

**Chapter-5**  
**CASE STUDIES ON THE ROLE OF LEADERSHIP IN**  
**MANAGING CHANGE**

The previous chapter presented the results of quantitative analysis conducted through a survey given to employees at different organizations, whereas this chapter presents case studies on International Crop Research Institute for Semi Arid Tropics (ICRISAT), Indigm Consulting Ltd and Oil and Natural Gas Corporation (ONGC). As the study is concerned with the role of leadership behavior in managing change considering the particular change context, case study has been used. Case methodology is used to understand the undercurrents of a particular change phenomenon which are unique to an organization, yet generalization is not possible (Yin, 1994).

Since organizational change is typically an integral part of the leadership process (Bennis & Nanus, 1985; Kotter, 1990; Tichy & Devanna, 1986), events such as achievements, failures, challenges, opportunities, and crises constantly reshape leadership experiences for both the leader and the led. Because leadership behaviors during periods of change is a relatively unexplored domain, a necessary part of this study's design approach was to determine what existing theories, concepts, and methodologies might be used to understand the leadership behavior in the context of change. Thus, this chapter uses case studies to ascertain employees' own understandings of change (management, processes and practices) within selected organizations. The emphasis of the case studies is to assess the employees' work environment and to understand their attitudes, feelings and perceptions of organizational change.

### **5.1 Choice of the organization**

The endeavor of this research is to examine the role of leadership behavior in managing change. As each organization is unique, so the process for managing change is unique. The scope and extent of the change, the culture, the context and the characteristics of the stakeholders involved influence each and every change. Therefore, it is imperative to

examine the leadership of change initiatives within the context of particular organization cultures.

This chapter presents case studies in three different organizations because of the unique nature of the phenomenon. Each case study presents an exceptional understanding in the leadership of change within the organizational context. The three organizations chosen were International Crop Research Institute for Semi Arid Tropics (ICRISAT), Oil and Natural Gas Corporation (ONGC) and Indigm Consulting Ltd. All organizations selected belonged to different sectors and had different work cultures.

ICRISAT was selected as it is an agricultural research institute and not for profit organization and the institute had faced a major crisis in the year 2000 and it underwent a transformational change to bring the institute back to its old days of glory. This case study brings out the various challenges faced by the Director General, Dr. William Dar when he took over and how he managed change in transforming the organization. Also, ICRISAT is a large enough company in order to gain sufficient insights, and also because of access to information/data and for unrestricted permission to conduct research.

Indigm Consulting Limited, a private information technology (IT) was selected as the challenges and issues of managing change in an IT company are different. The drivers for change in the IT industry are highly complex and uncertain. In recent years numerous changes both in back end technologies as well as in consumer expectations have contributed to increase the complexity of the IT infrastructure. This case study brings out the unique aspects of the change initiative implemented due to the legislative forces and the way the change process was dealt with, provided unique insights into the process of the change management in a private IT company. It also brings out the leadership behaviors of the CEO of the company in managing change and making it more resilient to future changes.

Oil and Natural Gas Corporation (ONGC), a public sector company was selected as the organization culture in a public sector organization is totally different compared to a private organization. Public sector organizations are often perceived as resisting change. However, in present times, public sector organizations are continually searching for ways to improve the efficiency and effectiveness in their service delivery. Management of change is a key requirement for success in these endeavors. Most change management research in India,

however has been done specifically in the private sector. The objective of selecting ONGC, therefore, was to identify factors responsible for successful change management unique to the public sector energy company. This study should also be valuable in providing the government a basis to formulate successful change strategies. This study highlights how the leadership of Subir Raha, the chairman of ONGC brought about a change in its strategy to reduce risks and achieve financial stability through corporate rejuvenation programme to put it on a path of steady growth.

## **5.2 ICRISAT Case Study**

### **5.2.1 Data Collection Strategy for ICRISAT**

In order to have a clear view of the change process and to better understand the situation, employees were interviewed from different departments, at different levels of management, with different roles in the change process in the organization, and, as observed after the interviews, with different opinions about the organizational change. Data collection strategies was designed to capture organizational members' accounts of change across time and the role of leadership in managing the said change and also to understand how the organization culture and structure impacts the management of change and how the leadership behavior influences the level of resistance to change and its impact on stress on employees and employee satisfaction. The method of data collection chosen for this case study was informal and formal interviews, that sought to gain information on the perspectives, understandings and meanings constructed by people regarding the events and experiences of change (management, processes and practices). This study relies heavily on semi-structured interviews, formal interviews and analysis of organizational documents.

### **5.2.2 The Interview Process**

After receiving permission from the DG of ICRISAT, in March 2010 the researcher interviewed the employees on an informal basis (informal conversational interviewing) regarding current and past work processes and practices. A total of 10 informal interviews

were conducted and those participants were chosen who had been with the organization for at least 12 years. The criterion of 12 years was selected, as the crucial period under study was the year 2000. The participants were all middle level managers and senior scientists, who were asked questions related to the crisis faced by the organization, probable reasons for the crisis, employees' morale at the time, research output effectiveness, various actions taken and their impact on the human resources effectiveness, team work, empowerment. All comments echoed by employees were noted by the researcher. Managers and scientists were all asked the same guiding questions which formed the basis of discussions. This informal interviewing allowed maximum flexibility to encourage participants to provide information on employees' views on current and past workplace processes and practices within ICRISAT. Participants were also informed that their anonymity would be protected and the data would be aggregated and individual respondents would not be identified. However, due to time constraints and the number of processes and practices involved, viewpoints relating only to what employees considered important, were noted by the researcher. In most cases, the employees did not hesitate to respond to the questions and were quickly engaged in conversational dialogue. At the end of interviews, participants were always asked if they had any final words, which usually led them to provide recommendations.

In November 2010, the top level employees which included the DG, DDG, the various project directors, especially those employees who had been with the organization since year 2000, participated in the phase two of data collection process that is the formal interview process. A total of 8 formal interviews were conducted which lasted approximately one to one and a half hours. The research questions as stated in chapter one helped to guide the process of the interviews and provided a context to develop an interview guide consisting of questions and statements to assist the participants in reconstructing their own experiences. The guiding questions which led the interview are placed as Appendix-C. The interview process was not a structured question and answer session. Rather the questions guided the process and helped to facilitate a discussion with the top managers, allowing for individual differences and similarities among the participants. With permission, the interviews were audio taped to support and clarify the written documentation that was also taken in note form by the researcher at the time of the interview.

### 5.2.3 Company Background

During the sixties and seventies the widespread famine and scarcity of food in the underdeveloped countries of Asia and Africa brought together many countries, organizations and Institutions in the fight against poverty and hunger. It was felt that the most important issue that needed to be addressed in these countries was inadequate food security. These countries had poor crop yield due to infertile soil, inadequate rainfall and non availability of good quality seeds besides government apathy. The importance of agricultural research was recognized and after extensive consultations and research an informal network was established and this body became known as Consultative Group for International Agricultural Research (CGIAR)<sup>1</sup>. CGIAR grew to 16 centers, mainly located in the developing nations.

ICRISAT was first of the centers established by CGIAR in July 1972. In addition to the main centre in India, two regional hubs were established in Africa (Kenya and Mali) and four centers were established in Niger, Zimbabwe, Malawi and Mozambique. The primary reason for having most of the centers in Africa was due to fact that the poorest of the poor were based in this region and there was an urgent need to address the poverty in this area. These regions which were arid and dry during most of the year came to be known as Semi Arid Tropics (SAT)<sup>2</sup> and it was observed that agricultural development in these regions was in a state of neglect. Apart from poor yield due to harsh weather conditions and land degradation, these regions had additional problems related to population explosion which was posing major challenges on agricultural production to feed the ever increasing population.

ICRISAT's vision was primarily to improve the well being of the poor – focusing mainly on SAT regions. Its mission was to help rural farmers to increase agricultural productivity, provide food security, reduce poverty and protect the environment through agricultural research. In pursuit of its mission, ICRISAT harnessed the power of technology for agricultural development, food security, poverty alleviation and environment protection, targeting at poor rural families. Its primary objective was to carry out agriculture research to help rural farmers of SAT to improve the quality of crops, crop yield and produce drought

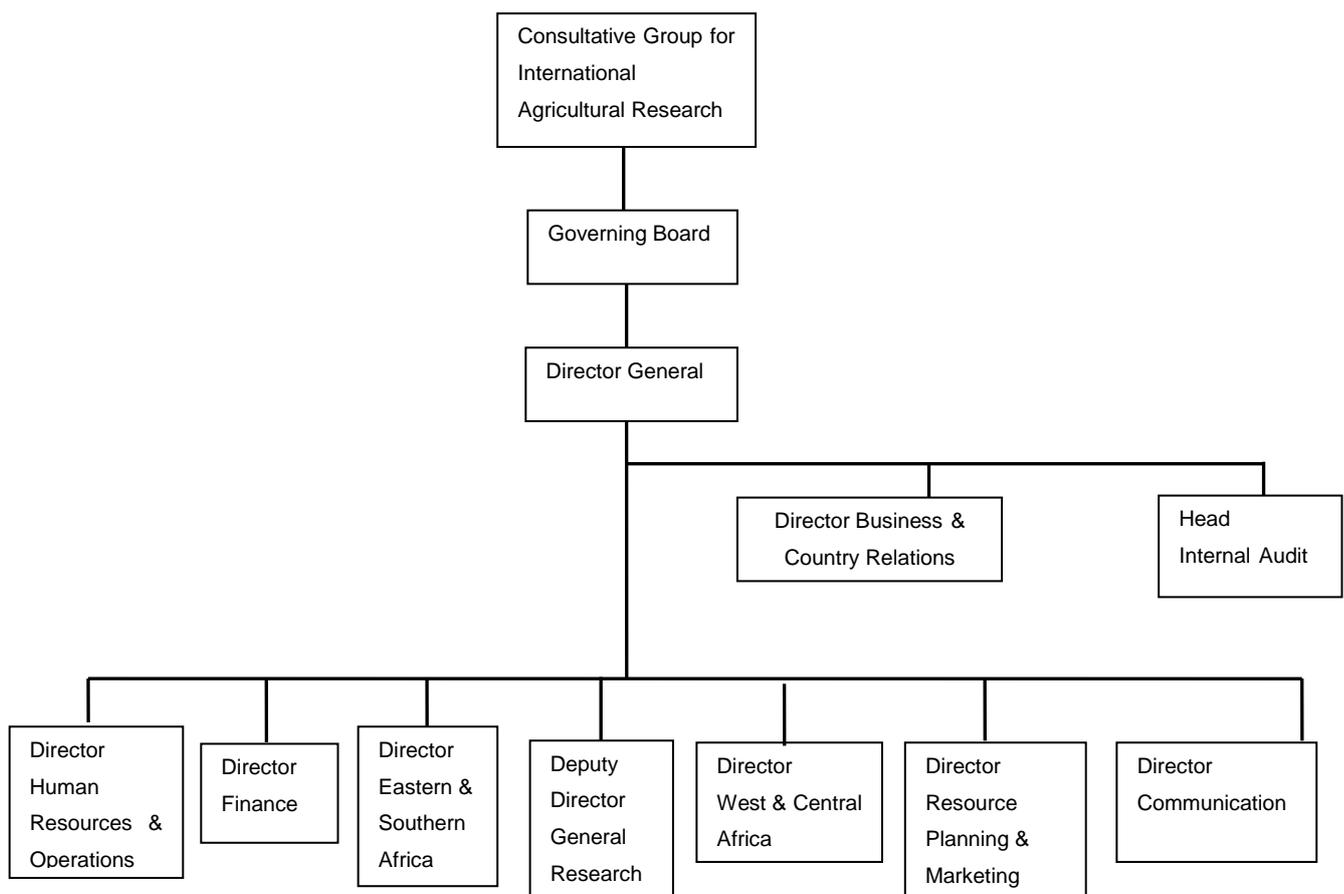
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<sup>1</sup> [www.cgiar.org/](http://www.cgiar.org/)

<sup>2</sup> SAT regions cover parts of 55 developing countries where growing seasons are very short and separated by very hot and dry periods in which growth without irrigation or stored soil moisture is impossible.

resistant crops that could provide them with an opportunity to increase their household income through higher productivity of land.

Director General (DG) was the functional head of the institute and at the top of the hierarchical ladder at ICRISAT. The DG was assisted by seven senior management personnel who were either Deputy Director General (DDG) or Directors responsible for guiding him in their respective areas. The DG, DDG and the Directors of the scientific and administrative areas constituted senior management team at the Centre and were essentially responsible for managing the day to day operations of the Centre, maintenance of morale and scientific ethos, and strategic and operational effectiveness and efficiency. In addition to nurturing and enabling a collaborative environment, the DG was also required to maintain diplomatic and public relations beyond the physical boundaries of the campus. The organization of ICRISAT and its various departments are as shown in Figure 5.1.



**Figure 5.1:** Organization chart of ICRISAT

**Source:** <http://www.icrisat.org>, accessed on 15 Oct 2011

#### 5.2.4 Crisis at ICRISAT

In the year 2000, when Dr William Dar took over as the DG of ICRISAT, the research institute was in a state of upheaval. There were several things that bothered him, from overgrown shrubs to uninspired employees and a generally uncongenial environment. As a result, the sprawling 3,000-acre campus appeared desolate. He politely conveyed his concerns to the chief of general service; however, even after a month, there was no visible improvement to the campus.

The institute from a magnificent past had reached a level of a moderate and lowly present. Employee turnover rates were unusually high at 30%, particularly at senior management levels. Prior to Dr. Dar's appointment, the institute had been through four director generals and four deputy generals (DDG) in quick succession<sup>3</sup>. These years had been the worst in the history of ICRISAT as the institute lacked a consistent driving force, had a misguided sense of direction and its employees lacked motivation. Dr. Dar reminisced,

*The years before I joined, ICRISAT was going through difficult times. Due to various reasons, the period from 1997 to 2000 was tumultuous for the institute due to decisions relating to layoffs, low motivation of employees, reduced funding by the donors and a high senior management turnover. All these issues had led to reduced research output and loss of faith in ICRISAT management amongst the donors.*

The direct outcome of this had been a drop in research output. This was viewed adversely by the governing body and it decided to reduce the funding further and asked ICRISAT to achieve self-sustainability. In view of the reduced funding, CGIAR had assigned the task of assessing the viability of the organization for the future with further financial reductions to the ICRISAT management and Board and also to put forward a definite plan for its contribution to agricultural development even with cuts in funding. In addition to this, ICRISAT was due for a major external review from CGIAR in the year 2000. The ICRISAT management and the employees felt the heat and anticipated the abysmal times in the coming future. The dire need to perform despite huge cuts in finances had become a necessity in order to survive and sustain and had resulted in high stress levels of the people.

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<sup>3</sup> Report of the Fifth External Programme Review of the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), January 2004

Another major issue that beleaguered ICRISAT was that of low staff morale. Though it would have been the result of the other burning issues like dwindling funds, crippling leadership, uncertain future, but was taking ICRISAT towards bankruptcy. Just prior to Dr Dar's taking over ICRISAT, the management in a quest to perform even under reduced funding had taken a decision to downsize the institute. In the process of reducing the so called flab, the institute had forced many experienced senior employees in accepting a golden hand shake. Many senior scientists and competent staff got weary of this move and opted for voluntary retirement scheme and joined other more stable research organizations. The added and unjustifiable workload after the exodus further demoralized the staff who had stayed back and the research output suffered further. Though a need for creating new staff positions was felt by the leadership, the financial cuts in the past few years made it practically impossible to implement any new plans. The reduction of funding and reduced staff had started reflecting on the quality of research and effectiveness of programmes at the institute, the outcome of which was that serious concerns were being raised by monitoring and donor agencies.

Also, the employees at the institute had been progressively disempowered and despite a robust organizational setup and a relatively flat organization, the employees had lost the power to take independent decisions and had to revert to their superior for small and insignificant decisions. This was due to the fact that the previous leadership had created systems which were not conducive to change, which made the organizational structures and systems more rigid. This had led to an increase in futile communication in the institute, wherein middle and senior level managers were burdened with taking decisions on inconsequential issues, which were earlier handled by their subordinates. Lack of decision making also resulted in delayed research output, which seriously marred the institute's chances of getting donor support.

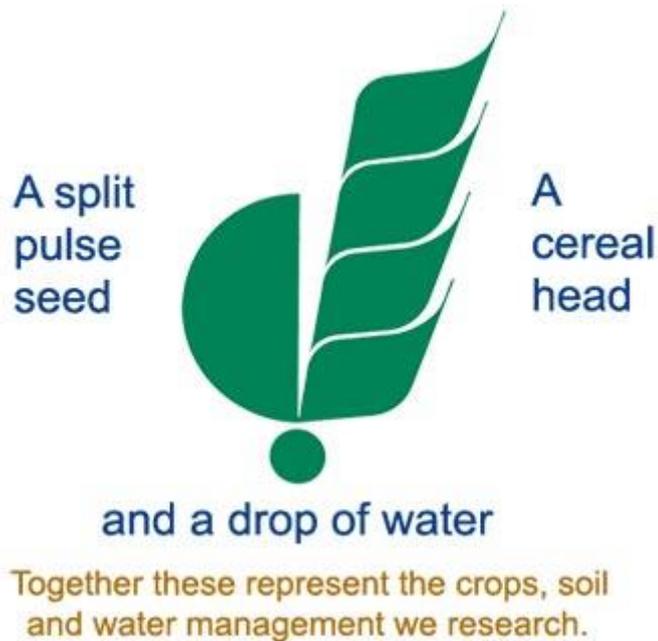
Another issue which had been the cause of significant turmoil in the institute was the issue of closing down most of the operations in Indian centre and shifting of ICRISAT headquarters to Africa, thus questioning the very existence of the institute in India. Due to the reduced research output at ICRISAT, an external review panel in the recent past had indicated that there was a need to shift the major portion of administration and research to Sub Sahara Africa (SSA). Since the time Dr Dar joined ICRISAT as DG, there was

tremendous pressure on him to commence the process of shifting the ICRISAT Head Quarters from India to Africa.

### **5.2.5 Initiation of Change**

The arrival of Dr. William Dar at the institute in the year 2000 marked a new era in the leadership of ICRISAT. He began to take control and started asserting his leadership – by serving his staff. He realized that first the staff at ICRISAT needed reassurance in terms of job security as well as directions for the future path, which had to be aligned to the vision of the institute. He was a visionary and clearly saw the future, way ahead of others. With good conceptual skills and the ability to think beyond the day to day realities, he looked at the organization from a broad and strategic perspective. New vision and programme structures were defined. The Institute's new vision was defined as: "Improved well-being of the poor of the semi-arid tropics through agricultural research for impact". The mission was defined as: "to help the poor of the semi-arid tropics through Science with a human face and partnership-based research, and to increase crop productivity and food security, to reduce poverty, and to protect the environment in SAT farming systems." In fact, he was instrumental in formulating the new insignia for the institute based on the broader vision. The original and new Logo are shown in Figure 5.2. This new insignia emphasized on the human element in the research outputs and was shared with the employees, who could understand the new vision of ICRISAT and also comprehend the new leader's broader vision for eradication of poverty and providing food security to the poor.

The original ICRISAT logo, created in 1972



The present day logo, incorporating a human element in the design.



**Figure 5.2:** ICRISAT Logo- Old and Current

Dr. Dar's leadership approach towards achieving the vision and mission was to enable the environment. He built 'TEAM ICRISAT' to improve the commitment and participation of the staff. He trained staff to internalize the concept of teams and empowered teams and established effective communication channels across teams and management. Dar personally interacted with the employees at all levels to drive home the point that his thrust in the concept of 'Team ICRISAT' was not a passing fad, but his genuine belief that the institute would be back on track if it inculcated confidence in its employees and actively encouraged teamwork. According to Dr. Dar,

*Outstanding people make outstanding organizations. Human resources are the most essential in building great institutions. Consequently, outstanding people give confidence to a leader in delegating authority and responsibility. I delegated authority and responsibility to my Regional Representatives in sub-Saharan Africa. We also gave wide latitude of decision-making to our Global Theme Leaders and scientists.*

To increase funding and donor support, it was crucial for ICRISAT to enhance its accessibility and visibility. Getting revenues for the institute was the prime responsibility of the DG and it depended, to a large extent, on his negotiation and networking skills. This single handed procurement of the funds by DG required a major change, as for getting funds from different donors from across the globe in a short period of time was very difficult.

Thus senior management teams were created to liaison with various organizations and also private donors in different parts of the world to improve the funding of the institute. These senior scientists were given complete autonomy to utilize their personal networks and plan their visits to other countries with the objective of procuring research funding for the institute. This change in policy got a mixed reception from the senior employees. As Dr. C.L.L. Gowda, a senior scientist at the institute mentioned,

*Those were difficult times for all of us and I was not sure whether we could, with our own personal and professional networks built with so many years of working in ICRISAT, help in improving the funding of the institute. However, it gave me a sense of belongingness to the Institute and finally it did fetch results.*

Further, scientist led teams were created at all levels to understand the various issues of the farmers in terms of poverty alleviation, tackling poor soil condition (infertile, drought-stricken, eroded soil), addressing incorrect farming methods, lack of access to credit, inadequate technology dissemination, poor seed availability, poor harvesting methods, inadequate water supply, lack of access to markets, poor distribution of the benefits of production and inadequate private sector participation in small agriculture for big business. These scientists were also empowered to take decisions on various programs to be initiated to achieve the institute's objectives. All this was meant to encourage communication at all levels which resulted in increased participation and commitment of the staff.

William Dar also enabled ICRISAT to engage in a structured bottom up Institute-wide strategic planning process which had a positive impact on the corporate morale and team spirit of the 'TEAM ICRISAT'. Apart from mobilizing the workforce, attention was also directed to reconciling the political tensions within and outside the Institute. At the same time, leadership was provided for further enhancement of the agricultural research. Under his watch, the staff and partners were mobilized to carry out agricultural research tailored to help the poor farmers in the SAT region. He also saw to it that a culture of scientific excellence was institutionalized and nurtured. All these efforts improved the morale of the staff and eliminated institutional uncertainty thereby converting the institute into a strong, stable organization. It restored confidence and optimism in the organization and met the needs and aspirations of staff and brought about transparency in decision-making.

Another novel concept envisioned by Dar was Public-Private Partnership. Dar believed that unless the end product of research reached the farmers, the entire effort of agricultural research would be futile. Thus under his stewardship ICRISAT started an innovative concept of public-private sector partnership. Giving momentum to the concept of partnership, the relationship at the scientific and administrative levels between ICRISAT and Indian Council of Agricultural Research (ICAR) under the Ministry of Agriculture, Government of India was dramatically improved. In addition to its long standing collaboration with ICAR, linkages expanded to include universities, other public institutions and private sector and foundations in India. These partnership initiatives helped the institute in taking the research outputs to the farmers and in formulating a system wherein the farmers were not only given the resources but also the knowledge to implement these new technologies for improving productivity.

Keeping current with times, Information and Communication Technology was exploited, which permitted faster communication with all stakeholders especially farmers and also provided solutions for critical issues. In June 2003, The Virtual University for the Semi-Arid Tropics (VUSAT) for Asia was launched in India by ICRISAT together with the MS Swaminathan Research Foundation. According to Dr. Dar:

*The Virtual University will take the right information to the right people at the right time using new and conventional communication tools. It will help the Central and*

*State Governments in tackling natural calamities like drought. To mitigate the effects of drought there is an urgent need for sustained information, education and social mobilization effort among the strategic sectors of society, especially among the most vulnerable rural communities.*

### **5.2.6 The Leadership at ICRISAT**

Dr William Dar always looked into the needs of the people at all levels. He took initiative and saw to it that working conditions of the people were safe and did not hamper their health and well being. He had noticed people working in the fields had to spray chemical fertilizers and insecticides manually and there was also a possibility of them inhaling the toxic chemicals. He anticipated health problems in those workers and in order to provide safe working conditions he ensured that the workers were immediately provided with masks and gloves. There was also once a case where one of the support staff met with an accident and died on the spot. He not only visited the family and assured them of all help but also employed the spouse of the deceased employee and gave her an opportunity to work in the institute.

Dr William Dar always displayed ethical and exemplary behavior. He understood that employees of ICRISAT would be looking up to him for imbibing values and principles. He gave importance to simple living and high thinking and even forfeited some of the privileges given to him. Such behavior displayed by Dr William Dar, held him in high esteem in the eyes of the employees and he became their role model. The employees trusted him and strove to achieve institutional objectives and kept their self interests behind.

Dr William Dar understood the importance of communication not only with the employees but also with other stakeholders. The vision 2015 which was formed by Dr William Dar was communicated to employees at all levels through meetings and workshops. This enabled people sharing the vision and helped them in being optimistic and enthusiastic regarding the resurgence of ICRISAT. Further effective communication with external stakeholders led to various public-private partnership ventures for helping the farmers in utilization of various research outputs in their fields.

The move of ICRISAT to Africa was easily tackled by Dr. Dar. Within a week of being at the helm of affairs he had realized that it was in the best interests for the ICRISAT HQ to remain at the current location. He convinced the board about the strategic importance of the India campus location and about generating sufficient funds to increase focus and investment for Africa without transferring the Headquarters at Hyderabad.

Dr Dar's leadership transformed ICRISAT into a forward looking and dynamic institute. The turnaround of the Institute was possible because of Dr Dar's effective and human-oriented management, big picture decisions and innovations and the positive attitude and high morale he infused in the staff. There were more research outputs and impacts created by the Institute during the last nine years both in Asia and Sub-Saharan Africa than rest of its years of existence. ICRISAT was ranked 'Outstanding' consecutively in 2006 and 2007 among the CGIAR centers. In 2006, he led the whole Institute in the formulation of the new ICRISAT Vision and Strategy to 2015, a road map to empowering the poor in the dry lands. In 2009, a very positive Sixth External Program and Management Review (EPMR) pronounced that "*ICRISAT today is a thriving research institute with a unique capacity to address poverty alleviation, food security, and natural resource protection in the semi-arid tropics*".

After his taking over as DG, transformation of the institute was quickly recognized and ICRISAT won two King Bedouin Awards (2002 and 2004) and won one CGIAR Best Scientist Award (2002). It also won two Promising Young Scientist Awards (2003 and 2004) and was rated superior in 2003. The outstanding work of Dr William Dar was recognized at all levels and the Governing Board of ICRISAT appointed Director General, Dr William D Dar, for a third five-year term in office from January 2010 to December 2014.

### **5.2.7 Findings from the interviews**

Presented below are the inferences from the formal and informal interviews conducted with employees and the top managers. The interviews brought out the employees' viewpoints on the different work processes and practices within ICRISAT. The results are examined in the context of relevant theoretical strands of thought.

## **1. Need for Change**

Leaders must, according to Clappitt (2005), communicate why the organization is changing and thereby clarify the motives behind the change. This is something that ICRISAT had practiced according to the interviewees. All the interviewed employees agreed upon the necessity of the change to bring out the institute from the engulfing crisis. All of the interviewees who had participated in the initial meeting were positive to the way the change process was introduced. All the interviewees described it as a very unique way to gather all the employees and also to make the employees understand the need for change. Some of them were not convinced until after the initial meeting. All the interviewees after the meeting understood that a change was essential and also welcomed the change and they also believed that change was the only way the institute would come out of the crisis.

Most of the interviewees opined that change within the institute was something positive. However, some of them were initially doubtful about the change being able to turnaround the institute from the impending crisis.

## **2. Knowledge about the Change Process**

Some employees expressed that they were not completely aware of what exactly was going on in the institute. They knew that there was a massive change occurring and they were aware, that it would take time. However, not everyone was completely sure of what this change comprised and what it would mean for the employees in the future. It is in spite of this, they believed that the change would be worthwhile, even if it would not be an easy process. The employees had reached an understanding of the change being about renewing the profile of the institute. Although, many employees felt a bit stressed due to the pace and complexity of change and the amount of work at hand, however, there was an understanding that the institute was in the right direction, even if the change took longer time than expected. One of the employees expressed that though, the expected outcomes of the change from respective employees had been informed, however, it would be preferable if the management could also help with the practical issues as well.

Concerning the issue of whether the employees felt that they were allowed to participate in the change, it was expressed by some interviewees that they felt highly involved and were allowed to express opinions and that their opinions had been taken into consideration. Others felt that they had been allowed to express emotions, but only for that specific moment. It was also mentioned by some interviewees that in times of crisis, the management could easily deal with some opinions, but not everyone's. Most employees also stated that there was too much work going on at the same time, and even people in decision making roles felt insecure. However, in spite of this, the employees felt that the institute was passing through its worst phase and they had no other option but to have trust in the management and believe that the end result would be satisfying.

All interviewed employees knew the core values and the vision of the institute very well and in the initial meeting with the top management and the DG, they had emphasized the new vision of the institute.

### **3. Shared Vision**

All the interviewees believed that the new logo was readily accepted and understood by the employees and they could identify with the leader's new vision of the institute of eradication of poverty and providing food security to the poor. By putting a human face to science, ICRISAT dedicated its work to the poorest of the poor and emphasized that the research outputs should finally provide benefits to the farmers of the SAT (Semi Arid Tropics) regions.

### **4. Communication effectiveness**

To communicate with everyone in the organization, information was required to be presented in a consistent manner and in a variety of ways that was positive, informative, candid, supportive and timely. It required managers at all levels to be available for addressing the concerns of the staff. This also ensured that no information was missing or any misunderstandings occurred.

Most of the interviewees felt that before the change initiative took place, the existing systems were not effective for sharing information across levels and without the sharing of information vertically and horizontally, change initiative would have failed. In order to cater for this, establishment of an institute-wide information platform, a global intranet was done; an e-Library was initiated; and five types of learning initiatives was set up i.e. scholarly studies, joint project attachments, specialized skills course, ICT enabled learning, and computer-based tutorials. Employees knew exactly where their responsibilities began and ended. This was done by defining clearly and jointly, the goals, roles, boundaries and values. By defining boundaries people were aware of their respective areas, where they could act with autonomy. However, even after giving the employees' authority to decide their course of action and taking decisions in their area of work, the employees at all levels were monitored by their superiors and given adequate feedback. Also, the concept of 'Team ICRISAT' was ingrained into the employees by conducting workshops at all levels and also by putting up posters in the campus and whenever employees switched on their computers they saw messages linked to the theme of 'Team ICRISAT'. This enhanced commitment of the employees, improved communication between employees and the management, improved efficiency and brought down costs.

## **5. Managerial effectiveness**

Managerial effectiveness requires strategic thinking, decision-making, personal leadership, while maximizing the use of management systems to increase their contribution to organizational performance and growth. Top and middle level managers need to set goals and create plans for implementing those goals, share the implementation plan with employees through effective communication, arrange resources, have adequate control systems and reports so that they could put their time and effort into activities that yield maximum benefit for the organization. With regard to the issue of managerial effectiveness within ICRISAT, most employees expressed the view that there were genuine attempts by the top level managers to set specific and measurable objectives for various units within the institute and managers were effective in achieving goals most of the time. There were few situations when goals were ambiguous and unrealistic and could not be achieved. Though, most of the employees considered effective management at ICRISAT, however, they suggested few areas of improvement as given below:

- While devising action plans, it is important to consider the developmental aspect of people and processes.
- The institute needed to take full advantage of strengths or successes that occurred when work objectives were met or exceeded and reward the employees who were responsible for those successes.
- It is paramount to appraise the key elements of successful activities to help exploit the strengths of workplace processes and practices.
- Managers should involve themselves in the development and growth of staff reporting to them.

## **6. Organization structure**

Organization structure has an enormous impact on effectiveness and efficiency of the organization. There is no one best way of structuring an organization as it depends on various factors like organization strategy, technology, environment, size of the organization, etc. Ineffective organization structures could result in issues with coordination and integration of effort, decision making, flow of information, problem solving and mutual cooperation between functions or departments. Most of employees interviewed opined that:

- The organization structure at ICRISAT before the change implementation was rigid and had many management layers.
- However, as a part of the implementation of the change initiative, teams were formed at various levels which allowed for coordination and integrated effort and improved the commitment and participation of the staff.

## **7. Confidence in management**

People want to work for an organization where executives and managers are not only involved in leading and directing the organization through strategies and plans, but also look into their needs and aspirations. Before the year 2000, the employees indicated that they had lost confidence in the management and the morale of the workforce was low. However, after Dr. William Dar took over as DG of the institute and lot of change initiatives were

undertaken, slowly the confidence in the institute and the management started building up. The following viewpoints were stated by all the interviewees:

- Top Managers and senior scientists were respected as leaders.
- The various managerial decisions were based on sound business logic.
- Top managers were considered as role models.

## **5.3 Indigm Case Study**

### **5.3.1 Data Collection Strategy for Indigm**

This study employed the qualitative method for data collection. The qualitative methods used for this study were conducting interviews and reviewing company web site, documents, reports etc. Interviews of employees were conducted to gain insight into the pain and pleasures experienced by the employees. In-depth informal interviews were conducted with internal employees. The question structure was similar across respondents although it varied slightly with key informants who played unique roles relative to the organization. The guiding questions which led the interview are placed as Appendix-D. Respondents were assured of confidentiality so as to minimize any bias with regard to providing true perceptions. The respondents were selected through judgmental sampling keeping in view those employees who were directly involved with the change program and were in key positions like CEO, Vice President-HR, Vice President-Operations and Administration, Project Managers etc.

### **5.3.2 The Interview Process**

After receiving permission from the CEO and founder of Indigm in May 2013, the researcher selected employees for interviews. This study called for diverse and in-depth perspectives of the change programs, from employees who had varying degrees of involvement in the program and were at different hierarchical levels. The total employee population was around 120 and for the purpose of this study 12 interviews were conducted. The interviews were conducted face to face and each interview lasted around one hour. One

of the interview was conducted online using Skype because the employee was based at California, USA.

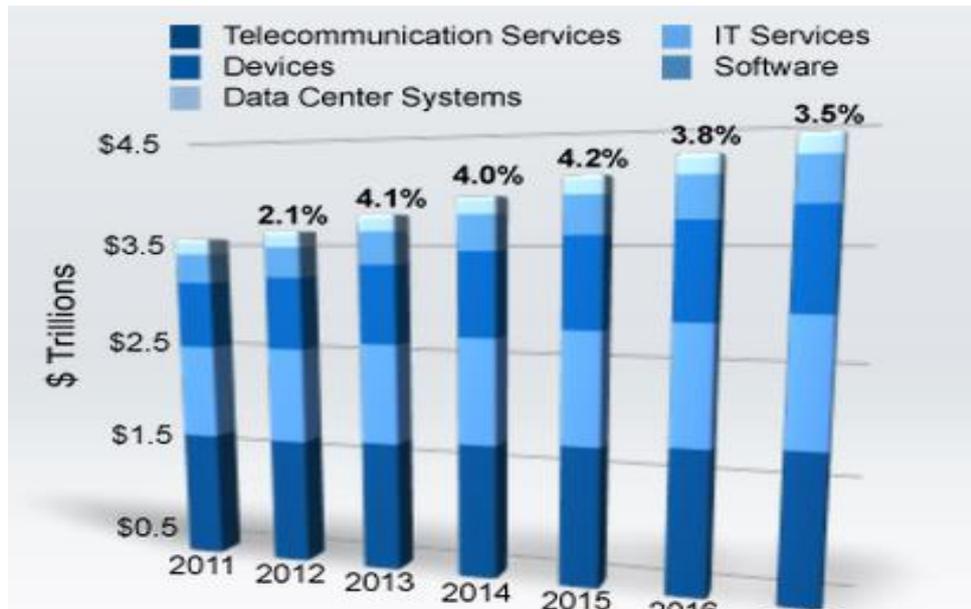
### **5.3.3 Company Background**

Indigm is a US based software development and consulting organization that started operations simultaneously in the US and in Hyderabad, India, providing innovative solutions in business, technology and process consulting. From a technology perspective the focus of Indigm was on the new age growth-drivers such as cloud, enterprise mobility, Data – Analytics, intelligence, reporting & maintenance and Geographical Information Systems (GIS). Indigm initially served its customers in North America, Australia and South East Asia from Indigm's development center in India. The intent was to let the client focus on its core business while Indigm looked after its peripheral project areas by taking advantage of its proficiencies and talent.

Abhishek was the CEO and founder of the company who was a US citizen but had moved to India due to his own yearning to get back to the roots. Indigm was conceptualized on the fact that its growth was not expected in a year or two but over a span of five years. This was based on Abhishek's extensive research on IT spending pattern at the global level, which showed a steady rise despite dismal state of the global economy. Gartner's worldwide IT spending forecast<sup>4</sup> showed that the annual projection on worldwide IT spending continued to point upwards and globally it could be seen that \$3.8 trillion would be spent across all categories with a rise of 4.2% in 2015. This was almost double the growth seen in 2012. Gartner also expected that this growth would be sustained for the next five years. The projected worldwide IT spending as expected by Gartner is shown as Figure 5.3.

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<sup>4</sup> <http://www.gartner.com/technology/research/it-spending-forecast/>



**Figure 5.3:** Projected world wide IT spending by organizations

**Source:** Gartner, Worldwide IT Spending Forecast

Abhishek's vision for IT sector showed that despite the euphoria of growth in the sector, new players who entered in this area would need to provide disruptive product, technology or service if they were to make a mark. On the growth of new age IT companies, Abhishek remarked:

*If there is no wind there won't be waves, and these new age IT companies need to provide the wind to create the waves. The bottom line is that the IT business is growing and there is scope for companies to grow. New companies need to deliver quality products and services and snatch business from existing players. It is with this concept in my mind, that Indigm was conceptualized.*

New developments in IT technologies such as virtualization, cloud computing and increased use of m-commerce have enhanced the need to provide varied services across diverse platforms. In spite of the growing complexity of the IT infrastructure and economic constraints affecting all sectors of the economy, IT organizations are expected to support strategic initiatives of the organizations in gaining competitive advantage by providing reliable, secure and continuous services. Abhishek was of the firm conviction that if Indigm was to survive in the current environment, it needed to focus on innovation and in being lean. It was required to keep its costs low in every aspect and also to provide quality services at the right price to the client. Indigm's strategies included outsourcing a part of its work from

Singapore and North American markets to India. Partial offshore outsourcing helped it in controlling costs and helped it in operating across multiple time zones, thus providing it with more service hours.

It also started out differently, when compared to typical consulting companies, which normally had a project or client at hand and then set-up operations. When Indigm started its operations, Abhishek was clear that he would first set-up a team of practice leaders who would be external consultants, but with a commitment to Indigm. He got this expertise by reaching out to his network and got the required leaders and skill sets within no time. Once the initial team was in place, Abhishek reached out to his social circle back in the USA, to tap the market which he knew well. In fact, to a large extent he knew who he was looking for, for offering those specialized services. His knowledge of the market requirement coupled with his reputation for timely deliveries made things easier for him. The key was to have the appropriately skilled resources to provide world-class services and this was achieved through a rigorous selection process.

Indigm had a flat organizational structure and in order to make the functioning more effective, Indigm had a decentralized system with individual team leaders being empowered to take decisions involving clients, in the interest of the client companies and Indigm. However, the critical decisions were referred to Abhishek. The software engineers, who worked in teams, handled their projects with the co-ordination of the team leaders. The team leaders managed their own projects and had the autonomy to plan working hours and place of work for the team members. This left Abhishek with enough time for strategic issues, firming up relations with prospective clients, visit USA, Singapore, etc. to expand operations. While there was a high degree of flexibility in terms of the mode of operation, the focus on timely deliveries and quality continued to be of paramount importance. This led to a high degree of client satisfaction and resulted in an increase in the number of projects and an increasing list of clientele. Abhishek's prior delivery track record also made it easier for the organization to sign-up more clients in a short time span.

### 5.3.4 Vision behind Indigm

While dealing with clients in North America, in the decade gone by, Abhishek had observed a gap that technology services providers could never completely fulfill. A service provider would initially provide business consulting service and follow it up with a technology group coming into delivering technology services. This became a path for companies to reach customers and then concentrate on increasing their revenues rather than meeting the customer's need at top priority. In the mad rush to show growth and margins, employees and clients would take a back seat. This is where the concept of Indigm was born. Indigm wanted to bring people back as a priority and hence Indigm's vision is to "*provide the best to our clients, employees and stakeholders.*"<sup>5</sup> People were the key focus in the vision, be it clients, employees or stakeholders. Thus, to provide the best to the employees in terms of good working conditions, autonomy and challenging work had become second nature for the top management at Indigm.

When asked about the meaning of Indigm, Abhishek stated:

*The name of the company embodies the vision of the founder and the name has been extracted from the words **IN**novative Para**DIGM**. Indigm as an entity aims to provide innovative paradigms on business and technology to its global clients. It aims at bringing different paradigms to every business need, look beyond the norm, provide what best suits the business and also creating value for the clients. Indigm endeavors to create better and more effective products, processes, services and ideas those are readily available for use by business and technology.*

### 5.3.5 Background of the CEO

Abhishek was born and brought up in Hyderabad, Andhra Pradesh and had a Master's Degree in Business Administration in Marketing and Personnel Management from University of Pune. He had an entrepreneurial inclination and began with investing in stocks right from his college days. The money he earned supported him during the period of study. What worked in his favor was that the Indian stock market was booming and almost every new

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<sup>5</sup> <http://www.indigm.com/> accessed on 15 March 2013

Initial Public Offering (IPO) was making money. This helped him in funding his own education. After completion of his MBA in 1994, he joined the Karvy Group<sup>6</sup> and worked with them for over 3 years. He had joined Karvy as a fresh graduate and quickly rose to become an assistant manager, responsible for the Equity and Database division within the group. He was also responsible for two publications that had a joint circulation of over hundred thousand every fortnight. As Abhishek puts it, *“this is where I learnt what attention to details meant.”* He then joined Complete Business Solutions Inc (which was later re-branded as Covansys) and moved to the US in 1998. During the year 1999-2000, Abhishek spent a lot of time traveling and delivered global technology solutions and worked in Hong Kong, Australia, China and New Zealand. During this period, he set-up Customer Relationship Management (CRM) practices for a couple of companies. In 2001, Abhishek was back at Covansys in the US and was later promoted as a Vice President in Covansys. Computer Science Corporation (CSC) later acquired Covansys and Abhishek worked at CSC as a Client Relationship Director managing a business of over \$50 million per annum.

Abhishek always had been a business traveler. Some of his ex- colleagues at CSC, who had started an IT company called Encore Software Services, wanted him to take over as Vice President, India Operations. He took up the offer and shifted base to India. Encore had a good presence in the US and hence there was scope for growing the Indian development arm. Abhishek was responsible for the complete operation of Encore’s India Division and was involved in activities ranging from building the leadership team, identifying an ideal office space, vendor management, employee policies, recruitment, training and complying with regulatory norms. After one year at Encore, he quit and wanted to start something of his own with the same zeal to add value to other businesses. Initially, he set-up Indigm Corporation in Santa Clara USA that was followed by setting up of India Operations as well. On entrepreneurship, Abhishek says:

*“I am often asked why I pursued a career as an entrepreneur. People who posed these questions assume that I don't want to work full time, but the fact is that I work for more hours, more odd hours than anyone I know. I am passionate about my venture.”*

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<sup>6</sup> Karvy Group is a financial service provider based out of Hyderabad, providing a wide range of financial services

### **5.3.6 Challenges at Indigm**

The major challenge faced by Indigm was when the US Federal Government enacted the regulation on restricting Offshore Outsourcing. This was enacted in response to US organizations expressing concerns about a perceived association between offshore outsourcing and the loss of jobs in the United States. In addition to this, data security was also a big concern. Some U.S. states enacted legislations restricting government agencies from outsourcing their back office processes and IT solutions work to companies outside the United States. The new restrictions on outsourcing could severely limit any future outsourcing and offshoring conducted in US. It was also possible that U.S. private sector companies that work with these states may be restricted from outsourcing their work related to government contracts.

The implications for Indigm were to build a development center at the US office so as to continue with the federal projects as 60 % of the revenues generated by Indigm came from US clients and out of that 30 % was from federal government projects. The implications at the organization level were that it would result in increase in cost of development as labor and other operating costs were much higher in the US. Also, building competent teams at a short notice in US for taking up the already running projects and winding up teams in India was a huge challenge for Abhishek. At the employee level, it meant laying off all the teams involved in projects dealing with the federal government. This would have impacted at least 30 employees out of the strength of 120 employees. The employees were stressed and the morale was low as they began to comprehend the gravity of the problem.

Abhishek had two options namely: layoff all the people involved in federal government projects in India and recruit a new team in US, or absorb all the people slowly in other projects and at the same time recruit a fresh team in US. The second option would incur costs till the time all people were not absorbed and over and above the cost of building a new team in US that too at such a short notice.

Another challenge that was faced by Indigm was that the market was saturated with service providers. Though, the global business environment had now become so dependent on IT that there would always be enough business in this area, but there was a need to create competencies such as GIS, eDiscovery etc. for specific domains that were not easily

available. This required Indigm to hire people who had the competencies and were aware of the latest updates in technology. These competent people did not come cheap. Indigm had to provide compensation that was way above the industry average for the country and higher than what the industry giants such as TCS, Wipro and Infosys were offering. The head of India operations remarked in the interview – *“we are selective in hiring and we don't mind paying a premium for the right candidate.”* This compensation strategy ensured that employees were not looking out on the sly elsewhere for better opportunities, thus reducing turnover too.

Employees too felt contented and satisfied working for Indigm. As one of the employees said;

*“I joined Indigm as a Fresh Graduate and I am glad I am with Indigm rather than with a large company. Here, I have the freedom to pursue my Master’s Degree and I also learnt a lot about technology. I received good technical training and I am getting paid more than my batch mates.”*

### **5.3.7 Change Initiatives at Indigm**

The legislative forces of the federal government had been the drivers of the change initiative at Indigm. Laying off people would have been an easy decision to take but most difficult to implement. In the last 7-8 years, Abhishek had built a team of people which was highly competent and committed and losing them to competitors would also be a loss to the company. He did not take this decision alone and met with the other senior managers of the company. It was decided to call for a general meeting of all the employees of the company and share with them the issues at hand. The meeting began with Abhishek, the CEO and founder of Indigm addressing all the employees and ensuring that the welfare of the employees would not be compromised under any circumstance. This improved the morale of the employees and they felt they were part of the change process. The meeting generated a lot of good ideas, out of which some were implemented.

Finally the decision was taken that no employee would be laid off except one software quality assurance professional whose performance was below standard and he was also terminated only after the completion of the contract period. The project managers of the two

current projects were provided technical training and cross-cultural training and relocated at a higher compensation to Indigm US office. The US office was entrusted with the responsibility along with the project managers for creating a development center at US. The project managers took charge of recruitment and training of the newly acquired employees at US.

At Indigm India, the surplus people were either involved in the already running projects and five others were sent to other IT companies to work on projects which matched their competency for a temporary period. This was possible only through Abhishek's network. They were still on the pay rolls of Indigm and they were brought back once the project got over. The employees at all levels were given commission to bring projects to Indigm. This certainly improved the revenue generation capability of the company and also commitment of the employees. This approach to manage change was very effective in the long term.

To compete in an already saturated market, it was imperative to provide a high quality service at the lowest price. Apart from offering new and innovative products and keeping updated with the technological advancements, it was also important to address the issue of process improvements in the existing processes. Abhishek created cross-functional teams and organizational processes were assessed and it was ensured that they add value and support the business vision and strategies.

### **5.3.8 Findings from the interview**

From the interview data, it emerged that a variety of managerial tactics were used to drive change in the organization. Presented below are the inferences from the formal and informal interviews conducted with employees and the top managers. The interviews brought out the employees' viewpoints on the different work processes and practices within Indigm. The results are examined in the context of relevant theoretical strands of thought.

#### **1. Creating an Urgency of Change**

The major change the company had gone through is the setting of the development center at the Indigm US office. The driver for change was change in the federal government regulations. There was no software development happening at US and the office dealt with

mainly building contacts and dealing with the current and prospective clients. The change was not only about starting software development in US but also work force planning at India office, as the people had become surplus. This sense of urgency was communicated to all employees who were impacted by the changes in the federal regulations. The employees recognized the urgency to change and because of this the reluctance towards the change implementation was low. Also, the market was saturated with competitors and it was important for Indigm to not only have processes that add value but also be innovative with regards to its products and services. In the absence of this sense of urgency, the employees would not have recognized the need to bring in unique and innovative systems, processes and services. To establish a sense of urgency, CEO of Indigm was of the view that in order to arouse the need for change, it is important to raise performance standards and reduce deadlines. This reduced complacency among the people and created a sense of urgency.

Rather than solely depending on human resource experts to plan the change, this initiative gathered people from different functional areas at different levels to steer the change both at the US and India office. At this stage people were identified who were not only competent but also enthusiastic about the change program as these key people steered the change program to fruition. The employees who were interviewed stated they recognized the urgency of change and were communicated about the issues at hand. All the interviewees opined that they were involved from the initial stages of the change planning and implementation and the management considered their views also.

## **2. Developing a vision and Strategy**

The top management at Indigm built the sense of urgency in the organization by communicating with all the employees of Indigm through various interactions. They then build an effective diverse team to formulate the program vision and strategy. This vision described how the federal government legislation on outsourcing could be adhered to and emphasis on innovation and improvement of the processes to make them more effective. The strategy explained how the setting of the development center in US office could be implemented and absorption of surplus employees and laying off underperformers, if any in the India center. Also a strategy with respect to continuous improvement of systems and processes for optimal utilization of resources was also put into place. Developing an effective change strategy required meticulous thinking and assessing the Strengths, Weaknesses,

Opportunities and Threat (SWOT analysis) of the organization. Also one interviewee opined that during this stage it was imperative for the top managers to understand the impact of change on the people to build their trust in the management.

### **3. Communication Effectiveness**

There was a continuous communication between the top management and the employees both in India and US. The communication with the Indian team happened through face-to-face meetings, e-mails and telephone. However, with US office e-mails, telephone and videoconferencing using internet was used. As Indigm was striving to excel under the leadership of Abhishek, there was a tremendous emphasis on maintaining human contact with all the people, especially those who were removed from the federal government projects and would be perceived as surplus. Many of the managers who were interviewed understood the need to appeal to people's emotions in order to influence behavior. This provided an important two-way communication that is critical to leading a change effort. All the interviewees stated that they were aware and understood the change vision and strategy.

### **4. Employees Empowerment**

Employee empowerment is a strategy and philosophy that enables employees to make decisions about their jobs. Employee empowerment helps employees own their work and take responsibility for their results. However, this requires employees to have the requisite competencies to take decisions in their areas of work. Indigm had an extensive internal training infrastructure. The HR department conducted induction training and in liaison with the clients, training of the employees was conducted before the commencement of the project. The employees who were identified to join the US office were provided with training to take on additional responsibility to form a project team. Also, teams were formed at the India office to re-engineer the various processes to make them more effective. All the employees interviewed opined that the project managers always set specific and challenging but realistic performance goals with involvement of subordinates. All the employees interviewed also stated that they could make their own decisions on daily job functions without needing approval from upper management.

## **5. Confidence in Management**

The employees in an organization become committed when they have trust in the management. This requires executives and managers to not only be involved in leading and directing the organization through strategies and plans, but also look into the needs and aspirations of the staff. At Indigm, the people were involved at all stages of change management and they were given assurance that their welfare would not be compromised by not resorting to layoffs. All the employees interviewed were content and convinced of the credibility and commitment shown by the management in making the change initiative successful.

## **6. Rewarding Achievement**

The change initiative at Indigm included setting up the development center at US, which was not a very long drawn process and success of the initiative resulted in finally not losing federal government projects. This achievement was rewarded on the basis of performance evaluations. In order to emphasize the importance of innovation, adaptability and continuous improvement, performance evaluations favored those who demonstrated the required skills and incentives were given to the employees who generated ideas which were realistic and resulted in significant improvement of the processes.

## **5.4 ONGC Case Study**

### **5.4.1 Data Collection Strategy for ONGC**

This study has been conducted using secondary data only. The data has been used from the company web sites, publications, journals and books. The use of only secondary data is one of the limitations of this study.

### **5.4.2 Company background**

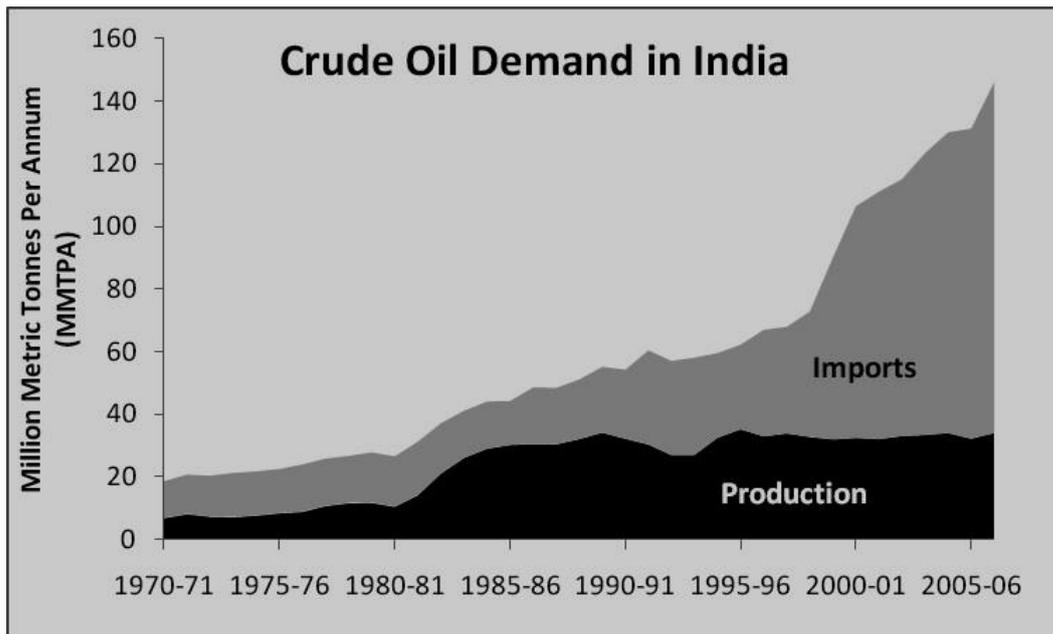
Oil and Natural Gas Corporation (ONGC) was set up in India in 1955 as a Directorate under the Ministry of Natural Resources and Scientific Research for undertaking exploration, development and drilling of hydrocarbon reserves in the country in order to achieve self-reliance in petroleum sector. Initially ONGC was managed as a departmental undertaking,

however after noticing the demerits of departmental form of organization, Oil and Natural Gas Commission was converted into a public corporation by the Government of India (GOI) in October 1959 to make it more accountable, autonomous and efficient. ONGC's major products include petroleum, crude natural gas, liquefied petroleum gas (LPG), kerosene and petrochemical feedstock. ONGC has a long history of major ups and downs in its operations. The years between 1975 and 1990 were ONGC's golden years. Total oil and oil equivalent gas production went up from 4.5 MMTPA (Million Metric Tonnes Per Annum in 1974-75 to nearly 48 MMTPA in 1989-90. ONGC's increased production can be given credit for reducing India's crude oil import dependency (ratio of imports to consumption) which dropped from 65% in 1974-75 to 38% in 1989-90, even as consumption increased nearly threefold over the same period to 55 MMTPA. ONGC also grew dramatically in size, starting from just 450 employees at formation in 1956, to strength of over 33,000 employees by 2014<sup>7</sup>.

Rapidly growing imports had put tremendous pressure on GOI to increase production. In 2007 India consumed 2.8 million bopd (barrels of oil per day) making it the fifth largest consumer of oil in the world. It imported over 76.7% of its crude oil requirements in 2006-07, compared with about 43.4% in 1995-96 and 31.7% in 1985-86. The rapid increase in oil import dependency has occurred because of a dramatic growth in India's oil demand since 1995, while domestic production has remained flat around 0.66 million bopd (Figure 5.4). But ONGC's E&P (Exploration and Production) record has disappointed the GOI as ONGC's yearly domestic oil production has hovered around 25-30 MMTPA since 1990 (Figure 5.5).

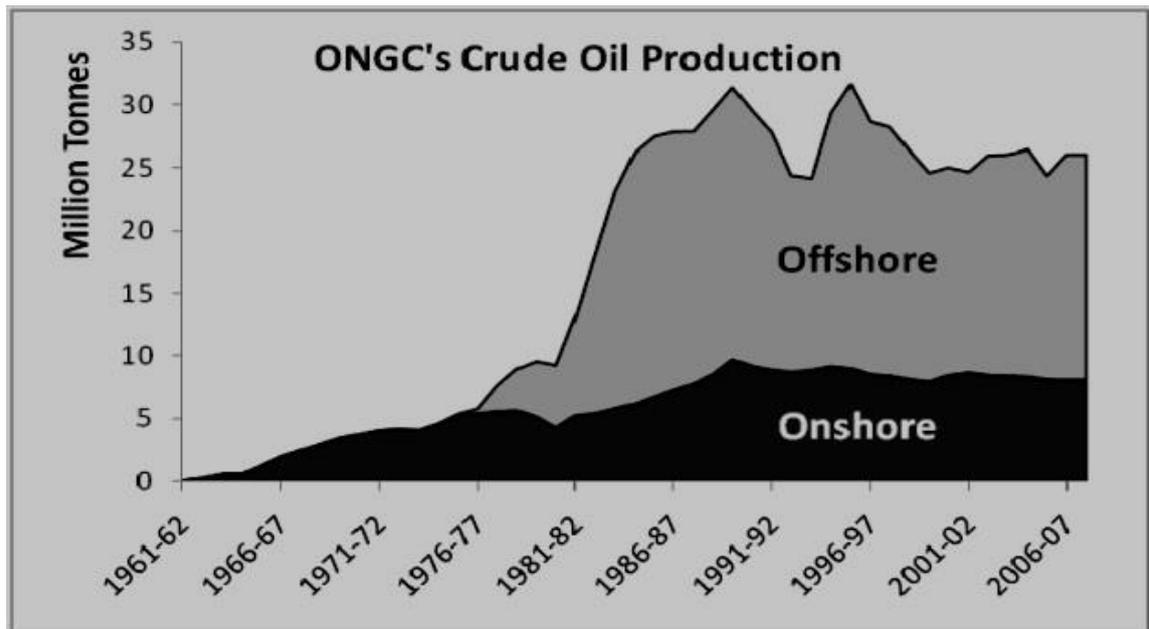
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<sup>7</sup> <http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Company/People/>



**Figure 5.4:** Crude Oil imports and production in India

**Source:** Petroleum Planning and Analysis Cell (PPAC), Ministry of Petroleum and Natural Gas, India, and [www.indiastat.com](http://www.indiastat.com)



**Figure 5.5:** Crude Oil production by ONGC, 1960-2007.

**Source:** <http://www.indiastat.com> and Ministry of Petroleum and Natural Gas, GOI.

### 5.4.3 Challenges at ONGC

ONGC received much negative attention and got into serious problems in the 1990's. The financial extravagance and growing performance problems coupled with organizational

and planning inefficiencies along with the declining reserves, and the deteriorating health of producing fields were some of the problems faced by ONGC during those times. The problem of declining crude oil and gas production since the 1990's is shown in Table 5.1. This crisis forced the Indian Government to consider revamping the ownership and management of ONGC. Being a CPSU (Central Public Sector Undertaking), the performance and strategy of ONGC completely depended on the decisions of GOI. The rule-based monitoring and regulated rate-of-return mechanisms employed by GOI led to serious deterioration of the financial state and corporate culture at ONGC. ONGC's reliance on outdated and obsolete technology was also causing high operation and maintenance costs. In addition to this, lack of performance based incentive structure was the crux of the ONGC's problem. The work processes at ONGC resulted in overlapping responsibilities between different functional groups (technical, exploration, onland, and offshore). As a result there was no single point of responsibility for core exploration and development activities. ONGC had run into serious trouble as it matured, and the roots of its troubles were mainly in its interactions with the GOI and in its management (Rai, 2010).

**Table 5.1:** Declining crude oil production in early 1990's. Numbers in million metric tonnes.

1989-90	1990-91	1991-92	1992-93	1993-94
21.71	20.38	18.96	15.75	15.38

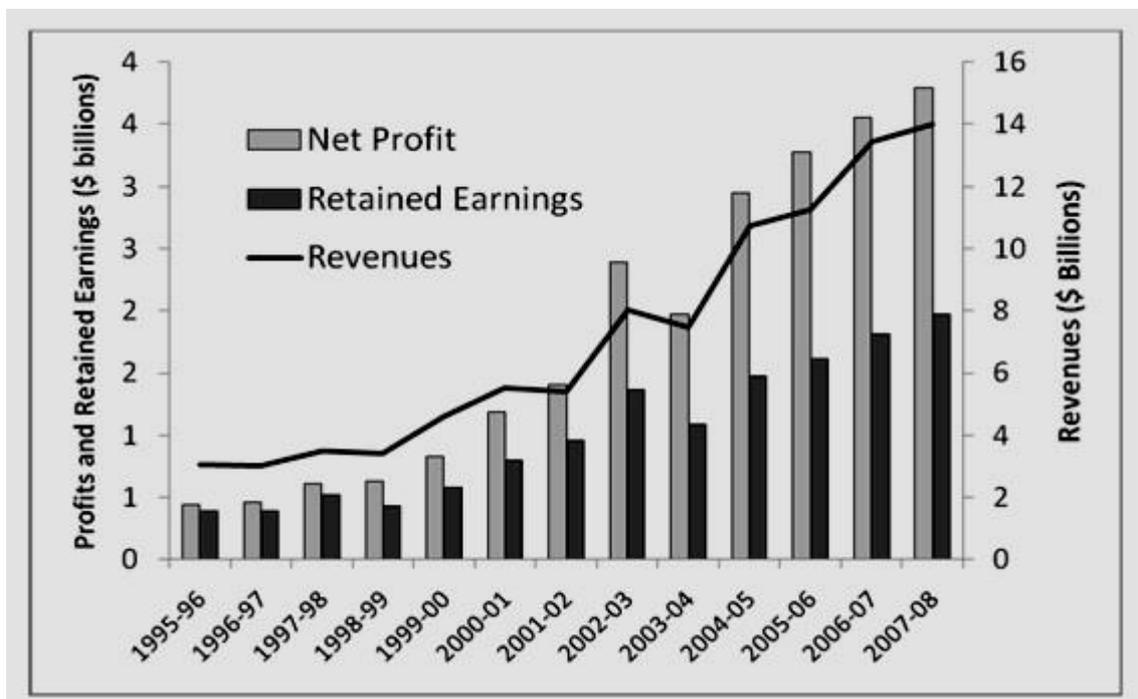
Source: [http:// www.indiastat.com](http://www.indiastat.com)

In view of the above, a series of reforms were instituted at ONGC in the 1990s. To start off, in the year 1991, the liberalized economic policy of the GOI deregulated and de-licensed the core sectors (including petroleum sector). The partial disinvestments of government equity in Public Sector Undertakings re-organized ONGC as a limited Company under the Company's Act, 1956 in February 1994. These reforms fundamentally changed the landscape of the Exploration and Production (E&P) sector and resulted in GOI maintaining an arm's length relationship with ONGC. These reforms were targeted at improving corporate governance and eliminating price controls. It also exposed ONGC to more competition in the sector than ever before. However, the impact of the reforms on ONGC's performance and strategy was mixed. The leadership of Subir Raha, the chairman of the

company had a major role to play in implementing the various reforms and bringing out the company from a major crisis to become India's most valuable corporate.

#### 5.4.4 Background of Subir Raha

Subir Raha took over as Chairman and Managing Director of the public sector oil major in May 2001. Subir Raha graduated in Electronics and Telecommunication Engineering from Jadavpur University in 1969. He was adjudged the best all-round graduate of the year in the faculty of Engineering and Technology and the best all-round graduate of the year in the university. In 1985, he completed his Master of Business Administration with distinction from the University of Leeds, United Kingdom. Subir Raha started his career with Indian Oil Corporation Ltd, as a Management Trainee in 1970. After a series of field and staff assignments in various disciplines, he joined the Indian Oil Board as Director (Human Resources) in June 1998 with concurrent charge of business development, information technology and corporate communications. Later on, he took over the reins at the ONGC, as Chairman and Managing Director. The company more than tripled its profit under Raha's leadership. The financial performance of the company during 1995-2007 is as shown in Figure 5.6.



**Figure 5.6:** Financial Performance of ONGC during 1995-2007.

Source : ONGC Annual Reports

#### **5.4.5 Change Initiatives at ONGC**

In 1999, the GOI accorded ONGC a Navratna status, in an effort to improve corporate governance of ONGC, which gave ONGC financial and organizational independence from the government<sup>8</sup>. With this status, ONGC gained the autonomy to form joint ventures, strategic alliances; in the amount of capital expenditure they could incur; in ensuring better auditing mechanisms; and in the composition of their board of directors (Madan, 2007). Subsequently, ONGC's stock listing in 2004 had also contributed to reducing government influence and interference in ONGC's corporate affairs.

Subir Raha recognized the increased competition in the exploration and production sector and appreciated the significance of technology for enhancing operational efficiency. In the early 2000s, he emphasized on the requirement of updating technology to reduce costs. Most ONGC exploration basins were near their maturity phase and to enhance the recovery quantities from these basins, the company decided to employ advanced technology-enabled measures such as Increased Oil Recovery (IOR) and Enhanced Oil Recovery (EOR). Another modern technology adopted was SCADA (Supervisory Control and Data Acquisition), which facilitated 24 hour monitoring and an automated sensory system for each oil well. ONGC also adopted modern technology called Virtual Reality Interpretation Centers, which were one of the ten best systems in the world for applications in exploration, drilling and engineering. Subir Raha knew that for bringing about changes in different areas and to make systems and processes more effective, it was important to create cross-functional and cross-hierarchical teams. One such team of experts was engaged in redesigning the wells to reduce well spaces and draw out the undrained oil embedded between existing wells. Other measures included greater use of horizontal drilling, side-tracks, in-fill drilling and water injection.

ONGC's core business had been showing signs of stagnation, thus, under the leadership of Subir Raha, the company chalked out a massive diversification plan to go into downstream activities such as LNG marketing, diesel, naphtha and kerosene. ONGC acquired

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<sup>8</sup> The Navratna status is offered to PSEs, which gives a company enhanced financial and operational autonomy and empowers it to invest up to Rs. 1000 crore or 15% of their net worth on a single project without seeking government approval.

a 12.5% stake in Petronet LNG Ltd., which owned and operated a liquefied natural gas (LNG) terminal at Dahej in western India and was building another terminal at Kochi in the south. ONGC also acquired 23% stake in Petronet MHB Ltd, the owner and operator of the Mangalore-Hassan-Bangalore pipeline. The ONGC Tripura Power Company was another one of the ONGC's joint ventures (with the state government of Tripura and IL&FS). ONGC also acquired a 21.5 percent stake in Pawan Hans Helicopters Ltd, which among other things, provides helicopter services to its offshore facilities. With a plan to diversify into the downstream sector, in 2002-03 ONGC took over Mangalore Refinery & Petrochemicals Limited (MRPL) from the A V Birla Group, and became the first integrated oil company in India. By 2003, ONGC owned 71.62 per cent share in MRPL. This subsidiary's main asset is the country's second largest refinery in the southern state of Karnataka. Though, there was enough criticism from the government for these collaborations, however, Subir Raha strongly believed that confining to one sector, whether upstream or downstream or petrochemicals would make any organization vulnerable to the ups and downs of a particular cycle. The integration of these activities would ensure profitable operation across a number of cycles and also provide financial stability to ONGC.

ONGC also entered the global field through its subsidiary, ONGC Videsh Ltd. (OVL). Subir Raha was very focused and determined and clashed with the former Petroleum Minister Mani Shankar Aiyar over turning OVL into an independent company. ONGC had 100 percent ownership of OVL and OVL became India's second largest E & P (Exploration and Production) firm, with 92.82 million tonnes of oil and 113.37 billion cubic meters of gas reserves.<sup>9</sup> OVL was formed to help ONGC secure a strong foothold in the international oil market. ONGC made major investments in Vietnam, Sakhalin, Columbia, Venezuela, Sudan, etc. and earned its first hydrocarbon assets overseas revenue from its investment in Vietnam. OVL also invested in Algeria, Indonesia and the United Arab Emirates (UAE). The company had also announced its intentions of entering the insurance and shipping business in the coming years. However, ONGC's diversification plans received a major setback when the GOI announced that the company should stick to its core business rather than venturing into 'unrelated' areas.

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<sup>9</sup> ONGC Videsh Ltd, "Annual Report, 2005-06".

#### **5.4.6 Acquisition of MRPL**

ONGC acquired 297 million shares of MRPL from the AVB group for Rs 2 per share in March 2003. The company pumped in Rs 6 billion by issuing fresh equity of MRPL, increasing its equity stake to 51 per cent. Later on, ONGC purchased 356 million shares from institutional investors and increased its stake in MRPL to 71.62 per cent. This deal was worth about Rs 3.9 billion. The total amount invested by ONGC in MRPL was about Rs 10.494 billion. In addition to equity, ONGC lent Rs 24 billion to MRPL at a rate of 6 percent, saving MRPL an estimated interest cost of Rs 820 million per annum (Rai, 2010).

MRPL had a refining capacity of 9.69 million metric tons per year. This company had been established when the Administered Pricing Mechanism (APM) was in practice in the Indian Oil Industry. GOI's regulatory framework provided assured returns. However, after the refining sector was deregulated in 1998, MRPL lost the regulatory protection and became vulnerable to price fluctuations in the international market. This affected the company's operating profitability significantly and it posted continuous losses for four years in a row.

Despite the poor financial performance of MRPL, Subir Raha was instrumental in ONGC acquiring MRPL so as to venture into the retail business because it possessed advanced technology, including the capability to meet Euro II norms for transportation fuel quality. The decision of acquisition was considered good for ONGC in the long term as setting up a similar state of art nine million metric ton refinery would cost four times the acquisition amount. Moreover by taking over a loss-making company, ONGC was entitled to huge tax concessions. The growing demand for petroleum products in the retail business provided stability to ONGC's financial position, even if its core business was in trouble. Because of MRPL, ONGC could divert oil from Bombay High to the refinery for captive consumption. The GOI permitted ONGC to set up 600 retail outlets for marketing products from the MRPL refinery. MRPL was also a partner in the Mangalore-Hassan-Bangalore product pipeline, which helped mobilize products into remote areas.

Due to the infusion of funds and operational and managerial support of ONGC, the operational performance and credit profile of MRPL improved considerably. During 2002-03, it registered an operating profit of 3.48 billion, inspite of a net loss of Rs 412 billion. Due to access to Bombay High Crude, for the year 2002-2003, MRPL processed 7.25 million metric tons of crude against 5.5 million metric tons in 2001-2002.

#### **5.4.7 Change Initiatives at the Structural and Process Level**

As soon as Subir Raha took over the reins of ONGC in May 2001, he launched a Corporate Rejuvenation Campaign (CRC) in August 2001, to infuse life and dynamism. This was a process for restructuring and reorientation of the mind-set. As expected the response was slow and there was covert resistance and fear among employees in the organization. Subir Raha took drastic and multi-pronged measures for bringing about structural and cultural changes. The board was overhauled, portfolios of directors were changed and business managers were designated as asset managers and research personnel as Basin managers. The restructuring was done with rationality which resulted in reducing the levels of decision making. The restructuring was based on the concept of asset based organization and it involved reorganizing into producing assets (Ankleshwar, Ahmedabad, Bombay High, Neelam etc), Exploration Assets (Western Offshore, Western Onshore, Assam, Deepwater etc), Services (Drilling, Workover, Geophysical etc) and Corporate Functions (Corporate Planning, Corporate Finance, Corporate HR etc). The asset managers were given the single point of responsibility and were empowered to run their assets as if they were the managing directors of the company. The concept was designed to change the mindset of the people from merely being a manager to being a managing director. They were also given financial authority to bring in accountability.

Focused measures were taken to improve internal communications which brought about significant impact on employee morale and motivation. There was an improvement in the corporate credibility by emphasizing on ethics through transparency and accountability. Delays and defaults were reduced through ongoing rationalization and benchmarking of systems and procedures. Through a large scale initiative of training and human resource development at middle and junior levels, 360 degree feedback at senior levels, mindset of people towards bureaucratic functioning had changed to some extent. Restructuring brought about a performance-based culture in exploration and production functions. ONGC under the leadership of Subir Raha set up a performance management system to help build a strong culture for performance improvement and accountability. The focus of the top management was also on performance improvement and not just operational decisions. The PMS distinguished between performers and non-performers. The company also carried out a Voluntary Retirement Scheme where 700 employees were separated to emphasize on

performance orientation. The incentive schemes were redesigned to match asset based structure and were delinked partially from designation.

A number of initiatives for culture change coupled with strategic initiatives of acquiring global business, diversification, deep sea water drilling and a number of Corporate Social Responsibility initiatives (CSR) had developed a feeling of organization pride among ONGC employees. The cumulative benefit of all these CRC processes was reflected in augmented productivity and profitability. Subir Raha also brought about a series of changes at the basic process and management level in ONGC. They were delegation of financial and managerial powers down the management hierarchy, empowerment of executives at the frontline, scientific recognition of reserve accretions, new HR policies that promoted talent and the use of information technology to build knowledge centers.

Subir Raha's biggest contribution to ONGC had been in his ongoing, incremental changes in policies and procedures at the micro level. Before his arrival, the company's decision-making processes were bureaucratic. Projects faced perpetual delays as the management found it difficult to take decisions in the midst of complex regulations. The situation was further complicated by overlapping instructions from scrutiny agencies like the Central Vigilance Commission (CVC) and the Comptroller and Auditor General of India (CAG). When Subir Raha took over, procedures for purchase of materials and contracting for projects and services were thoroughly reviewed and revised. He took the initiative away from the contractors and vested it in the hands of the management. One of his rulings was to allow for pre-bid dialogues but to deny post-bid modifications or negotiations, and to debar a contractor in case his bid failed to rigidly adhere to the terms of the Bid Evaluation Criteria (BEC). The problems were always in the post-bid negotiations -- when terms were modified and standards diluted. There was a massive resistance from the contractor lobby who were up-in-arms as they found it difficult to maneuver around this rule. But Raha stuck to his ground and set a trend by awarding a few big contracts on this principle. The ground rules were firmly set and the contracting process became smoother, however, some post-bid negotiations in some complicated tenders were inevitable. Substantive reductions in time and cost, in billions of rupees, were achieved and further rationalization continued. This increased competitiveness in the tenders, and better satisfaction among suppliers and contractors.

Subir Raha initiated a move to persuade the sharing of best practices. He introduced a CMD forum or workers' suggestion box. It received almost 2,500 mails in the first three months of its launch. Workers were encouraged to share new ideas or any issues they faced in their work environment and they were called idea champions. Incentives were given to workers who gave ideas which resulted in improving the processes. Other HR initiatives included in-house training. ONGC is perhaps the only Indian organization to offer in-house engineering degrees and diplomas to employees. In addition, Subir Raha also hiked his directors' power to spend from Rs 2.5 million to Rs 250 million. All these initiatives had made decision making much faster and inducing the level of motivation.

Major efforts were put in for acquisition of state-of-the-art technology and equipment, modernization and refurbishing of existing equipment and facilities, and stringent steps were taken to control costs that significantly improved cost-effectiveness. Management Information System (MIS) was also reorganized. Project ICE (Information Consolidation for Efficiency) was launched to build an integrated corporate MIS-all the way from the well-head to the Board Room in phases within 30 months. All Information Technology and Communication Systems were audited, and detailed plans were implemented for creating an integrated state-of-the-art InfoCom system. An organizational campaign was launched to debottleneck and overhaul existing facilities to control operational losses. Custody transfer systems were upgraded to achieve international standards of accuracy in quality and quantity measurement. Collection of outstanding sales revenues and resolution of pending disputes were expedited for better working capital management and detailed studies were initiated to improve tax planning and fund management. Several measures were taken to minimize the number of non-flowing wells and to reduce gas flaring to the level of minimum technical requirement. Control on these wastages yielded incremental revenues on existing investments. These were some of the initiatives which played a significant role in transforming the organization.

#### **5.4.8 ONGC's Achievements under Subir Raha**

ONGC achieved multiple milestones during the tenure of Subir Raha. ONGC's market capitalization zoomed to become the highest among all Indian corporates. He was instrumental in ONGC acquiring MRPL and turning it around from almost BIFR (Board for

Industrial and Financial Reconstruction) status to the present Mini-Ratna status. He also led ONGC into aggressive exploration, within and outside India (through ONGC Videsh Ltd.), and initiated IOR/ EOR (Improved/Enhanced Oil Recovery) to arrest the decline of its depleted fields. He initiated expansion of ONGC into various value integration projects in the field of Petrochemicals, SEZ (Special Economic Zone), Power, clean coal energy and alternate sources of energy. Subir Raha was also extremely good at financial planning and during his tenure corporate tax came down by almost Rs 7 billion. By prepaying World Bank and ADB loans of Rs 25 billion, ONGC effectively became a debt free company with a debt-equity ratio of 0.02. Profits in FY 03 were Rs 105,293 million with a remarkable profit margin of 31.76%<sup>10</sup>.

ONGC's gross sales went up from Rs 22,841 crore in 2001-02 to Rs 50,900 crore in 2005-06, while net profit spiraled up to Rs 14,175 crore from Rs 6,197 crore. It was Subir Raha's strategic leadership of acquiring Mangalore Refinery and Petrochemicals Ltd (MRPL) and transforming its subsidiary ONGC Videsh Ltd (OVL) into what he called "India's largest transnational company" with committed investments of \$ 4.19 billion in 21 properties over 12 countries. Gross Group turnover in 2005-06 touched Rs 86,614 crore, while group profits were at an impressive Rs 15,485 crore<sup>11</sup>. According to ONGC statement, the company was **"India's most valuable corporate -- in terms of market capitalization (a massive Rs 190,000 crore), net worth and net profit; it was recognized as the best oil and gas company in Asia; and it ranks 15th among the world's integrated oil and gas companies"**. Raha also launched ONGC's ambitious multi-billion dollar deep sea exploration program, which he said was the *"largest ever by a single operator anywhere in the world."*

The CRC programme under the leadership of Subir Raha resulted in a cultural change and the proof of this was the award 'Public Sector Company of the Year 2005' conferred upon by the Prime Minister of India to ONGC. The company also received 'The Biggest Wealth Creator Award' from Nicholas Piramal India Ltd. Subir Raha received 'Scope Individual Excellence Award' for his outstanding contributions to Public Sector Management and 'Super CEO Business India award'. In short, the culture of ONGC had undergone a quantum change with the change in the leadership at the top since 2001-02.

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<sup>10</sup> ONGC, "Annual Report, 2003-04".

<sup>11</sup> ONGC Videsh Ltd, "Annual Report, 2005-06".

#### **5.4.9 Leadership of Subir Raha**

When Subir Raha took over as the head of one of India's most profitable companies in 2001, he had two choices: not to interfere with the existing success formula or to create a new success formula. In Raha's mind, the only choice he had was to transform ONGC and convert it into a world class and globally competitive organization. Raha's strategy for ONGC focused on five key areas: forward and backward integration, oil and gas reserves, improving existing wells, improving cost effectiveness, and placing a greater emphasis on human resource development.

He had an independent streak in him and constantly fought off concerted efforts by the powerful contractor-politician lobby to upstage him after he began straightening out the corruption-ridden contracting procedures. His tenure as the chairman of ONGC was like a roller coaster ride as many times he faced the flak of the people for his change initiatives. He also had to deal with several critical situations such as loss of lives when a helicopter packed with ONGC employees plunged into the Arabian sea and the disruption in crude and gas supplies when a supply vessel crashed into a Mumbai High platform and gutted it in fire. And above all, Subir Raha was at loggerheads with Mani Shankar Aiyar, then Minister of petroleum, who opposed the diversification plans of ONGC chalked out by Subir Raha -- into LNG, refining, petrochemicals, shipping, insurance, pipelines and power projects. Aiyar's argument was that ONGC's resources ought to be preserved for undertaking core exploration in India and abroad, leaving the diversifications to other public sector companies which specialize in them. However, Raha argued that the resource-rich company would gather more strength by integrating up the value chain so that business risks were more evenly spread. It was felt that, as Subir Raha was appointed by the previous National Democratic Alliance (NDA) government and when the new United Progressive Alliance (UPA) came to power in 2004, he was unable to manage the political relations as the UPA government wanted to politicize the various decisions. But, amidst all the commotion, Subir Raha held his ground and succeeded in transforming ONGC from a languid and inefficient organization to an entity capable of withstanding the competitiveness unleashed by a deregulated environment.

Subir Raha was a man of high moral and professional integrity and his biggest strength was his candidness. However, he was a shrewd manipulator of situations and

circumstances. Subir Raha's persistence made him come a long way from an adversary to an ally. He worked extremely hard to develop this relationship both with the government and with his own workers. While earlier he was perceived as a tough anti-labor manager, however, over a period of time, workers began to comprehend him as someone who was task master but on whom they could depend upon for a fair deal. Though, he was criticized for the loss of lives when a helicopter crashed in the Arabian Sea but he was instrumental in granting a compensation of Rs 25 lakhs to all those who perished in the accident. He also succeeded in winning their relentless admiration during his search and rescue operation at the Mumbai High collision and fire, which minimized the loss of lives. The workers and other employees recognized the importance of his insistence on code of conduct to be strictly adhered to, both in letter and spirit. The contractor lobby also fell in line, comprehending at last that the only way to win contracts in ONGC was by following the contracting procedures.

Subir Raha was a man who would accept challenges and convert them into opportunities. Everyone felt that it would be impossible for ONGC Videsh to win a stake in Russia's Sakhalin gas field, yet he went ahead and bid for it. ONGC Videsh faced tough competition from the global giant BP, which had offered a higher premium to Rosneft, the Russian government owned Oil Company which was selling its 40% stake. Raha's determination and the diplomatic intervention of the Indian government saw ONGC Videsh clinch the deal. To date, Sakhalin is the biggest investment made by an Indian company (Rs 81.6 billion). Raha strongly believed that to compete globally Indian companies should be as efficient as any multinational, even in adverse conditions.

Subir Raha was very dynamic and extremely aggressive and wanted to bring about changes in India's largest state owned oil exploration and production company to cope up after liberalization. He set high standards for himself and expected others to do the same. However, he kept his feet firmly grounded in reality. He formulated targets for ONGC's growth which were achievable and challenging. He was also known to be a strict disciplinarian and inculcated values and beliefs in people to have respect of law and the fear of God. To have a committed workforce, ONGC was the only state-run firm in giving employees Employee Stock Option Plan (ESOP) under the leadership of Subir Raha. He believed that money alone could not motivate employees to excel in their profession and ESOP would help in involving them more in the company's growth.

#### **5.4.10 Findings of the Case Study**

There have been studies conducted by various researchers which offer evidence of the critical role played by the public sector managers in bringing about organizational change (Abramson and Lawrence 2001; Bingham and Wise 1996; Borins 2000; Doig and Hargrove 1990 ; Hennessey 1998; Kemp, Funk, and Eadie 1993). Leadership of Subir Raha has been instrumental in bringing about successful transformation of ONGC. The objective of this study has been to comprehend the leadership behaviors which are essential as a change leader. Thus, the leadership behaviors and style followed by Mr. Subir Raha for managing change effectively based on the study are as follows:

##### **1. Innovative and Creative:**

Subir Raha had the ability to think out of box and most of the times challenged the existing system, processes and practices to cope with the changing environment. He also provided encouragement to the people to do the same. He ensured that employees had a zeal for exploration and kept an open mind. He introduced a CMD forum or workers' suggestion box to encourage workers to share new ideas or any issues they faced in their work environment. It helped the organization in becoming a learning organization which always looked at opportunities for betterment and there was an ongoing search for new ideas, new practices, new products and new ways of doing things better.

##### **2. Customer Orientation:**

Every professional has two sets of customers whom he must try to satisfy to the fullest possible extent namely, the external customer (the purchasers, the society at large) and the internal customer (the employees, subordinates, peers and bosses). Professionals like Mr. Raha ensured that the internal customers were always given their due and their needs, problems and aspirations were taken care of. He emphasized on the value of customer orientation within the organization which was quite infectious and infused the entire organization.

### **3. Stop managing, start leading and cultivate managers:**

Subir Raha disliked the notion of management. Most managers in his view over-managed. Those who over managed helped to create a bureaucratic environment, which according to Mr. Subir Raha killed large organizations. He strongly believed that ONGC's leaders had to change their management styles i.e. too much controlling and monitoring. The only way to last at ONGC was to get on board to become a lean leader and develop more leaders by empowering them and building a culture of trust, fairness, transparency and equity.

### **4. Being a visionary:**

Subir Raha was known as a man with a grandiose vision and big-bang ideas. To bring about transformational changes, the leader needs to be a visionary, and needs to communicate the vision to the people which enables him to inspire the people. A visionary leader can clearly see the future way ahead of others and has the ability to think beyond the day to day realities and to look at the organization from a broad and strategic perspective.

### **5. Encourage Employee Participation:**

Subir Raha inculcated a democratic style of leadership which helped him implement his change initiatives in such a large organization. The faith he showed in his managers as well as other employees paid off really well. He used many methods to motivate employees like empowerment, employee development to keep his employees committed to their jobs. Even though ONGC is a PSU, due to the leadership of Mr. Raha the company never faced problems of labour unions as well as strikes and other issues.

### **6. Managing the government process**

Managing the government process includes monitoring the budget and funding cycles, planning a change initiative with consideration of the political environment and garnering the support of ministers to implement the change initiative. In a public sector company, it is very important for leaders to have the support of the respective ministers, otherwise, most of the effort goes in getting approvals for various initiatives. In this study, it was found that Subir Raha managed the political relations under the NDA government as he was appointed by them, however when UPA government came to power, he did not get much support from the then Petroleum minister. Apparently because of the negative remarks on his performance by

the then petroleum secretary he got an extension for just 3 months though he had 2 years before retirement. It is therefore imperative for change leaders in public sector to have the support of parliamentarians and must be aware of the impact of change initiatives on various stakeholders and develop viable options.

## **7. Managing the organization**

Public sector organizations like ONGC are large and dispersed and there are many factors to consider in transformational change management such as departmental silos and sub cultures. Communication between different departments, involving people throughout the process of change, anticipating the impact of change on various stakeholders could become issues when dealing with transformational change crossing multiple departments and there are requirements to share responsibilities and accountabilities.

## **8. Inter-jurisdictional Engagement**

Change initiatives which are transformational in public sector undertaking may involve stakeholders at different levels of the government, different regions and departments, therefore, it is important to have high degree of engagement with people from different jurisdictions. Subir Raha created teams and empowered the teams by delegating authority. He created open channels of communication within the organization to improve the employee morale and motivation. He also formulated various forums and platforms for employees at all levels to bring out new ideas and air their grievances.

## **9. Performance Management System (PMS)**

Performance management system is the other critical factor for public sector change management. The current rule based performance structure is more a method of preventing changes than promoting them. In most public sector organizations, employees receive an increment annually regardless of performance until they reach the top of their levels. This type of pay increment structure instead of penalizing poor performance creates complacency. This complacency can be a barrier to any change initiative. ONGC under the leadership of Subir Raha set up a performance management system to help build a strong culture for performance improvement and accountability. The focus of the top management was also on

performance improvement and not just operational decisions. The PMS distinguished between performers and non-performers. The incentive schemes were redesigned to match asset based structure and were delinked partially from designation.

## **5.5 Conclusion**

In a fast changing world and complex work environment, the change and change management strategies followed by organizations are vital to meet the needs of all stakeholders of the organization. Change initiators should constantly strive toward creating acceptable change processes and practices to enhance employee participation and they should facilitate total involvement in order to provide a climate that would benefit change initiatives and build healthy working relationships with all concerned stakeholders. The employees are most important stakeholders to consider, as they are the most precious assets of any organization. The attitudes and loyalties of employees are directly influenced by their participation in change efforts and this has a direct influence on their involvement in the change processes. The three critical factors to have successful change initiative, which have been brought out in all three case studies are top management commitment, creating a vision of the future and communicating that vision to the organization. From the findings presented in the three case studies, it is obvious that the understanding of employees regarding change and change management processes and practices was very high. Thus, it is important for the organization to build positive relationships that would provide a strong basis to manage any change management processes and also gear the organization for any possible resistance scenarios.

Another important factor which can jeopardize the momentum of any change initiative is the organizational culture. As brought out especially in the ICRISAT and ONGC case study it is imperative for leaders to diagnose the organization's culture and assess its compatibility with the change initiative before initiating the change effort.

The case study at Indigm brought out the impact of legislative forces on an organization. The leaders need to always anticipate the various drivers for change and look into the future and see the bigger picture. Another important aspect brought out in all the case

studies was innovation and continuous improvement. Change leadership and innovation must go hand in hand, whatever may be organizational context. The context of change maybe different in different industries and sectors, however, the role of leadership in any situation cannot be undermined. An effective change leader is needed to build organizational culture that stimulates innovation and risk-taking and embrace change. And all this is only possible if the people aspect of change is always taken into consideration.

This study has shown that change management in a public sector company is different than in a private company. Public sector companies are more process oriented, bureaucratic, hierarchical and have a monopoly and hence they are not required to be as competitive as private firms. However, with the liberalization of the economy and series of reforms taking place in India, it has become imperative for public sector organizations to stay current with changing times. It has also been seen from the study that managing change in a public sector company is more difficult and challenging because of the bureaucratic hassles. The success factors of managing change are similar to that of any other corporate, like effective leadership, recognizing the need of change, communication, empowerment, trust in the management, providing resources etc. However, there are other success factors in effective change management in public sector companies which have been brought out in this study. These include, managing of public accountability, managing the organization, inter-jurisdictional engagement and performance based incentives. Thus, it is important for change leaders to assess the political environment and garner the support of the respective ministers otherwise the change initiative would not sustain for long. Instances where change requires cross-departmental efforts, sub cultures should be acknowledged and measures to ensure buy-in from all stakeholders should become a part of the agenda. Change management success factors which have been brought out in other case studies in this study should also be given special consideration to ensure lessons learned are utilized in future initiatives.