Chapter VI

VALUE BASED CHANGE

Leading change is always about leading people and leading people is always about leading change. Normally, when the change efforts either fail or get a setback, we typically blame outsiders for causing change or accuse the insiders of resisting the change. The reality is that many of us, as leaders of change, are unable to deal with the complexity of change. The leadership, which is at the core of the change process, does not depend on circumstances; it depends on the attitude, values, and action of leaders. Self-centered leaders don't get very far and certainly aren't held in high esteem or trusted by people. Therefore, selflessness, integrity, service, trust, and working for common good must underlie all change efforts.

In Escorts, the negotiations for the settlement, the main instrument for change, had started with Puja and Havan, praying to Almighty for the success of the negotiations, attended by all the senior executives and the union leaders. The letter to the union, inviting the leaders for the ceremony, clearly mentioned the purpose viz. Invoking the blessings of the Almighty for giving moral courage, confidence, patience and strength to discharge the responsibility successfully. All work is prayer, a worship of the universal energy. It is through prayer that one gradually begins to draw with greater intensity the superior forces abiding in the invisible envelopes of our existence. If, at the start of any work, we say to our inner selves that this is the work of the Supreme and is being offered to Him, it will have a healthy and purifying effect on our mind. It is the direction and the attitude of the
mind which is of far greater consequence than the act itself. Such rituals are psychologically very relevant for inducing attitudinal change and bring all such people together whose values are similar. Effective change leaders know that they have to first touch people’s heart before they can ask for a hand. We can not move people to action unless we first move them with emotion, based on similar values. It doesn’t matter whether the shared values are positive or negative; the attraction is equally strong either way.

With value-based behaviour of change leader, people begin to develop a set of facts and beliefs about him and if these facts and beliefs are basically positive, they are likely to help efforts during change. After the Havan-Puja ceremony, many people, including a few union leaders, got attracted to change leadership, especially those with similar values. If we want people to support us during times of change, we need to establish the groundwork by demonstrating to them that we are fair and reasonable person, with positive values, and having their best interests at heart.

During the final stages of negotiations there was serious difference of opinion on certain points in the draft settlement and both the parties were firm on their respective stand. Finding no way out to resolve the stalemate, the union agreed to refer these points of differences to an arbitrator, whose decision shall be final and binding. The union opted for the change facilitator (heading management’s negotiation team) as arbitrator. The arbitrator heard both the parties and gave his award, which was accepted by all. This clearly proves that a value-based leader, no matter he represents the interests of opposite
party, could enjoy the trust and confidence of people. The union President, during his interview with the researcher (Annexure A) mentioned that the way one conducts himself creates an image of him and the other person accordingly trusts or mistrusts him. The union agreed to accept the change facilitator as an arbitrator because he was considered as trust worthy in his individual capacity, possessed values like fairness, compassion and sympathy, and that who shall be fair while taking a decision. Some of the business heads also mentioned during the interview (Annexure A) that the change facilitator, though a member of the management team, was accepted as an arbitrator by the union because of his value based conduct and that he was trusted by all the union leaders.

Similarly, union’s ex-General Secretary mentioned during his interview (Annexure A) that those top management executives, whose conduct was value based, enjoyed greatest trust and respect. He further mentioned that the union President had even praised the change facilitator in the union’s general body meeting, saying that he was a religious and trustworthy person.

On the contrary, the union President, during his interview, (Annexure A) further said that the personal conduct of Business Heads played important role in creating trust or mistrust, about what they said. One Business Head was always busy in share business, while in office, using official machinery and staff. He was capable of any manipulation, and according to the union President, that is what he did while getting the settlement of his business division signed. He added an additional clause in the settlement, which was never discussed. The union President said that he had signed settlements of other
divisions in good faith, without even reading them, but in the case of the concerned Business division he was careful enough because of lack of trustworthiness of the business Head, a reflection on his day-to-day conduct, so closely inter linked to values. The clause that was added in the settlement, without discussions, had to be deleted before the settlement was signed.

According to Hultman (1999), people will support change if they believe that those responsible for the change can be trusted. Even if people don’t completely agree with a change, they are more likely to go along with it if they trust those responsible for it. People tend to have confidence in those they trust, and they tend to be suspicious of those they don’t trust. The feedback from the union President and the General Secretary about the trustworthiness of the change facilitator and lack of trust in one particular business head, so closely linked to values, confirms what Hultman has said.

Similarly, there were few incidents where the management suffered serious setbacks to its credibility and trust, due to going back from the commitments or understandings. The group Chairman during his discussions with the change facilitator had decided upon an amount of increase in wage and certain other benefits like uniform to all the workmen and the negotiations had progressed accordingly. At a later date when the business heads, keeping in mind the weak negotiating power of the union at that time, proposed a lower amount of increase in wage, than what the Chairman had decided earlier, he agreed for the proposed lower amount. Though, after the receipt of letter on the subject from the
change facilitator, he agreed for the amount and benefits earlier agreed upon, it did cause a set back to the whole process of change.

Another incident relates to the commitment of taking back some of the dismissed employees after the December, 1998 strike was called off and also review of cases of 110 workmen, on merits, who services were terminated on the ground of producing fake educational qualification certificates. The management had, under pressure from the union, accepted these fake certificates about eight years ago and was in full knowledge of the fact that these certificates were fake. It did not take any action all these years but suddenly, during May – 1998 and December – 1998, agitation, the management opted for taking action on submission of these fake certificates. At the time when the strike was to be called off, a commitment was given regarding review of these cases on merit. Similarly, it was also committed before the government authorities that some of the dismissed employees will be taken back immediately after the strike was called off. All these actions were initiated to pressurize the union to sign the settlement and there was a clear understanding, even amongst the core group and with others involved, that these cases will be reviewed. However, when the management found itself on a stronger wicket, it refused to review the cases of those 110 workmen involved in the fake certificates and put a condition on taking back other dismissed employees only when the agreement was signed.

Change efforts where one party tries to take advantage of the weaknesses of the other party, where decisions and actions lead to mistrust, and efforts which tend to exploit and
manipulate do not survive long. Nilakant and Ramnarayan (1998), arguing that change efforts must be based on positive values, write:

“Selflessness and service must underlie all change efforts. Change efforts that tend to exploit, manipulate and ‘use and discard’ people will not survive in the long run. Fearful, cynical and suspicious employees cannot make organizations efficient, responsive and oriented towards learning. Therefore, the values of compassion, respect, tolerance, integrity, and trust must underlie change efforts. It is our contention that change efforts that are based on these positive values are likely to be more successful than those which are based on self-interest and deception.”

One Business Head, while agreeing that the management did go back on the commitments made, tried to justify it by saying that these commitments were made when the management was desperate for the settlement and corrected itself when it had the opportunity. He, however, added that it definitely reflects wrong values on the part of management.

Another Business Head, about whom the union President had commented adversely about his trustworthiness justified backtracking on commitments made and mentioned that the oral commitments have no value and the management went back on its commitments as the union had gone on strike. All other business heads, however, mentioned that it was wrong to go back on the commitments made and that it had given a serious set back to change efforts. (Annexure A)
Almost all the Business Head, during their interview with the researcher (Annexure A) mentioned that the greatest values were trust, openness and transparency in the core group where all the members were candid in their interaction and there was no game playing. During core group's first meeting itself, the Business Heads, based on Self-exploration, diagnosed that they have not been managing as if it was their own business and that there was over emphasis on 'somehow' achieving production targets without any consideration to process or discipline. The core group members, in its 122 meetings felt a sense of partnership, exercised self-restraint and a real consensus was established before committing the team to action. The union President and Ex-General Secretary also mentioned (Annexure A) that management's greatest strength was its unity and team work which did not happen anytime earlier. Everybody was party to the decision and felt bound by it.

Union's ex General Secretary, while commenting on the whole process of change, told during his interview (Annexure A) with the researcher that though the decisions of the management were tough and firm, there was no ill will against anybody and it did not show any bitter feeling even against those who were negative. Management had no revengeful attitude and showed great patience, tolerance and was forbearing. Others who were interviewed by the researcher (Annexure A) also highlighted that the management had neither any hidden agenda nor followed the divide and rule policy and maintained cordiality of relations even with adversaries. They mentioned that people had developed respect for management's value based behaviour when it turned down offer of few leaders of calling off December, 1998 strike against money deal and purchasing a few leaders opposed to signing the settlement. The management did not promote any
particular group and tried to talk and convince everybody about the need for change. The result was that there was neither any personal attack on anyone nor any charge leveled against the management that it was patronizing or promoting a particular group. The general perception was that management was serious on issues and sincerity of purpose was never doubted in spite of differences of opinion.

When the union’s executive body was dissolved due to its internal dissensions and fresh elections had taken place during the change process itself, the management did not support or promote any particular group, rather it helped in peaceful conduct of free and fair elections and issued a circular congratulating the newly constituted executive body of the union and the workmen. Similarly, all the communications of the management were value based highlighting the importance of fairness, impartiality, compassion, family feeling, teamwork, and actions to be consistent with the principles and beliefs.

All these value based decisions and actions of the management had the desired impact. Ultimately, it was the positive elements within the union who had the final say and the workmen also wanted to listen to them only. In the general body meeting held in March, 1999 the negative elements had planned and instigated violence when the union President and General Secretary were assaulted and had to run away from the scene, but the final general body meeting held on 29th April, 1999 was altogether different. In this general body, attended by more than 6,000 workmen, they did not allow negative leadership to speak and wanted to listen to the views of positive leadership, especially the ex-general Secretary of the union executive body, who had resigned from the post after being manhandled in the union office and did not hold any position as on date. While openly
criticizing the group dynamics and politics within the union and talking about the vested interests of certain leaders opposing the change, he spoke thus in the general body “We talk of unity but we all know how united we are. My ideology is different from others. In today’s time of globalization and increasing competition, there is a need for change. I have been advocating change but I was termed as management’s man, speaking management’s language and was blamed for creating hindrance in settlement. Strike should be the last resort and it should have not been there. Today’s situation is the creation of leaders, their groupism and their vested interests. Today 133 persons are out because of leaders. We must bring them in but to get a positive response from the management, we shall have to first extend full cooperation, as union can not run with violence and anarchy.” On close of his speech when he asked the workmen if they accept the draft settlement as it is and are they prepared to bring improvements in their working, the hundred percent response was ‘yes.’ The union President in his interview to the researcher accepted that the speech of ex General Secretary, who is considered to be a value based person, had the impact on the workmen. Similarly some of the business heads have also mentioned in their interviews that it was very evident during the whole change process that individual values and value based conduct played an important role like that of union’s ex General Secretary, who could finally get the settlement. (Feedback data – Annexure A)

Ultimately it were the workmen tired of negative leadership, the impact of value based decisions and actions of the management and the positive value based leadership within the union, which paved the way for the settlement and change.