Chapter 1

INTRODUCTION

“It is not the strongest species that survive, nor the most intelligent but the most responsive to change”

Charles Darwin

1.1 The Challenge of change

Today the Challenge of change is everywhere. Organizations, societies, individuals, all encounter different challenges from time to time. Our response to these everyday challenges, determines whether we continue to survive and prosper or meet the fate of dinosaur. The speed of modern life, the expansion of space and the changes in social relationships have transformed our jobs, our knowledge, our daily lives at work and at home. It is difficult to believe that everything could change so fast, so universally, affecting every dimension of our lives from the most simple actions and deeply rooted patterns of thought to the most entrenched of our attitudes.

Today’s times are dangerous because they are challenging our old and established beliefs, paradigms and ways of working. Once business was for life. Today it appears that all of life is for business. We are in the midst of the turbulent, chaotic and often unpredictable changes. Everything around us is in continuous state of uncertainty. At the same time, life today is throwing up opportunities for creating new ways of working, new ways of doing business, new relationships and new ways of living, which might lead to more balanced and wholesome approaches to life.
Not only there is continuous change, but also the speed of change has significantly increased during the recent times. Coping with these changes is a daunting task, particularly when we do not know what is to come next. We, therefore, see many examples of growing stress, rising tensions, deep despair, confusion, anxiety and fear about the future of things. We may not express our feelings verbally. Instead, our stress manifests itself in negative attitudes and destructive behaviour that may include anger, resistance or even outright sabotage.

In 1982 there were 32,000 robots in the USA. Today, there are 20 millions. Warren Bennis, once said to have remarked that the factory of the future will have just two people in it. A man and a dog. The dog’s work will be to keep the man away from the machines. (Quoted from Wakhu Arun, 1999)

Today’s world is lived near the speed of light and we have to race for an ever-moving finish line to always be a step ahead. Nothing can give a permanent competitive edge. The only way we can counter events is to gear ourselves to looking at these changes as potential opportunities.

1.2 Change – a natural Process

“Mountains are being worn away, rivers are altering their channels, valleys are deepening. All life is also a process of change, through birth, growth, decay and death”

Hayakawa S.I.
In nature, all change processes take place on the foundation of continuity. No change can be perceived without continuity. “Change is the only constant thing in today’s world – Nothing endures but change” says Heraclitus.(1954)

Change implies acquiring new ways of thinking and giving up the old. Whether it takes place gradually or suddenly, change is a rupture with the past. The present situation has to be abandoned in favour of an uncertain future. To change means to go into mourning for the reality, which is disappearing in order to take up a new life, very similar and yet very different.

British Prime Minister Harold Wilson once observed “He who rejects change is the architect of decay. The only human institution which rejects progress is the cemetery.” (Quoted from Augustine Norman, R., 1997) Nothing remains the same from one moment to the next. We are older than we were a minute ago, and that minute is gone forever. Although dramatic events make us more aware of change at sometimes than others, change is constant. It is natural for change to continually occur, whether we expect it or not. Change could surprise us only if we didn’t expect it and weren’t looking for it.

“Change alone is eternal, perpetual and immortal” says Arthur Schopenhauer. (Quoted from Harigopal, K., 2001) Evidently, what is different now is the pace of change. The present day changes have been more rapid, more complex, more turbulent, and more unpredictable than ever before and have affected the very foundations of human existence
(Land and Jarmen, 1992). Therefore, the question is not whether what is current will become obsolete, but how soon.

Change is a feature of the cosmos, from universal Big Bang to Sub-nuclear particle physics. And particularly when it comes to the social and economic and political environment, change is continual, indeed these disciplines would not be necessary if change were not so all encompassing. Whether we like it or not, human interactions in organizations take place in the environment which changes. It is these environmental changes which are often the motor for organizational change.

1.3 Changing Organizations

We are living in a period of significant organizational change. Major corporations are significantly downsizing, re-engineering, working out new strategies and also merging together to form corporate monoliths. During last one decade we have been bombarded with a lot of seductive and contradictory ideas for ensuring corporate success in a changing world – TQM, empowerment, re-engineering, JIT, TPM, Kaizen, flexible employment, 5S, Benchmarking, Self managed teams, ESOP, VRS, knowledge management, Learning organization, Six sigma, restructuring – the list goes on and on.

New markets appear whilst older, reliable ones Vanish. Customers have become sophisticated and demanding. The shelf life of products and services is getting shorter, much shorter than for which we had planned. The market determines obsolescence, not the manufacturer and there is no getting away from it.
The emerging world is a world of competition and the basic philosophy is the survival of the most adoptive to changes. Old ideologies are crumbling and new ones are coming up, and we find, as the modern thinkers say, that the world has become one village, one neighbourhood. There is an increasing traffic of ideas, goods and services, and people; the distances are being reduced and the satellite and modern transport facilities have brought people closer and closer.

Few years ago organizations, not just in India but abroad as well, were managed on the premise that the operational environment would be smooth. The 90’s and the turn of the century changed all that. Globalization and the consequent integrating of economies, technological revolution, boom and bust, financial cycles, and emphasis on price, quality, innovation and satisfaction of customer needs have become the guiding principles of competition.

More rapid and widespread international diffusion of technology, a freer and greater movement of international Capital, increasing volume and variety of cross border transactions in goods and services and the greater coverage and depth of information has changed the rules of Competition; suddenly forcing companies to expand beyond their nation’s borders even as they face the incursions of foreign companies at home.. Efforts to improve productivity, such as ‘just in time’ inventory controls, are pushing corporations into an unprecedented dependence on their suppliers. New technologies and management techniques have shortened product cycles, heightening the expectations of customers and forcing an increasing emphasis on speed.
Customers are less loyal to particular products or Companies. The media explosion is driving the needs and desires of people who now have more options before them. Organizations are forced to adapt and constantly innovate their product offerings to meet these changing needs. In the process, markets are increasingly getting pushed to offer better products with better quality at lower prices year after year. The different needs of disparate markets have to be married to the inflexibility of the mass production systems, failing which new methods have to be developed.

Due to advancement of technology, the softer aspects of the workplace are also being influenced. The way we work, the way we interact with each other, even the physical parameters of the workplace are in the midst of the metamorphosis. Age old attitudes and mindsets are being discarded everywhere. Traditional management styles based on rigid, hierarchical structures and highly controlled and regulated inter-organizational communications are ineffective. Instead, a new management style is emerging that is more open, flexible and decentralised.

Any industry or organization that fails to take cognizance of changes around it, like changing consumer habits and attitudes and lifestyles, social and political climate, changing employee aspirations, modern technology and processes, has to pay the price. Textile and Jute industries in India, which failed to keep pace with the changing times, are classic examples of this syndrome.
Organizational change is a complex process, much more complex than human behaviour. Therefore, we can not have one specific solution to managing change. What to speak of across diverse cultures and countries, a change technique that works in one organization may not work at all in another organization with similar culture and within the same country. Organizations differ in structure and design, technology, work culture, management styles, resources, employee expectations and attitudes, work processes, the customer needs and the complexities of the operating business environment. Any change, therefore, has to be introduced keeping in mind the complexity, uniqueness and the culture of an organization.

1.4 Cultural Change

What constitutes a ‘culture’? There are some researchers who define culture as patterns of beliefs, symbols, rituals, and myths that evolve over time and function as the glue that hold us together (Baker, 1980; Pettigrew, 1979; Seihll and Martin, 1982). Culture also consists of shared values and beliefs that not only bind people together but also explain their world (Meyer, 1982; Louis, 1980). The American Heritage dictionary defines culture more formally as ‘the totality of socially transmitted behaviour patterns, arts, beliefs, institutions, and all other products of human work and thought characteristics of a community or population.’

Schein (1985) has summarized the definition of culture as a pattern of shared basic assumptions, invented, discovered or developed by a given group, as it learns to cope with it’s problems of external adaptation and internal integration, that has worked well
enough to be considered valid, and, therefore, is to be taught to new members of the group as the correct to perceive, think and feel in relation to those problems.’

“Culture is a sense of ultimate values possessed by a particular society as expressed in it’s collective institutions, by it’s individual members in their dispositions, feelings, attitudes, and manner as well as in significant forms which they give to material objects”. says Abid Husain. (Quoted from Sharma, G.D., 2001) K M Munshi defines culture as ‘the way of life, inspired by fundamental values in which people live. It is the sum total of values’ (Quoted from Sharma, G.D., 2001)

Sampurnanand (1950), defines culture as that point of view from which a community examines the problems of life.

“Culture is subtle instrument of civilization and acts through family training, tradition, religious belief, literature and education. It acts silently. It makes people feel they are not forced to obey, but do it of their own free will and gives them a sense of pride in good behaviours” (C. Rajagopalachari, 1963)

Tiruvalluvar, the Tamil saint-poet says in ‘Kural’, “The speech of cultured men consists of truth soaked in affection”. To give is good. But the sweet manner accompanying the gift touches the heart of the receiver, even more than the gift. That is culture.” (Quoted from Rajagopalachari, C., 1965)
Culture is thus the totality of beliefs, norms, and values, which is related to patterned regularity in people’s behaviour. It reflects the way of life, their heritage and traditions. Culture is internal to the man and is the mental equipment of life whereas civilization is manifested in the outward possessions and is the material equipment of life.

Further, culture is a treasure of collected gems of experiences and wisdom of the ages, gifted by a lot many earlier generations. It is the essence of the distilled experiences of so many people carried over from the past. It is reservoir of tried and tested values, norms, observances and principles that have taken the form of life styles, manners, etiquette, folks-lore, celebrations, festivals, conventions, traditions and even rituals.

As far as organizational culture is concerned, it comprises the established ways of thinking and doing things in the institution and includes company’s policies, roles and procedures, it’s customers and practices, it’s shared values and belief systems, it’s traditions and assumptions and the nature of language used to communicate throughout the organization. It is the sum of unwritten norms, beliefs, and values that define appropriate behaviour.

‘Organizational culture is a construct describing the total body of belief, behaviour, knowledge, sanctions, values, and goals that make up the way of life of people’ Herskowitz (1948); Ouchi and Johnson (1978) describe organizational culture as ‘the way we do things around here’.
Organizational culture is a clear and usually very accurate perception of what is really important in the organization. No matter what the organizational representatives say, certain things can be readily predicted that in a given situation, the organization will behave in certain ways. Based on the culture, staff can predict as to what will be rewarded, what punished and what ignored. Basic assumptions are, thus, the core of organizational culture. They are taken for-granted beliefs; the group members hold about themselves, others and the world and are rarely, if ever questioned.

Geert Hofstede (1980) views organizational culture as a ‘Collective mental programming and considers that values are it’s fundamental core. Values are broader, trans-institutional principles that apply to a range of situations. They include the general ideals and standards of the organization.

While emphasizing the importance of organization culture, J J Irani (2001) MD Tata Steel said, ‘we put engineering and management graduates under a conditioning course so that they could unlearn a lot of things they learnt in their institutes and learn new things relating to the culture of the organization.’

Deal and Kennedy (1982) talked about changing the culture of an organization as a difficult, time consuming and often gut-wrenching process. They consider changing the culture as a difficult part of change. After almost two decades, changing the culture of an organization continues to be not only as arduous as before but also more complex, due to increasing turbulence in the environment.
1.5 Need of the hour

The demands on organizations are becoming increasingly complex. Old assumptions about the stable state of an organization have of necessity been replaced with concerns about how to handle the dynamics while maintaining some degree of stability. On the one hand, we have to be beyond reproach in providing the service, which our customer has the right to expect of us. In fact, we have no choice, as the competition is ready to pounce on our smallest mistakes. On the other hand, we have at the same time to be ready to adapt and change the service we offer, to make swift improvements to it, or even radically reform it. We, therefore, need new models of competitiveness to deal with the challenges ahead.

“Tomorrow’s companies will need a radically different set of structures to succeed. Within each company, organizations responsible for a single product on a global basis must be created. There must be companies within companies, each one of them being a global player. Organizations will have to be designed to produce quality. Flatter companies, with highly decentralized structures, will be essential to combat competition. Elimination of hierarchies will be facilitated by the infotech revolution, which will enable the bypassing of traditional channels of communication. Temporary task forces will have to supplement formal structures to tackle issues like product launches and cost reduction.” (Athreya, 1992)
Sustaining competitive advantage for maintaining or improving market shares has become the singular need of all business. Effective global competition requires a complex network of the global centers of excellence that draw on technologies invented in one locale and shared worldwide; rapid movement of products, people, information, and ideas around the world to meet local needs; and management of the paradox of global economies of the scale and local responsiveness. It requires a global mindset and a local commitment. Thinking globally but acting locally.

Only the most productive companies are going to win. If we can’t sell a top-quality product at the world’s lowest price, we are going to be out of the game. The companies that survive in the coming decades will be those that are able to respond quickly and effectively to changing environmental conditions. This puts a premium on certain capabilities like adaptiveness, flexibility, and responsiveness. We will have to learn and act at a faster rate than the competition. Be it manufacturing or service industry, developing and delivering products or services require higher skill levels. In other words, an organization’s competitiveness will be not in it’s ability to source raw materials, cheap capital, or good workers, but in it’s ability to build, enhance, share, and leverage knowledge; in knowing how to do things better than it’s competitors.

To manage and combat present day chaos, we need to incorporate in our functioning the new approach of dynamic stability, which gives the organization a sustained competitive edge. To achieve this, we must accumulate and build human resource competencies that
enable us to develop new strategic assets quickly and effectively to face the challenges of ever-changing competitive environment.

It is important to remember the wise saying of Matsushita that when you change your point of view; your results also change. In other words, the process of change begins in the mind, with a felt need for change. The management of change, therefore, starts with a generation of discontent with the existing situation and articulation of a vision for the brighter future. The challenge, therefore, is to understand the business and market environment, identify or create an opportunity to generate value, agree to a compelling and distinctive vision, establish relevant goals and values, and bring together the people, technology, organizations, finance, business and support processes that will enable the company to satisfy the needs of its various stakeholders.

To succeed and thrive in this liberalized era, Indian industry has no choice but to become globally competitive. Lackadaisical ways of handling things in a state-sheltered economy has to yield place to dynamism, alertness and action. It must seek to maximize the value delivered to its customers by offering products and services of superior quality at lower costs with minimum response time. In a market economy, no organization lives in isolation – it has to realize the changes sweeping the business world, and to change itself quickly so as not to be overtaken by change but be in a position to meet the challenges of change. Any complacency will sweep them off their feet.
The speed of implementing change in organizations is emerging as the new competitive differentiator among organizations. When faced with such turbulence and disequilibrium, we will need to find new ways to generate and nurture new types of capabilities that are more relevant to the new environment. Replacing the old way with the new does not happen at the touch of a button. It requires deep convictions, enormous upheavals, a vision of what lie ahead and perseverance even when the pain seems unbearable.

1.6 Current state of efforts: Gaps & Shortcomings

Almost every company is struggling with the issue of managing change: what to change to, and how to change. In the seminar we find eager participants in great number listening to the latest guru on the subject of managing change. Consultants are also enjoying a boom period, assisting companies in their efforts. Everyone is looking for a mantra to respond to the radically changing business situation.

Plenty of books are available in book stores, airports and book fairs advocating almost similar process and sequence for managing change, though language, style and case studies might vary. All these are valuable books written by experienced professionals and management gurus but the experience of managing change tells a different story.

"We haven’t been very good in managing change in business. By most estimates 50 to 70 percent of all corporate change initiatives launched in the 90’s failed to achieve their objectives. One survey in the mid – 1990’s found that two thirds of all corporate restructuring efforts failed to achieve the outcomes they were designed to achieve. And
some leading practitioners of re-engineering reported that success rates in fortune 1000 companies for re-engineering - the 90's most popular change fad – were well below 50 percent, perhaps as low as 20 percent.” (Boyett and Boyett, 1998)

A survey by Dun and Bradstreet (1994) reported in Fortune, pointed that between a 3 year period of 1989 and 1992, company failures in USA doubled. Peter Drucker highlighted that only 33 percent of the top 500 fortune companies in USA over 40 years have maintained themselves on the list. (Quoted from Bankwala,Y.J., 1998)

“Fewer than 50 percent of companies undergoing re-structuring, de-layering and / or downsizing realize lower costs or higher productivity as a result of those changes.” (Schenier et al 1992) “About 80 percent of total quality management initiatives fail to achieve tangible result” (Kearney A.T., 1997)

“Roughly 90 percent of Business Process Re-engineering initiatives fail to produce breakthrough result” (Kearney, 1997) “Between 55 percent and 90 percent of all technology initiatives fail to achieve their objectives because human and organizational problems are not adequately addressed” (Kabat, 1994)

Somewhere changes have brought opportunities, challenge and excitement and such organizations have prospered and benefited from the changes. For many other organizations, the same changes have resulted in bewilderment, confusion and pain.
Some organizations have flourished and thrived in the new environment, others have languished.

The question that arises is what causes an organization to succeed in one instance and fail at another. Although each corporate failure shall have its own set of circumstances related to environment, industry or product, Prof. Chris Argyris (1997) of Harvard graduate school based on his research, found some common elements:

“All were staffed by brilliant people who knew what to do. They were right. Yet, when the circumstances changed, these brilliant people failed to see, accept or adapt to these changes. They failed to learn. Any company, which aspires to succeed, must first resolve a basic dilemma: success depends on learning, yet people do not know how to learn”

Everyone is trying to change. Somewhere it is planned change efforts and somewhere adhoc. Somewhere there is vision and somewhere it is without vision or with short-term vision. Societal values that one sees being practiced in organizations are mostly based on short-term focus and an emphasis on shortcuts. Perhaps because of a ‘trader mentality’ we do not seem to have the patience and energy needed to bring about stable and major change and look for quick solutions. Many change efforts tend to be cosmetic and piecemeal. Consequently, they fail to bring about real and enduring change.’
We claim to know a lot about managing change. Why then we find it so hard to bring about meaningful change. The most critical barrier to change lies in the lack of belief in and passion for change at the level of top managers. They may say all the right words, publish them in annual reports and speak about it in seminars, but deep in their hearts, they neither believe in nor act upon what they say. This is one of the important gaps due to which we find it so hard to manage change.

It is also commonly observed that senior executives and the employees see change differently. For senior managers, change represents an opportunity for the business and for themselves. The employees see the change as disruptive, with the fear of unknown. We do not make serious efforts to bridge this gap and fail to accelerate people’s understanding of and commitment to change. A globalized economy is creating more hazards and more opportunities for everyone, forcing the organizations to make dramatic improvement, not only to compete and prosper but also to survive. Whenever human beings / employees are forced to adjust to changing conditions, pain is ever present and we also make lot of errors.

In many cases we also find that organizations continue their dependence on yesterday’s strengths, which may not be relevant to contemporary market conditions. Most companies do not anticipate the need for change and just react to events, resulting into negative and traumatic responses that does permanent damage to morale and trust. It has also been observed that many organizations, through downsizing, consolidation, restructuring etc, have been successful in reducing costs, while certain quality and re-
engineering efforts have helped in removing inefficient steps in work processes. Those efforts helped them turn around businesses, making them more streamlined. Such turnarounds can not, however, be termed as transformation or change. Transformation changes the fundamental image of the business as seen by customers and employees and focuses on creating mind share more than market share. Through turnaround, by exerting pressure by almost every modern management practice, employees work lives might change but not always for the better.

Ever since the floodgates of competition were thrown open, we have been shaken and stirred, forced to re-examine various aspects of business and even organizational structures. Leading that effort has been the man on the top. A leader's preferences are likely to be reflected in the style of transformation. Mckinsey (1995) studied 25 companies to understand their method of transformation and as per the report most of the change leaders were imperfect, and none was impartial. All aspired to improve their companies while meeting certain personal objectives. All were blessed with some degree of management and leadership skills; a few were outstanding at both. More interesting than their weaknesses though was the formative role their aspirations and preferences played in shaping the change programme. Whatever a company's potential, transformation is doomed to fail unless change leaders, with selfless spirit, can release and orchestrate the energy within the organization.

Peter Senge in an interview by Fast Company (Internet) says: “It is not simply a matter of more resources, more time, more money, more consultants, more efforts or more
intelligence. It is not a matter of resources or intelligence. A lot of competent executives fail at producing and sustaining momentum around change. That suggests that something more universal is at work here. The most universal challenge that we face is the transition from seeing our human institutions as machines to seeing them as embodiments of nature. We need to realize that we are a part of nature, rather than separate from nature. The thinking and acting of the past 200 years – nurtured in Europe, accelerated in United States, diffused throughout the world today – is a machine mindset. That mindset directly affects how we see organizations – and, therefore, how we think about creating change in those organizations. If you use a machine lens, you get leaders who are trying to drive change through formal change programmes. If you use a living-system lens, you get leaders who approach change as if they were growing something, rather than just ‘changing’ something. Nature doesn’t change things mechanically: you don’t just pull out the old and replace it with the new. Something new grows, and it eventually supplants the old. If you create compliance-oriented change, you will get change – but you will preclude the deeper processes that lead to commitment, and you will prevent the emergence of self-generated change.”

In the backdrop of sharp discontinuities with the past modes of conducting business, we find a crisis of vision and erosion of human values. Any change process based on techno-economic considerations to the oblivion of human values is bound to disrupt interpersonal relationships within the organization.
In most organizations structural and system changes became increasingly dysfunctional as they ignored the basic dynamics and spirit of human values. The truth is that only value-based institutions that evolve from the wisdom of the soil can bring about enduring change. Asian countries such as South Korea & Singapore have made proper adjustments in the managerial technology to suit the local environment and culture to implement change processes in their business organizations instead of aping western management practices.

While transferring technology, there is a tendency to transfer some of the managerial practices and systems also on the belief that these management concepts are universal and can be grafted anywhere. Accordingly popular concepts such as Quality Circles, re-engineering, downsizing, 5S, Kaizen etc. are being incorporated from abroad as potential solutions for meeting the challenges of change. While it may be easier to transfer and assimilate the technology know-how, the transfer of managerial technology is a difficult process because of the cultural gaps. The new systems are based on impersonal equations at work, dissolution of traditional hierarchies and emphasis on assumed contractual relationships – all of which are incongruent with the basic grain of Indian psyche. The outcome has been management of chaos, crisis, and manipulating structures. Anything but management of change in the real sense of the term.

It must, therefore, be accepted that the path of change never runs straight and smooth. We will have to work out strategies, ways and means to pass through these unexpected and
sharp curves, wild animals and other dangers which may be lurking near the path, so as to safely reach the desired destination.

1.7 Why Study of change is important

In his insightful book Future Shock, Alvin Toffler (1984) argued that humanity is now a part of an environment so unfamiliar and complex that is threatening millions with 'Future Shock'. Future shock occurs when the type of changes and the speed of their introduction overpowers the individual's ability to adapt to them, with the result that one can no longer absorb change without displaying dysfunctional behaviour. The problem arises not from a particular change one cannot handle but from the fact that society itself is in a state of flux. Since so much is changing, new ways of dealing with this 'temporary society' are needed.

The study of organizational change is important because global and societal change is both pervasive and persistent. We live in a rapidly changing world, witnessing collapse of communism, liberalization of economies, massive advancement in computing and communication technologies, unprecedented level of global competition. Such epoch-making transformations will alter the way we are going to live and work and will also fundamentally alter the way in which organizations perform their daily functions.

In this age of vast and fast technological changes, we can not survive unless we move with the times. We need to innovate fresh methods for employee motivation, new technologies, processes, work methods and new approaches to ensure continuing
customer satisfaction. There are no neat solutions. We need to evolve a process of creating advantages and leveraging opportunities.

Today’s globalization is a process in which geographic distance becomes less a factor in the establishment and sustenance of border crossing, long distance economic, political and socio-cultural relations. Anybody anywhere in the world can contribute to the solution of any problem in the company, no matter where it occurs. We have to find an answer as to how do we organize the company to recognize that fact and also how do we organize around the flow of information rather than geography.

Think about communities of individuals forming around issues, dealing with the issues, and reforming into other communities around other issue. We need an answer as to how do we build communities of people separated by both time and space that trust each other so that they could function effectively. How do we move the entire organization to wherever it is needed at any point of time?

The rate of change of the business world is not going to slow down anytime soon and the competition in most industries is bound to speed up. Companies are likely to face even more terrible hazards as well as opportunities. Therefore, corporate leaders have no choice but to make decisions in a world where the complexity of change has become overwhelming irrespective of geography, industry or market. We, therefore, need a sophisticated understanding of the new core competencies needed to navigate and to prosper into the future decades.
An important challenge is to identify and nurture sources of competitive advantage. Earlier the competitive advantage was seen as arising from technology, markets, people and access to capital but the present competitive environment has negated these traditional sources of competitive advantage. The changes in the global economy have created a situation where all the competitors have almost equal access to these traditional sources. In the face of it, we should be able to identify the remaining sources of potential competitive advantage.

The new century is the century of the mind, it is the century of knowledge. We see today, that there has been a sea change in the economic, political and technological environment the world over. Age old attitudes and mindsets are being discarded everywhere and we need new mindsets at all levels in the organization. If everybody is critically important to the organization’s ability to close the gap with the customer, then how do we expand the minds of our associates, creating new attitudes and mindsets so that they could be the best that they can be? How do we deliver learning anytime and anywhere?

First class quality, competitive pricing and drastic cost cutting are still not enough and the battle is for speed and innovation. We need new ideas and the new processes that should enable to win the customers. Speed of response to the customer is, thus, becoming of paramount importance in the competitive market place. How do we have the same speed of response at the farthest reaches of the company?
Our management sciences are heavily influenced by the western concepts and practices. While transferring technology we also tried to copy their management systems. If one system or concept works well in one culture, it is not necessary that it would be successful in another culture, as well. Since countries in the west are more advanced and basic concepts in most cases are universally applicable, rejection of western Concepts and techniques would be an over reaction. However, it must be remembered that systems and practices are developed keeping in mind the specific cultural needs of the society and because of the vast cultural gap, crude and outright transplantation can not and has not succeeded. We should take what is good for us and supplement it with learning, specific to our Context. Unfortunately, people often talk on this issue in clinches only.

We should never believe that the changes we have been able to bring about are the end of change. There is always another wave breaking on the shore.

1.8 Objectives of the Study

Any business in a Volatile universe that is not dynamic and flexible will soon be out of business. This dynamism calls for a shift in our approach from reactive management to a pro-active and innovative one. We should be able to go beyond merely responding to situations and be able to anticipate and prepare for the future needs. There is, therefore, a definite need to formulate a culture specific strategy to meet the challenge of changes occurring from moment to moment. The study is in the direction of fulfilling the said need.
The dynamic shifts in the forces that drive global competition require the managers to have courage to experiment with new ways of doing things, and the flexibility to respond very quickly to situations. These traits can be developed only when touch upon the subjective domain of wisdom, which springs from the culture of the soil. The study, therefore, focuses on bringing about more fundamental value based transformation.

Organizational leader must have some basic understanding of the organizational culture and related environmental forces affecting his actions and outcomes. Leaders as agents of change must explore the root of the cultural heritage reflecting organizational values, beliefs, codes of conduct and often unconscious human values, which are culture specific. They express a deeper reality and a purpose of existence for the organization and it’s members. The study, therefore, tries to establish that only value based leadership, which operate from the state of consciousness and which undergo self-transformation can bring about real and more enduring change.

Change has become the mantra of the current era. The changing and increasingly complex environment around organizations, the changing values, the changing expectations and demands of users of organization’s products and services are being addressed by one or more variety of powerful techniques. While these techniques might be necessary, they are not sufficient conditions for effective change. They do not work well enough. Something is definitely missing. Change necessitates a holistic, integrated approach to the problems of the organization, conceived as an extension of larger communities such as society and country and can not succeed only with isolated grafted
techniques. Management of change must ensure that the equilibrium between human beings and nature and the basic harmony between human beings themselves is maintained. The study, therefore, aims at establishing that all change efforts must be culture and value based and through enrichment of human consciousness.

Lastly, the objective of the study is to integrate the available perspectives, theories and practices in one place. There are number of studies on organizational change and enormous amount of information on areas of leadership and values. What we lack is synthesizing this vast amount of information and presenting it in an integrated form for practical use. In the study, an effort has been made to put together the current theories, models and practices on managing change. Effort has also been made to put both, the content and the process in the context of Indian culture and ethos and to find a synthesis between Indian cultural heritage and modern management concepts.

In sum, the objectives are as follows:

♦ Documentation of planned change process, through participant observation, which spans over three years.

♦ Formulate a culture specific strategy to meet the challenges of change, occurring from moment to moment.

♦ Focusing on bringing about more fundamental value-based transformation, with the help of subjective domain of wisdom, which springs from the culture of the soil.

♦ To establish that we need a holistic, integrated and value-based approach, through enrichment of human consciousness, for managing change.
To establish that only value-based leadership, which operate from the state of consciousness and which undergo self-transformation, can bring about real and more enduring change.

To put together the current theories, models and practices on managing change in the context of Indian culture and ethos and find a synthesis between Indian cultural heritage and modern management concepts.

1.9 Organization of the Thesis

In chapter 2, along with organization profile, the research methodology, which is basically participant observation, is discussed in detail.

In chapter 3, all literature on managing change is reviewed followed by a description of pre-change scenario at Escorts, the change process, the interventions, experiences and lessons drawn are presented in the context of the review of literature. All through the chapter the experience and interventions draw support from the change management literature. This chapter also presents a summary of the process and lessons drawn in managing change.

In managing change, the leadership as well as values emerge as critical variable that facilitate or make change happen. It is, therefore, important to understand the nature of leadership that facilitates change. Since the setting is in India where the change process has been observed and studied, the Indian culture, philosophy and values have significant role in shaping and moderating its impact. Therefore, the chapter 4 is devoted heavily to review the literature on leadership, Indian culture and values and its impact on leadership.
Review of literature, both in India and globally suggest that values play a very important role and it is value-based leadership which makes the difference. As the researcher observation indicated the importance of values and value-based leadership in bringing change in Escorts, a full chapter (chapter 5) is devoted to review the literature of value-based leadership and leadership qualities.

The final analysis and impact of value-based leadership has been described in chapter 6 and insights gained from the study are presented in the last chapter.

The conceptual framework of change, leadership and values has been dealt with in detail. For the purpose of linking it with the events in the case study, there is periodical shift between the theme and the sequence of events, with possible analysis and explanations.