

Change Management - A Strategic Approach for Indian Economy

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Abstract: Change management is an approach that motivates the individuals to take action to move from the present state to new state. This paper presents an overview about the need for proper management to deal with changes and also explains about the companies which have successfully implemented the change management strategies. The paper also gives a clear picture about the challenges faced by Indian organizations which have a direct impact upon the development of Indian economy.

Keywords: Key words: change, management, environment, organizations, Indian, economy

1. Introduction

A. Change management

Change management is one of the very important aspects these days. Environment is dynamic in nature and every organization has to adapt its operations, strategies, processes and plans according to the changing conditions in environment. According to Greek philosopher Heraclitus, "nothing is permanent than change". This process provides the employees with the ability to accept changes in the existing environment of business. Change management acts as a guide to prepare people and provide them support to break the resistance and be adaptable.

It is a planned approach to move the people and organizations from present state to desired position.

B. Objectives of the study

- To study the need of change management for Indian economy.
- To study about the challenges faced by Indian organizations.

C. Research methodology

The paper focuses on the extensive study of secondary data collected from various journals, books and publications from various websites.

D. Need for the study

1. Every sector in India has suffered losses in the past due to introduction of change because of changing scenario on continuous basis. Now people have become more aware about the changes occurring in the environment by proper anticipation. There is a need to ensure proper management with these recurrent changes.

2. As the change is occurring in all the aspects- competitive strategies, government rules and regulations, customer taste and preference, rules of financial institution etc. If the organization will not adapt its policy according to the changes, it will lag behind in order to build up competitive advantage, so there is need for change management
3. With the introduction of new technology, new and better methods to perform the task may be adopted with change management. Finding out various opportunities and its immediate exploitation is possible only with a change management.
4. External factors like customers, competitors, financial markets, shareholders, government rules and regulation etc. exert pressure on the organization to introduce change and to deal with these immediate changes is possible through change management.

2. Literature review

Dr. Revenio C. Jalagat, Jr. "The Impact of Change & change Management in Achieving corporate goals & objectives; Organizational perspective" (November 2016).

Change is unavoidable. It is affected by internal factors like technologies, operational changes & processes and external factors like increasing pressures of globalization, cultural, political, economic, technological and legal etc. Change management is able to provide benefits provided the change must be aligned with organization goals.

M. Radovic- Markovic (2007) "Effective organizational change management".

There are companies that spend lots of efforts in the form of time and money to accept changes and some other organizations that respond to change immediately. There are various measures to be adopted in order to adapt to changes like leadership skills, vision, prioritizing the activities and setting the rewards for success.

According to the research by Harvard Business School, Marketing Professor-Thales Teixeira says that successful disruptors in today business are customers, not the technology and these are easy to identify for example customers need. The biggest challenge for business leader is to align their operation with the environment. We can analyze difficult path for the business with predictions or estimations.

3. Need for change management in India

In the last few years, there has been shifts in the politics and policy, arts, sports, digitization. India has changed remarkably in the last ten years. In 2007 it was the 12th largest economy in the world in nominal terms. Till 2012, the number of multinational companies has been four times increased in India quadrupled just over a decade to 2012. India is today considered as the third largest market for smart phones and the sixth largest market for cars. In 2017, India implemented the tax reform by replacing state and federal taxes with one national tax called as GST (Goods and Services tax). The Government of India implemented Aadhaar, the world's largest biometric identification system to root out the duplication of identities. Various acquisitions in 2018, Vodafone-Idea Cellular, merged in the country and created single entity equally owned by both UK's Vodafone Group and Aditya Birla Group. In September 2018, another merger of two banks Bank of Baroda and Vijaya Bank was announced by Finance Minister of India, Mr. Arun Jaitley. Multinational companies are growing at a faster pace. These mergers, acquisitions and emergence of multinational companies have entirely changed the culture of corporate world in India. These changes are occurring at the faster pace so here arises the need to study the effects of change management on the development of Indian economy.

4. Companies that have successfully implemented change management strategies

According to the survey report 2016-17, by change management solutions firm Prosci, revealed that 30% of the Indian Companies are ready to adopt change management practices. Prosci has partnered with Marg as its India affiliate. According to one report (2017) by Sabrina Son, there are five companies which have successfully implemented change management in their operations, policies, plans and strategies.

1. NOKIA: The starting of new millennium had shown that Nokia is one of the world's largest suppliers of mobile devices. Till 2010, Nokia remained unprofitable. In 2012, shares of this company were trading below \$2 which was actually \$60 in 2000 and \$40 in 2007. Nokia's new management team decides to sell the company's most struggling phone division to Microsoft. Currently the company is focussing on building network and mapping technologies.

2. COCA-COLA: this company has faced many ups and downs while competing with its rival brands. The main strategy they followed was based on customers only. The company has consistently made efforts to diversify its product portfolio and expanded its operations and entered new markets.

3. TOYOTA: There was a time when Toyota, a Japanese company suffered a setback when its two competitors Ford and General motors entered the market and created blockages for Japanese car factories. Taiichi Ohno, an engineer at Toyota analysed the situation well and implemented Just-in-Time approach to manufacturing by convincing the managers.

4. GE: General Electric Company's on marketplace was just

\$ 12 Billion. Jack Welch holding an executive position in 1981 introduced many changes and in 1995, He implemented Six Sigma approach to reduce mistakes and disadvantages in the working process. Welch has successfully turned GE into leading corporation in the marketplace by focussing on employees and understanding the management methodology.

5. AMAZON: An e-commerce has experienced many changes since 1995. Earlier it used to sell only books under the leadership of Jeff Bezos. The company is continuously following the change management strategies catering to number of customers by promoting new products. The value of the company reached to the price of \$ 440 Billion in 2015. In 2017, Amazon received 3 Oscars honourably.

A. TATA motors- A case study

Tata Motors suffered huge losses in 2001 and complete drastic action was required with proper planning in order to turn the situation completely. Tata Motors applied the change management strategy by keeping a tight grip on costs in first phase of implementing changes, in second phase the company laid emphasis on consolidating the position in India and in third phase company focussed on expanding its operations internationally. By implementing all these change management strategies, the company was able to save around 8 billion rupees. Today the company is considered to be the fifth largest manufacturers of medium and heavy trucks.

B. Challenges for Indian economy

1) E-commerce: driving the change

According to Economic survey 2017-18, the Indian logistic market is expected to reach about \$215 billion in 2020. E-commerce has significantly boosted the prospects of logistic sector. The Government of India has already introduced a big change by forming a national committee headed by Cabinet secretary to reduce the logistic cost from 14% to 10% by 2022. This change can help the logistic sector to be more strong and can help the Indian economy to grow and achieve the goals.

2) Digital transformation

India's digitally enabled policy initiatives have contributed well in improving the country's ranking from 142 (four years ago) to 77(now) in World Bank's Ease of Doing Business Index. With digitization, there has been increase in adoption of technology and digital, means of payments for businesses. The speed of the changes is posing challenges for the policy makers to keep pace with data security and privacy.

3) Human resources and their expectations

The environment is changing on the daily basis posing challenges for HR professionals. According to Mercer Talent Trends 2017, the jobs in next 3 years will lay emphasis on design and innovation in India. Mercer Talent Trends 2016 showed that Indian employee value "learning" but in 2017 it showed that employees want "pay & promotion". This is how the young workforce mind-set for the jobs is changing. 54% of

the workers want their company to introduce flexible working time option due to the wide adoption of technology. That has become a biggest challenge for HR to keep pace with changes and to come up with the expectations of employees.

4) *Globalization*

Globalization brings its own sets of costs as well as benefits for an organization. The positive aspects of globalization is rise of employment, improvement in standard of living & better purchasing power, the negative aspects include- loss of jobs in traditional cities, depletion of local resources etc. Changed environment demands the organizations to be globalized because it has the direct impact upon Indian economy and its development. That has become a biggest challenge for India inspite of becoming an opportunity too.

5) *Customers' expectations*

The recent State of sales report 2018 showed that customers expectation is one of the most important key for shaping up the sales. The environment is dynamic and this dynamism changes the expectations of the customers from the seller and the products they sell. Customers' expectations are changing as 87% of the customers in India feel that their standard for good consumer experiences is higher than ever. That's why Indian organizations are more focusing on CRM. Even that becomes a challenge for Indian organizations to keep pace between strategies they formulate and meeting customer expectations.

5. Conclusion

Change management is the most important perspective which can't be ignored. All the activities, departments and their working is interdependent and interrelated with each other and if, due to external or internal changes, one department's working is affected, it will have the impact over the whole organization and the interrelationships between the various organizations has the direct impact upon Indian economy. So the transformations that are occurring need to be tackled with due care by making proactive strategies in order to make an Indian economy a developed one.

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