reasons.

1. *Fear of unknown:* Majority of times employee resist the change because of this problem. Means they are generally get confused about what is happening around and why management is brining change. And where are we going to land up? These confusions need to be nullified by way of communication.
2. *Fear of inability:* This is also one of the reasons about why people resist change. This talks about employee perception about their inabilities to cope up with change. Some of the employees feel that they may not be able to cope up with the things going on and then they resist. This kind of the problem can be dealt with training to them about their inabilities.

Refreezing: In this we need to refreeze the behavior of the employees once it is changed. This can be done by way of appreciation and rewards.

IV. LEWIN'S CHANGE MODEL



V. RELATED WORK

Very few work is been published in this regards. How Industrial Credit and Investment Corporation of India (ICICI) has organized the change when Hon. K.V. Kamath took over as managing director and chief executive officer in May 1996 and the merger of, ICICI Bank and Bank of Madura in December 2000 has taken place.

To have a safe transition and merger top management of ICICI has created few groups of the employees who were devoted, loyal and good in their work.

1. 'infrastructure group (IIG),'
2. 'oil & gas group (O&G),'
3. 'planning and treasury department (PTD)' and
4. the 'structured products group (SPG)',

as the lending practices were quite different for all of these. ICICI Employees were finding the changes unacceptable as learning new skills and adapting to the process orientation was proving difficult. The changes also brought in a lot of confusion among the employees.

These groups were playing a key role in bringing the change in the organization. As with all the organizations there was a huge resistance in ICICI also about this transformation and change. Those who felt that, can't cope with this change have left the job. ICIC has initiated lots of measures for tackling with resistance. This was scheduled in the following ways.

- Training programs and seminars are arranged for more than 250 officers by external agencies for the topics on different areas.
- In-house training programmes were conducted in Pune and Mumbai.
- In 1995-96, around 35 officers were deputed for overseas Management Development Programs (MDP) organized by universities in the US and Europe.
- ICICI also introduced a two-year Graduates' Management Training Programme (GMTP) for officers in the Junior Management grades.

Due to the overall process of transformation the pressure on responsibilities was increased and ultimately it is resulted in stretching the human relationships.

In this process post merger employee behavioral patterns were analyzed and are noted. The results are as follows.

Day 1: There were denials and employees were having lot of fear in the mind.

After 1 month: There was slight improvement but employees were not happy

After a year: Employees started accepting change and there were lot of improvements

After 2 years: There was a sign of relief and employees started liking the job.

Looking at above facts ICICI laid a system which will take care of the resistance of the employees with action and not in words.
The 'fear of the unknown' was sorted out by proper communication and the 'fear of inability to function' was sorted out by adequate training. Training programmes for Attitude, skills and knowledge (**ASK**) were conducted.

VI. CONCLUSION

If we go through the case study then it unfolds the facts which plays very important role in organizing change in the organization. Following factors play important role in managing change in the organizations.

Leadership: First of all it talks about the leadership. The great leaders who have right vision, manpower handling capacity, who can fight with criticism and who will take their employee on the right track are required.

Change Agents: Leaders play an important role of being the change agent for the change. But more change agents are required to lead the change in their respective departments. The selection of these people will be very critical and important.

OD Interventions: OD interventions like Data collection, Analysis of data and Action plan of data are required.

Evaluation: Right evaluation system may be all round like 360 degree appraisal is required.

Reward system: There is a close relationship between performance and reward so it has to be properly designed.

Market driven: The change has to be a market driven.

Knowledge management: Knowledge management also plays very important role in the entire process of managing the change.

"We do put people under stress by raising the bar constantly. That is the only way to ensure that performers lead the change process." **- K. V. Kamath, MD & CEO, ICICI, in 1998.**

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