Transformational change process in a large corporation – case of a prominent Indian public sector undertaking

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Abstract

Purpose – This study aims to discuss what prompted this organization to embark on the journey of transformational change, challenges faced strategies adopted to overcome challenges, leadership role and outcomes.

Design/methodology/approach – The descriptive approach is used to comprehend the transformational change process in this gigantic public sector undertaking (PSU). To have an idea of the effectiveness of the change process, the pre- and post-change performance of the company was taken into account through collection and analysis of physical and financial parameters. However, focus of this paper is concentrated on the transformation process and its chronological sequence only. Human resource productivity trend and organization development interventions adopted over the years were also observed along with conducting a sentiment analysis of the employees who lived through this entire change process in the organization.

Findings – The case study describes how this Indian PSU went through the process of transformational change management and leaves the reader to assess the degree and extent of success of the approach and strategy of the company in this regard. There may be many what-if situations and contingencies in this case for readers to explore for suggestions and solutions and finding new possibilities.

Originality/value – Change management is not a new exercise for the Indian corporate sector. What makes this case unique is the pro-active action initiated by a traditional high-performing and well-protected PSU to anticipate the future challenges and initiate action to overcome these. Change agents must "rewire" the plane while it is flying if the organization hopes to survive and perhaps prosper in the future. This case study is a first-hand account of the change process happening in a gigantic Indian PSU with Maharatna status.

Keywords Transformational change, Challenges of change, Leadership role in change, Outcomes of change, Strategies of change, Leadership

Paper type Case study

1. Introduction

Since Lewin's tryst with change management in the late 1940s, much has evolved about the subject which is implemented rigorously in organizations with huge investments. Yet, most studies on the effectiveness of change management programmes still show a failure rate of 60%–70%. Also, scarily, this failure rate is constant since the 1970s till date (Ashkenas, 2013). The famous management scientist John P. Kotter in a Harvard Business Review article published in 1995 mentioned that he has seen more than 100 companies trying to change themselves into better competitors under different names but in almost every case the basic aim has been to implement fundamental changes to deal with the new and more challenging market environment. The most common and essential lesson from successful cases is "that the change process goes through a series of phases that, in total, usually require a considerable length of time. Skipping steps creates only the illusion of speed and never produces a satisfying result" (Kotter, 1995). A change process can be called successful if, at the end of the process, the organization undergoing change has improved for good, is making a profit, has increased productivity and at least has sustained in the future.

The present study is of a leading public sector undertaking (PSU) of India which embarked on a path of corporate renaissance for a brighter tomorrow. It had been practicing incremental and developmental change management initiatives from time-to-time to keep the organization vibrant. However, it was the first time it planned and launched a transformational change programme encompassing the whole organization through the metamorphosis of organization structure, processes, culture and climate, technological innovative up-gradation and other radical changes. It was a long-drawn exercise spanning over more than five years and incremental changes continuing for many more years to reinforce this transformation. It may be a matter of intense interest for the corporates in India and abroad to know the what, why, when and how of the transformation of a traditional PSU to a model company of the new economy. This real-life case/experience of a large organization is based on the primary, secondary and tertiary data and details collected about the organization from different sources. It involved digging out the reports and reviews from the company archives and getting first-hand authentic information from the company old-timers to understand the human aspect of the change process. The planned strategy and actual happenings and contingencies have been described in detail to highlight unique and unforeseen circumstances encountered to enlighten the readers about the vagaries of such a large-size transformation process of this nature. As such, it may impart useful lessons to other organizations undergoing major changes to focus on enabling positive factors and avoid pitfalls of transformation as well as also to add to academic knowledge in this area. The present study also provides curious learners with an opportunity to understand how this organization went through the transformational change process.

2. Literature survey

It is universally known that the content of organizational change is rather broad. Analysis of literature shows that typology of organizational changes involves the following aspects: changes in management structure, organizational, employee and management culture changes, strategic changes, changes in human resource (HR) management process which are related to increase in labor productivity and efficiency, development of skills and competencies, operational environment reformation changes related to the introduction of new technologies to business processes and systemic changes (Bersenaite *et al.*, 2012). It has been found from the literature that the higher the aggregate organizational capacity for change is, the higher the subsequent environmental and financial performance (Judge and Elenkov, 2005). Green and Binsardi (2014) concluded, from a selected Indian sample that

change management in private organizations is significantly similar to public ones except for the technological aspect.

Transformational change has been described from different perspectives. According to Head (1997), transformational change refers to change in the structure, culture and key processes of an organization. As per Chapman (2002), transformational change requires changes in the attitude, beliefs and values of the employees. In the view of Nadler and Tushman (1989), transformational change is a time-consuming process and requires comprehensive coordination and complete support from the management for effective outcomes. As per Stace and Dunphy (2001), transformational change involves a re-definition of the overall organization's strategies, gaining the employees commitment toward the process of transformation and reorienting the culture of the entire organization.

There are different kinds of factors involved in the internal and external environment while working toward achieving alignment between organizational strategy and business processes. These factors have been identified individually in different research studies and include strategic alignment (Hammer, 2010; Hung, 2006), government (Harmon, 2010), methods (Adesola and Baines, 2005), people (Hung, 2006) and culture (Spanyi, 2003). These studies conclude that these factors play an important role in the alignment process; however, their combined effect has not been studied until now. Bandara *et al*. (2010) stated different aspects where there is a need of alignment between organization strategy and business process management. A recent study by Goksoy *et al*. (2012), who consider Business Process Re-engineering (BPR) as a strategic tool for organizational change, stated that firm needs to bring moderate change every year and undergo a major change almost every fifth year if they want to survive in today's hyper competitive environment.

For an organizational change, it is important to identify changing behaviors, ways of working and ongoing collaboration among the workforce. It is useful for organizations to focus on listening to the voice of the employees and adopting this input to identify key drivers of change. In this context, sentiment analysis has grown in stature as one of the most researched topics since the turn of the century (Liu, 2015; Ravi and Ravi, 2015). Sentiment expressed with regard to a particular subject can best be identified with reference to the subject itself (Nasukawa and Yi, 2003). Balamurali *et al*. (2011) present an innovative idea to introduce sense-based sentiment analysis. Overall, sentiment analysis can be a real game-changer for organizational change by generating quantitative behavioral insights on what people do at work, how a transformation will affect their work and how changes in behavior can improve business performance.

As per a survey of transformation programmes of Western European businesses by Capgemini Consulting in 2007, 44% are motivated by the growth of international competition, 34% by industry consolidation and 34% by increased competition in domestic markets. While 86% feel that managing these business transformations is now an integral part of management, only 30% believe it is something at which they excel.

In 2012, Denmark's biggest energy company, Danish Oil and Natural Gas, slid into a financial crisis. The new chief executive officer (CEO) recognized the moment as an opportunity for fundamental change and a new core business for sustainable growth. This strategic impulse – to identify a higher purpose mission that galvanizes the organization – is a common thread among the Transformation 20, a new study in 2019 by Innosight of the world's most transformative companies. It is the decision to infuse a higher purpose into the culture, one that guides strategic decisions and gives clarity to everyday tasks, that has propelled these companies to success.

3. Company profile

It is one of the leading PSUs of India and is mainly in the business of exploration and production (E and P) of crude oil and natural gas with in-house service capabilities in all areas of E and P. It has been on the coveted list of Forbes Global and Fortune ranking. It has been among the highest profit-making and dividend-paying enterprises in India and one of the most valuable public sector enterprises working on Indian stock exchanges. It is acclaimed for its corporate governance practices. It has overseas operations in E and P and downstream business interests in India through its subsidiaries. It has an employee strength of about 33,000 posted all across the country. It is well-known in the corporate world for its HR and welfare policies. Corporate social responsibility has emerged as a vital tool in the company for social value creation and is a prominent part of its corporate philosophy.

4. Pre-transformation scenario

From the 1980s onwards, with the discovery of off-shore oil and gas fields by the company, there was significant growth in its activities, geographical expansion, HR, etc. Qualified and skilled manpower increased manifold. With the drastic expansion of its activities, the company tried to adopt changes to keep pace with it. However, these were basically aimed at and limited to changes in structure and delegated powers. A major attempt in this direction was made in the mid-1980s and a business-group concept was implemented. It was primarily segmentation of the organization on the basis of nature of functions. An organogram of pre-transformation set-up in the company is presented in Figure 1.

At each work-centre, these business groups were created after distributing and allocating the existing and available resources. It resulted in resistance at first but with persuasion from the top management, things fell in place. With the passage of time, the new system started getting stabilized and consolidated its position all across the organization by the end of the 1980s. With the implementation of the restructuring exercise, the focus shifted to technology upgradation in operational areas and use of information technology (IT) and computerization for optimum utilization of resources by streamlining processes. BPR/ Management was initiated to drastically change the way of working. And in this direction, major changes were made in the HR, Finance and materials management domains.

With its phenomenal physical and financial growth and emerging strategic importance of oil in the world economy, the company occupied a place of prominence on the national and international corporate scene and became the numero-uno among the PSUs in India. So, now a basic question arises that when this PSU was already among the top players in the market and was adopting changes then "why this transformational change?". Answer to this somewhat perplexing question lies in the next section. However, an important point to understand here about change is that though an organization may be a high-performer in the present environment, but sometimes the future seems to be approaching with a tsunami which might engulf the very existence of the entity if precautions are not taken at the right time. Great organizations are able to visualize these scenarios and requirements and prepare accordingly. Same was done by this leading PSU.

5. Reasons necessitating transformational change

The wind of economic change started blowing in India in the early 1990s. Globalization affected the oil economy also. PSUs also started gearing up to face the ensuing challenges. At the same time, doors of immense opportunities opened up in oil sector for expansion and diversification and everybody wanted to capitalize on it. New Exploration Licensing Policy (NELP) and market-driven pricing mechanism signaled more competition and an end to the administered price regime enjoyed by this company till then.
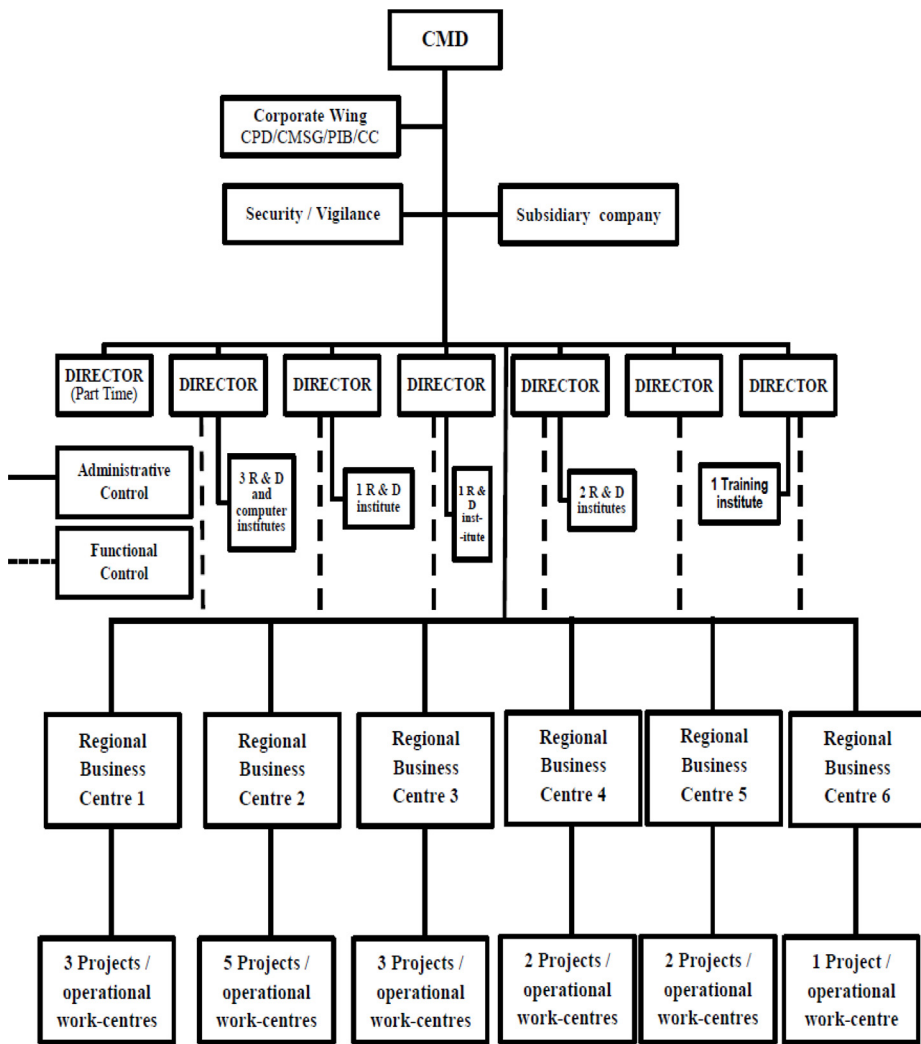
Figure 1.
Broad frame-work of
pre-transformation
business-group
structure

In addition to policy changes occurring in the country, E and P industry has its own cycle of ever changing characteristics which necessitate every oil company to change. Due to geological reasons, oil production begins to diminish after a time and finding oil also becomes difficult. This changing geo-science dynamics compel organizational change in major oil companies. This PSU also was not immune to these industry-specific business challenges.

Besides the above, within the company, many fast-paced changes were occurring. This company, till then acting as a commission under the Government of India (GoI), was incorporated as a company in the mid-1990s. Within three years it was recognized as one of the Navratnas by GoI. It bestowed on it more powers but at the same time more accountability. The company entered the capital market to raise resources. It resulted in

more stakeholders and as such, a desire for higher profit, more production and better corporate governance.

In addition, the company had its own unique reasons for change. With the opening up of the oil sector to private players, the competition was on the rise. There was an inescapable need to arrest declining trends in hydrocarbon reserves and oil production. Addition of new fields and hydrocarbon reserves needed to be accelerated. Operating expenditure had increased significantly over the years. There was a need to improve service efficiency and capture new business potential.

An exercise was undertaken in 1997 to scan the external and internal environment prevailing in the country and in the company. It typically exemplifies the Force Field Analysis theory. The major characteristics of the prevailing scenario at that time are depicted in Figure 2.

Based on this analysis, the following critical areas emerged which needed to be addressed by the company on priority:

• Will have to compete against other companies in obtaining blocks for exploration as per NELP.

• Will be exposed to price volatility for its products in the market-driven price mechanism.

• Will have to search for international opportunities to find "equity oil" to meet the crude oil demand of the country.

In addition to the opportunities and challenges outlined above, the deregulating industry environment in India necessitated several changes in the company, such as:

EXTERNAL FACTORS

• Competition introduced through NELP
• Operating freedom and accountability under Navratna Package
• Indian crude demand outpacing supply
• Company's assets are mature, but significant potential remains
• Advanced techniques can enhance recovery and productivity at lower risks
• Independent competitors emerging
• Diminishing oil production from existing basins

Though company went through many changes in 1980s but these external and internal forces necessitated Transformational Change in 1990s

INTERNAL FACTORS

• Lagging on data gathering and creative interpretation
• Compromised basic HR processes
• Technological Advancement required
• Change in Management Information Systems
• Change in Staffing policies and patterns
• Management style and shared values needed to be revamped in wake of new business environment
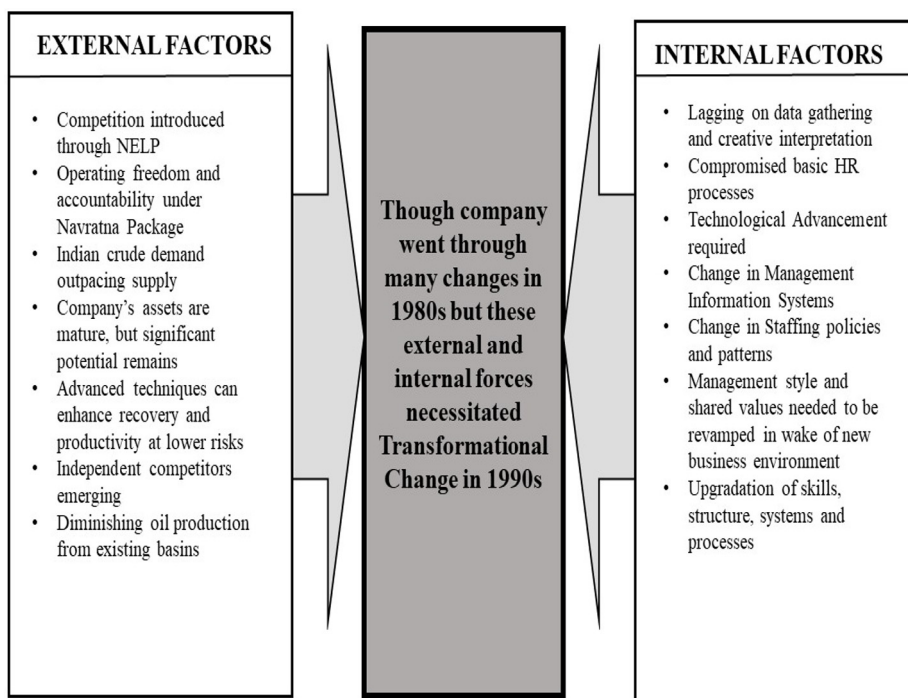• Upgradation of skills, structure, systems and processes

Figure 2.
Force field analysis
necessitating
transformational
change

- A shift from volume/activity orientation to commercial goals;
- Higher individual and collective accountability to these goals; and
- A revamps of organization structure and systems to enable the shift.

In nut-shell, the impending and immediate challenges before the company were to:

- find new reserves;
- maximize recovery from producing fields; and
- optimize cost – finding, development and lifting.

And, critical organizational barriers were related to:

- skills;
- structure;
- systems and processes;
- staff; and
- management style and shared values

To overcome these challenges the company had to gear up fully and fast. Foreseeing the impending future scenario and a resolve to make the company future-ready acted as a catalyst and compulsion for initiating a change programme to prepare the company for the emerging business environment.
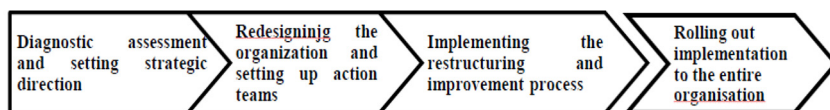
6. Diagnosis and planning
The process was christened as a project. It commenced with discussion with internal and external stakeholders which included collectives, groups of employees, government officials and senior executives along with the involvement of an internationally reputed consultant. A number of brainstorming sessions were organized to get diverse opinions and feedback on various issues. Teams constituted for this purpose also visited E and P companies in India and abroad to educate themselves about the prevailing system all over the world. It was an all-encompassing diagnosis covering the whole organization with an eye on the future and was divided into various sections starting from revisiting the vision of the organization to identifying strategic and organizational issues faced by the company. This involved assessment of the overall strengths and weaknesses of the organization and delineating change requirements.

This transformation process was going to be a mammoth exercise undertaken by the company for the first time. To facilitate implementation, monitoring and control it was divided into different phases with well-defined expected outcomes as depicted in Figure 3.

The phase-wise consolidated outcomes and expectations as enlisted above were further broken down into action plan and steps involved with well-defined time-frame to ensure timely completion without any ambiguity. The phase-wise details are placed below in Figures 4–6.

A major initiative during the transformation process was to review and reframe the vision of the company. It was a very well-orchestrated endeavor by the company as explained in Figure 7.

Framing of vision commenced with identifying the drivers of the company's future and elements that needed to be reflected and incorporated in the vision statement as given below in Figure 8.

Diagnostic assessment and setting strategic direction	Redesigninjg the organization and setting up action teams	Implementing the restructuring and improvement process	Rolling out implementation to the entire organisation
4 months	**4 months**	**8 months**	**Ongoing**
• Vision / mission for the company	• Decision and activity maps for key systems and processes	• Detailed MIS aligned with new processes and structures	• The company's personnel leading roll-out programme to other sites
• Understanding of key drivers of value for the company	• Optimal placement of E&P services between corporate centre, regions and assets	• Detailed IT strategy, structures, processes, resources and solutions	
• Strategic thrust areas, based on drivers of value	• In-depth assessment of the company's strengths and weakness	• Detailed HRM & HRD plan, to cope with transformation	
• Design principles for organization restructuring based on drivers of value	• List of priority activities for performance improvement areas	• Detailed implementation plan	
• Outline organization structure	• Design of actions teams to begin performance improvement process at 2-3 high impact sites	• Pilots for system and structure redesign up and running at high impact sites	
• Preliminary assessment of the company's strengths and weaknesses, based on early benchmarking findings		• Performance action teams up and running, bottom-line improvement opportunities under implementation	
		• Change programme communicated across the organization	
		• Skill-building programme for core capabilities	

Figure 3.
Summary of phase-wise identified deliverables

Further, strategic issues like operational efficiency, growth perspectives and financials were worked out as shown in Figure 9.

Thereafter, an in-depth assessment of the organizational issues faced by the company was made before developing a vision for the company. The skills and structure of the

Key activities	Month				
	1	2	3	4	
• **Interview key stakeholders**					
- India: The company's managers, MoP& NG, MoF, domestic operators, service companies					
- International: Private companies and NOCs					
• **Synthesise worldwide trends in E&P company organisation, from**					
- Interviews					
- Press searches					
- The consultant's experts					
• **Establish key drivers of the company's value**					
- Develop industry scenarios					
- Build high level financial model for the company					
- Detail key activities and their impact on value in different scenarios					
• **Benchmark performance and processes**					
- Choose activities to benchmark from key drivers of value					
- Select key measures and practices					
- Select candidates for comparison					
- Conduct inquiries					
- Interpret result					
• **Arrange international visits to selected companies**					
- Choose relevant companies					
- Co-ordinate with the company, MoP&NG, consultant's client teams and companies					
- Conduct visit and debrief					
• **Conduct vision strategy workshop**					
- Synthesise findings					
- Prepare and conduct workshop					
• **Review progress with senior management**					

Deliverables

- Vision/mission for the company
- Understanding of key drivers of value for the company
- Strategic thrust areas, based on drivers of value
- Design principles for organisation restructuring based on derivers of value
- Outline organisation structure
- Preliminary assessment of the company's strengths and weaknesses, based on early benchmarking findings

Figure 4.
Action-plan and key deliverables of Phase I

Key activities	Month				
	5	6	7	8	
• **Choose high-impact sites**					
- Evaluate sites for value creation potential					
- Consult with the company's management to short-list sites					
• **Design detailed structure and system**					
- Map decisions and activities by department					
- Detail core processes, activities and decisions					
- Link with key performance indicators					
- Design placement of shared services					
- Determine changes in workflow systems and responsibilities					
- Document changes					
• **Begin performance improvement efforts**					
- Identify high priority activities / decisions					
- Design cross functional action teams					
• **Design skill building programme**					
- Synthesise skill gaps from benchmarking and capability analysis					
- Design recruiting, training or alliance programmes					
• **Review progress with senior management**					

Deliverables

- Decision and activity maps for key systems and processes
- Optimal placement of E&P services between corporate centre, regions and assets
- In-depth assessment of the company's strengths and weaknesses
- List of priority activities for performance improvement areas
- Design of action teams to begin performance improvement process at 2-3 high impact sites

Figure 5.
Action-plan and key deliverables of Phase II

Key activities					Month				
	9	10	11	12	13	14	15	16	

- **Implement pilots**
  - Set up pilot teams
  - Apply systems designed in Phase 2
  - Monitor results and fine-tune approach
  - Modify documentation as required
- **Initiate performance improvement initiative**
  - Kick-off efforts with action team workshops
  - Set challenging targets on priority decisions identified in Phase 2
  - Create database of improvement opportunities
  - Prioritise opportunities by value creation potential
  - Secure approvals for immediate implementation
  - Measure results and set tougher targets
- **Review progress with senior management**

Deliverables

- Detailed MIS aligned with new processes and structures
- Detailed IT strategy, structures, processes, resources and solutions
- Detailed HRM and HRD plans, to cope with transformation
- Detailed implementation plan
- Pilots for system and structure redesign up and running at high impact sites
- Performance action teams up and running, bottom-line improvement of opportunities under implementation
- Change programme communicated across the organisation
- Skill-building programme for core capabilities

Figure 6.
Action-plan and key
deliverables of
Phase III

What should be company's vision? → How to maximize value in pursuit of company's vision? → How to build capabilities and enabling conditions?

- **Strategic direction**
- **Performance improvement priorities**
- **Organization restructuring**
- **Skill building**

Figure 7.
Stages for developing
organizational vision

What should be company's vision? → How to maximize value in pursuit of company's vision? → How to build capabilities and enabling conditions?

How rapidly does the company need to change?

How relevant is a value creation perspective for the company?

What 'national objectives' will continue to apply to the company?

Should the company's vision be that of a pure E&P company or a broader integrated oil company?

What size and scope of overseas business should the company aspire to?

Figure 8.
Elements and drivers
identified for vision
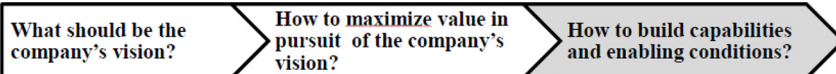
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Figure 9.
Strategic issues faced
by company

existing business were also reviewed along with what the company wanted to achieve as depicted in Figure 10.

The vision can act only as a guiding spirit. To use the available opportunities and face the impending challenges, the company needed to assess its present strengths and weaknesses. This strength, weaknesses, opportunities and threat analysis (SWOT) analysis was undertaken in a very scientific manner. For an in-depth diagnosis, the approach used consisted of:

- interviewing company managers and visiting company's work-sites;
- interviewing external stakeholders;
- identifying the key drivers of economic value for the company and benchmarking its performance against international companies;
- identifying the major barriers impeding company's business and activities; and
- assessing the socio-political and legal characteristics in the areas where it operates.

The major strengths and weaknesses of the organization were identified as shown in Table 1.

To fully exploit the strengths and overcome weaknesses, the company needed to fundamentally transform its frontline practices, systems and organizational structure.

Existing Business	Growth	Financial

• **Skills**
  o What are the skills required to be a high performance E & P company?
  o What is the current skill gap?
  o How to bridge this skill gap?
• **Structure**
  o What is the appropriate broad structuring of the business? (Correct mix of functional / assets character etc.)
  o What is the appropriate hierarchy and responsibility of each level?
  o Where and how should key decisions get made?
  o Where should support functions be placed and managed?
	• **Systems and processes**
	  o How and where should major strategic and operational decisions be made?
	  o How to build effective processes? (e.g. field development process, planning and budgeting process, capital budgeting and allocation etc.)
	  o How can managers be helped to improve performance? (e.g. how can you use MIS/ application of IT to strengthen information/ decision support)
	  o How should the company measure and reward SBU, function, support function, team and individual performance?
		• **Staff**
		  o How can the company correct staffing levels within the constraints of being a PSU?
		  o How can the company hire, develop excite and retain the right staff?
		  o How can the company minimise loss of talented staff to the private sector?
		• **Style and shared value**
		  o How can the company build a culture of performance?
		  o How can the company encourage continuous learning and best practice transfer?
		  o How can the company encourage controlled risk-taking?
		  o How much empowerment is appropriate?

Figure 10.
Organizational issues
faced by the company

Strength	Weakness
• Distinctive record of independently finding and opening new basins • Competitive cost position in finding and development, drilling and lifting costs • Unrivalled supply pool of skilled Indian scientists and technicians • Privileged access to quality acreage within India and internationally	• Present structure led to creation of silos • Weak commercial focus • Reserve accretion lagging • Basic HR processes compromised • Frontier mentality • Interference from the political system

Table 1.
Strengths and
weaknesses
identified under
diagnostic process

Based on this, it was decided that changing the environment implies fundamental changes in the company and it was the need of the hour. It involved moving to desired change with the overall objective from "maximize production volume" to "maximize economic value and reserve accretion". It also required fundamental changes in

performance management, organizational accountability, individual accountability, systems and working approach.

Based on the diagnostic study and feedback received from other related actions undertaken by the company, the following three core recommendations were made:

- Moving to asset-based structure from the function-based structure.
- Introduction of the concept of the multi-disciplinary team.
- Single-point-based accountability with matching empowerment.

And to achieve the above objectives, the following areas of change were identified and proposed for initiating action.

- Structure and roles.
- Systems and procedures.
- Thrust on IT.
- Attitude and behaviour.

Taking into account the SWOT analysis, emerging trends all over the world and detailed deliberations with concerned stakeholders, a new organizational model – asset-based structure – was suggested by the consultants. The model prescribed that each of the company's oil and gas reservoirs i.e. Assets ought to be managed by one Asset Manager with a multi-disciplinary team working under him. The Asset Manager would report to the Board of Directors. He would function with greater autonomy and responsibility which is the model all over the world. The broad framework of the revised organization model is shown in Figure 11.
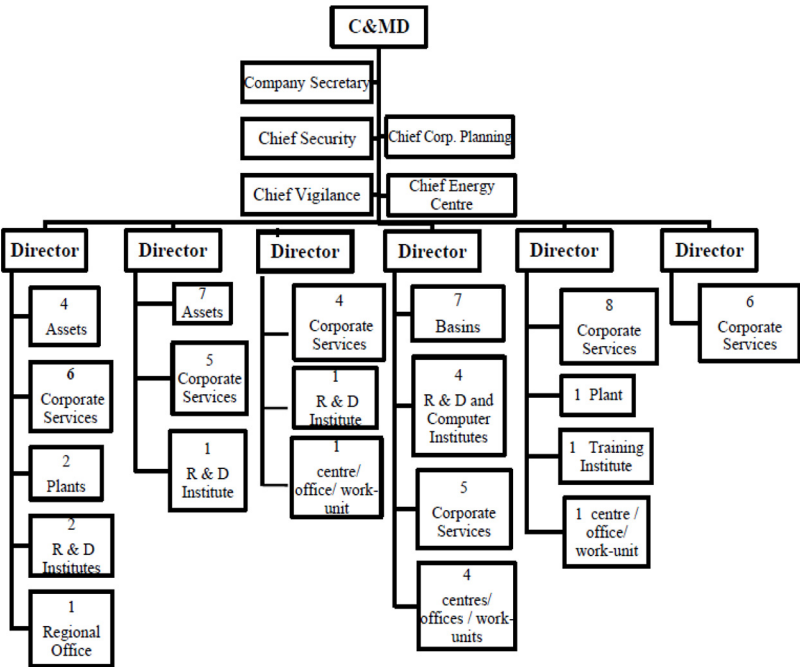

Figure 11.
Broad frame-work of proposed organization structure

In addition to the above, several other initiatives were planned out in parallel by the transformation core team. These included as follows:

- selecting, designing and launching a pilot project,
- communicating the diagnostic and planned change programme across the organization, and
- setting up task forces in each major functional area to develop new structures, processes and performance measures.

With the completion of an in-depth vigorous diagnosis and detailed planning for implementation, the company initiated the process of putting the recommendations into practice.

7. Implementation of change process

To execute the transformation process of such a gigantic proportion, a number of exclusive teams and task-forces consisting of executives at different levels in different domains were constituted. Steering committee was the apex body for driving this change process. The roles of the teams were clearly defined to ensure accountability and progress as per plan. The constitution and roles of these teams have been depicted in Figures 12–15.
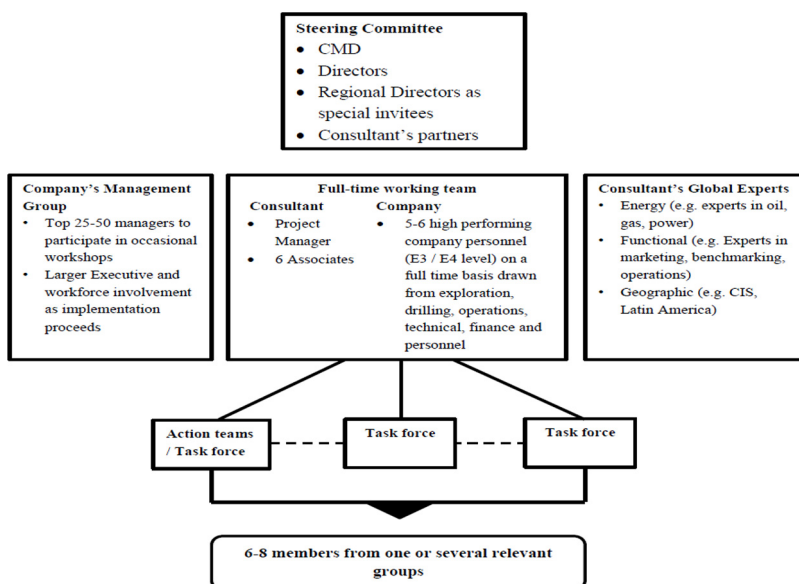

Figure 12.
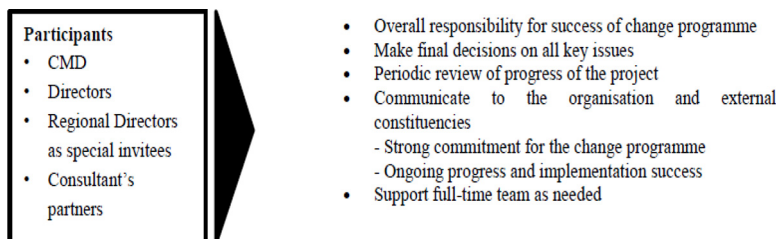Composition of different teams

Figure 13.
Role of the steering committee

Participants
- 6 Consultant's Associates
- Consultant's project manager
- 5-6 high performing company personnel (E3 / E4 level) on a full time basis drawn from exploration, drilling, operations, technical, finance and personnel

Consultant Team members
- Structure data collection and analysis and lead problem solving effort.
- Leverage consultant's worldwide expertise in E&P.
- Apply lessons learned from competitive behaviours of other industries in India and abroad both in public sector and the private sector.
- Help structure communication of recommendations to steering committee and company's managers.

Company Team Members
- Participate in problem solving
- Help set up and attend interviews with key stakeholders (e.g. the company, MoP & NG, MoF, domestic operators, service companies etc.).
- Bring the company's perspectives to the team.
- Jointly develop recommendations and share findings with steering committee.
- Lead some aspects of implementation

Figure 14.
Role of full – time company – consultant working team

Role
- Lead re-engineering of core processes
- Implement change programme
  - Mutually accountable for setting and accomplishing a performance goal
- Communicate upwards to the steering committee / working team and downwards to the front-line personnel

- Helps identify opportunities
- Selects team leader and team members
- Reviews progress periodically
- Holds team accountable

Sponsor

Facilitator

- Includes 6-8 members from one or several relevant groups, but only those needed to obtain the goal
- Holds themselves mutually accountable for setting and accomplishing a performance goal in 6-8 weeks

Team

- Helps identify opportunities and select team
- Facilitates the "kick-off" meeting
- Assists the team as needed
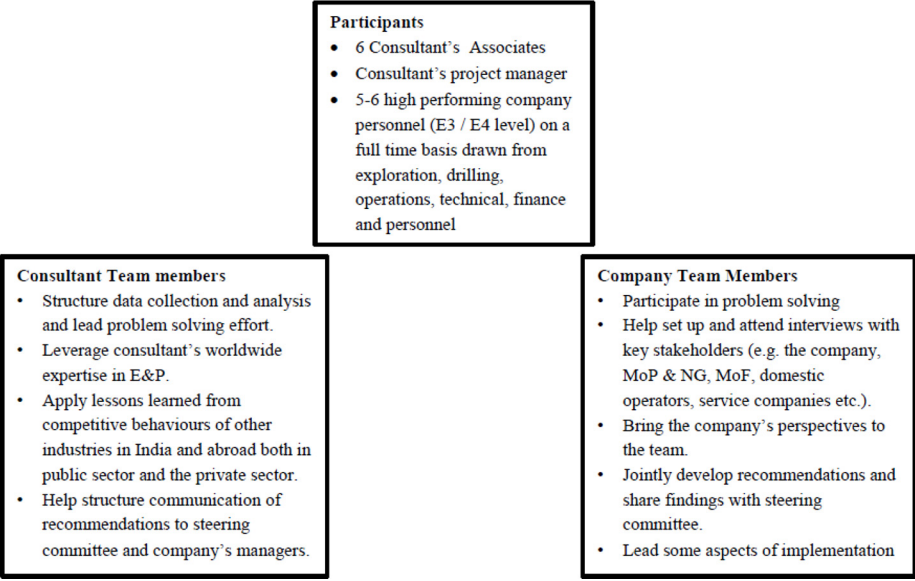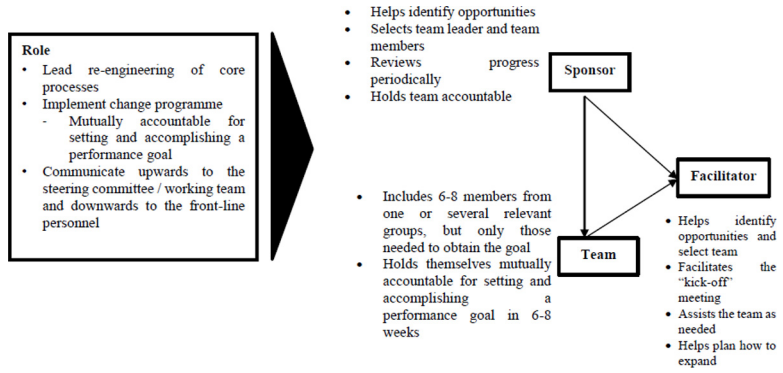- Helps plan how to expand

Figure 15.
Role of task – force

As it was the first time that such an exercise to go in for major and radical changes was initiated, there were mixed reactions including apprehension among the stakeholders – specially employees and collectives. After assuaging the feelings of its employees and allaying the fears of all concerned, the company started moving on the ground and commenced its journey for rejuvenating the body and soul of the organization.

7.1 Pilot projects
After the in-principle broad agreement among the stakeholders on the desired changes and ways and means to achieve these, the company embarked toward its actual implementation. But before full-scale implementation across the organization, it was planned to launch pilot projects to test the efficacy of the new structure. The key objective of this pilot was to

provide inputs for fine-tuning the asset-based structure for the company. This process was first started in an offshore field in early 1998 and subsequently, the implementation was started in an entire Region in mid-1999. Simultaneously, several actions were initiated to change the procedures in functions like materials management, exploration, HR, financial systems, etc.

The offshore field Pilot was designed to test the multiple facets of the proposed structure in the company. The asset team was given single point responsibility for performance improvement of the field by using multi-disciplinary team-work and ensuring transparent interactions with service groups in the region. The experience of this pilot-team showed that while the change in the company will be slow due to ingrained mind-sets and archaic procedures, very encouraging results can be achieved with the existing people if the new organization is implemented. Thereafter, a pilot on a much wider scale encompassing a whole region consisting of exploration and producing assets, services and the regional office was launched in one of the regions. The experience of implementing an asset-based structure gave valuable inputs for fine-tuning the structure for the company. The feedback collected from the pilot projects was compiled.

There were some major issues which needed to be addressed before any further headway could be made in the transformation project. It involved HR, structural and procedural issues which complicated the matter and required drastic surgical steps to mitigate these. It required convincing all the stakeholders specially employees and the government and a lot of courage on the part of management to make these changes. Thereafter, there was a lull in this direction and the status-quo continued for a long time of about a year. Meanwhile, there was a change of leadership and a new CEO (Chairman and Managing Director of the Board of Directors) joined the company in mid-2001.

8. Revival and implementation of change process
With the joining of the new CEO, the re-organization project was once again under focus and things started moving. Direct and active involvement of the CEO provided further pace to it. Reviews were carried out and things started moving in a timely manner. Implementation became the priority and ultimate objective. Also, it was rechristened as a Campaign in 2001 to project it as a continuous improvement process with a long-term view in place of one-time exercise. When asked about this change of name, the new CEO said "We are calling it a campaign because it is not a project that can be completed in a fixed period of time. It is also not a transformation to something different. An organization is like a living being – with age you gain something and you lose something else. Therefore, an organisation needs to rejuvenate itself".

To expedite the process, many of the decisions were made by the Board of Directors of the company and sometimes at the highest level of the CEO itself. As such, the time schedule for its percolation down the line was somewhat tight and less time was available for the flow of feedback upwards from down below. In the initial stage of the project, newsletters were issued for education and information of the employees related to the change process at the regular periodicity of almost every quarter but with the passage of time its frequency dwindled down and the periodicity of issuance increased. However, other channels of communication facilitated the dissemination of information. The role of consultants was also minimized or diluted. The things were moving at a very fast pace under the direct supervision of the CEO and the organization was finding it somewhat difficult to keep pace with it. But the system and people were gradually adapting to the emerging ways of the work-culture.

Certain changes were made to address the concerns of different quarters and enhance the acceptability of the proposed dispensation. Virtual Corporate was conceptualized so that each Asset/Basin is a self-contained enterprise with clear, one-stop accountability and commensurate authority. Consequently, each Asset/basin needed to be managed as though it is a separate company. Similarly, various changes were made in the recommendations proposed originally and it had a significant bearing on the future set-up planned. It impacted the spirit and body of the planned changes in varying degrees. The outcome was that it went beyond the consultant's recommendations. The proposed structure was examined and where required and it could be done, it was rationalized with significant changes. For example, it took a look at its corporate structure and regional structure and reduced the levels of decision-making. The final organization structure crystallizing after incorporating the modifications made after the revival of the transformation process is shown in Figure 11.

Toward the end of 2001, company management gave life to the planned changes through different office-orders. First, the Board of Directors was restructured. Nomenclatures of the Directors were changed as per the new roles and responsibilities assigned to them. Assignments of the Directors underwent a major change with regrouping of the board level corporate jobs. In August 2001, order for the restructuring of portfolios of Directors at Board level and distribution of responsibilities of key positions were issued under the new set-up. It also contained the identification of key executives (naming the officials) for the positions of heads of assets, basins, institutes and chiefs of services. Next week, orders were issued for officials under the Asset Managers for different positions. Majority of the orders were issued to fill up the important positions at different levels and action was taken for the manning of the entire organization as per the proposed model. Subsequently, guidelines were issued by the CEO within a few days with regard to mechanisms to be followed for a smooth transition to the new organizational framework. Finally, through an executive-order issued in September 2001, the new organizational set-up came into effect from October 2001.

9. Post-implementation phase

Since the things materialized at a very fast pace to meet the dead-line, some minor and major issues cropped up with the passage of time. To overcome these teething troubles, teams were constituted to work on the details for the seamless and smooth transition to the new system without affecting the work in any way. For example, the reporting channels were being redefined. It was also going through the process of defining the delegation of powers. In future, powers were to be made assignment specific and not by grade.

Also, the new organizational design needed modifications during implementation and operation due to changed business requirements and external limitations. Internal compulsions also played a role in it. In the absence of the creation of a post of one more Director as envisaged in the new set-up, certain corporate functions had to be reallocated among the existing Directors resulting in a major shift from the original plan. Tasks related to the devolution of power which needed to be undertaken prior to implementation were taken up afterwards. Change in Book of Delegated Powers from hierarchical levels to positions based on roles was effected. In addition, other minor issues, whenever they surfaced, were addressed – sometimes within the precincts of the new set-up and sometimes with deviation. The special cell, which was created to take care of such issues, continued for about a year and thereafter it was closed down with the desired change-over coming into practice all over the organization.

10. Organization today

This Maharatna company is the largest crude oil and natural gas company in India contributing around 75% to Indian domestic production. It achieved an overall ranking of 21st position in the Platts Top 250 Global Energy Company Rankings – 2018. It is the only Indian PSU to feature in Fortune's "Most Admired Energy Companies" list. It has been ranked 160th in the coveted Fortune Global 500 list 2019. It ranks 18th in "Oil and Gas operations" and 220th overall in Forbes Global 2000. Transparency International has ranked it 26th among the biggest publicly traded global giants. It has been certified as Great Place to Work and is the winner of the Best Employer award. It is one of the highest profit-making and dividend-paying enterprises. Keeping its tempo of change initiatives, it has emerged as a company among very few to implement "paperless office" concept.

The company seems to have won these accolades by sheer agility and self-renewal capability and making the right moves at the right time as its strategic initiatives speak. For equity oil, it has gone abroad through its subsidiary and overseas arm. It currently owns participating interests in 37 oil and gas assets in 17 countries. Its purchase of a majority equity stake in a stand-alone refinery is a standout testimony of its integrated business model. This deal also set an example in Indian business history where a PSU has taken over a joint stock company and turned it around in a record time of one year. It has diversified in the power sector by setting up a 725 mega watt gas-based power plant with a 50% equity stake. It is the key promoter in a grass-root mega petrochemical project. It now makes a continuous endeavor to look for new opportunities in the energy sector and has entered solar energy and wind power generation in a big way. Thus, moving ahead in recent years, it has taken structured initiatives toward value-multiplier integration projects like refinery, liquid natural gas, petrochemicals, power, special economic zone, etc., to have a presence in the entire hydrocarbon value-chain.

11. Insiders' observations and sentiment analysis

Howsoever well-planned and pre-designed a process of this nature may be, in practice, it passes through phases of ups and downs and has its moments of slippages and shortcomings. To understand this gray side of the change process, researchers gathered insiders' opinions and observations from employees working with the organization for the past 20–25 years and who have lived through the entire change process. It emerged that during the change process, it experienced many success stories but there were some pitfalls also and in hindsight a few gray areas can be identified as learning lessons. Based on the feedback collected from internal and external sources, the salient features of this full-scale change management process may be summarized as follows:

- A vision was set at the beginning but the immediate and more focused effort was needed to make it a shared vision and ensure its ownership by employees of all classes at the earliest.

- Change process required issuance of many executive orders for future directions but the organization development interventions should have been appropriate to prepare the people for the drastic changes taking place.

- There was more emphasis on re-designing of structure and processes rather than on simultaneously changing the mind-set, outlook and organization culture which could help in accepting and absorbing the new system without any resistance.

- Communication as a tool to prepare the people for the impending changes may not have been accorded a very high priority at a later stage.

- In many instances, instead of a comprehensive plan, decisions were made from time-to-time and as and when required.
- Involvement and participation of employees at large was high in the beginning but due to the long-drawn process, disillusionment started developing among the stake-holders and employees with the passage of time.
- There was a change of leadership at the highest level which may not be desirable at such crucial junctures of the organization's life.
- It seems that some of the senior executives in key positions accepted and implemented it out of compulsion and maybe coercion instead of conviction. A change management process is adversely affected with a half-hearted approach.
- The second phase of the process was done at a very hectic and fast pace which does not augur well for projects of this nature.
- A lot of changes were effected after the implementation. It resulted in the creation of some confusion and conflict. Moreover, introducing changes so soon, without practicing, may dilute the sanctity of the new system.
- In certain cases, individual or group interests dominated the organizational interests resulting in changes which went against the originally proposed framework.
- The asset-based model had been applied as a pilot to a declining offshore field and to one of the onshore regions and its acceptance in the organization, if anything, was somewhat low. It needed to be analyzed, diagnosed and practiced for a longer duration before drawing any conclusion about its usefulness and making changes.

Notwithstanding the above observations, the company has assumed a new avatar after this transformation exercise. Over the years, it has successfully overcome many of the road-blocks encountered during and immediately after the transformation process and fill up the voids left unattended during the process. It may be an indicator that the company has emerged as learning and enabling organization after the transformation process.

Ideally, an organization transformation exercise should not only improve its physical and financial performance but also the intrinsic strength of its human capital and its values. Hence, it is very important to understand the human element of the change process. To gauge the mood and perception of its people about the organizational climate before, during and after the change process, sentiment analysis was conducted through one-to-one and group interviews with 30 senior executives with a substantial length of experience. The findings of this sentiment analysis have been summarized and presented in Table 2 which is appended at the end. There is always an out of sight underneath the current of feelings which needs to be understood and addressed for such processes. However, it may not be logical to judge these in isolation or on a stand-alone basis for a particular attribute but to study the overall and ultimate outcome as all these HR parameters are interlinked in some way or the other.

12. Concluding remarks and points to ponder
This transformation process seems to be a model case of change management occurring in a company to bridge the gaps emanating in the company due to a wide range of reasons which led the company to embark on this journey of transformational change despite having incremental changes before. As often said transformation is not a two-day job, it took this company almost 15 years in becoming the organization it is today. It transformed the company into a risk-taking and future-ready organization. A number of interventions to improve the systems and processes and HR climate have been implemented. Human capital

Sl. No.	Dimension	Before 2002	Employees perception 2002–2010	After 2010
1.	Interpersonal relationship	Higher	Low	Good
2.	Innovation and risk-taking	Higher	Low (Fear of being caught on the wrong foot)	Good (Fear of being caught on the wrong foot)
3.	Communication	Low	Higher (dissemination of information due to IT system)	Highest (due to improved IT system)
4.	Building trust	No change	No change	No change
5.	Managing problems	No change	No change	No change
6.	Decision-making	Low	High	Higher
7.	Standard and quality concern	Low	High	Higher
8.	Fostering team-spirit	Low	High	High
9.	Supervision	Low	High	High
10.	Rewards and recognition	Low	Higher	High
11.	Motivational climate			
a.	Achievement	High	High	Good
b.	Affiliation	High	Low	Low
c.	Power	High	Higher	Good
d.	Dependence	High	Low	High
12.	Identity and belongingness	High	Low	Good
13.	Work environment			
a.	Physical facilities	Low	High	Higher
b.	Work load	Low	High	Higher
c.	Young employee turn-over	High	High	Low
14.	Competence			
a.	Befitting job	Low	High	Low
b.	Use and application	Low	Higher	High
c.	Availability of rewards	Low	Higher	Good
d.	Feeling of adequacy	High	Higher	Low
e.	Desire to change job	Low	High	Low
15.	Leadership			
a.	Expectation	High	High	Low
b.	Satisfaction – extent to which expectation met	Higher	Low	Good
c.	Style	Democratic	Autocratic	Participative (Executive Committee driven)
d.	Commitment	High	High	Good
16.	Co-operation and collaboration			
a.	Need and awareness	Low	Higher	High
b.	Extent – received	High	Higher	High
17.	Organizational learning			
a.	Experimentation and flexibility	Low	Higher	High
b.	Mutuality and team-work	Higher	Higher	Good
c.	Contingency and incremental planning	Higher	High	Low
d.	Temporary systems	Higher	Higher	Low
e.	Competence building	Low	Higher	High

(*continued*)

Table 2.
Sentiment analysis of effects of transformation on various parameters

Sl. No.	Dimension	Before 2002	Employees perception 2002–2010	After 2010
18.	Strategic profile			
a.	Company's orientation	Low	Higher	High
b.	HR	Low	High	High
c.	State of technology	Low	Higher	High
d.	Financial strength	Low	Higher	High
e.	Innovativeness at product level	Low	Higher	Low
f.	Market orientation	Low	Higher	High
19.	Structure			
a.	Hierarchy	High	Highest	High
b.	Span of control	Highest	Low	Low
c.	Linear/matrix	Linear	Matrix	Matrix
d.	Departmentalization	Less	Highest	High
e.	Decentralization	Low	Highest	High
20.	Technology	Low	High	Highest
21.	System and processes	Good (Frequent changes)	Highest	High
22.	Organizational culture	Democratic	Sense of fear	Detached
23.	Planning	High	Highest	Good
24.	HR climate			
a.	Employee engagement	High	High	Good
b.	Motivation and morale	Good	High	Good
c.	Job satisfaction	High	High	Low
d.	Empowerment and delegation	Good	Higher	High
e.	Group dynamics	Good	Good	Low

Table 2.

Notes: Scale: 1. Highest/higher/high, 2. Good, 3. No change, 4. Low, 5. Lowest/lower

always finds a prime place in all decision-making. Inculcating and embracing change has become a way of life in the company.

Internally, the employees who have been working in this organization for the past 25–30 years have mixed reactions and sentiments about the entire change process. According to these employees, the company has improved on its communication, decision-making, standard and quality concern, physical facilities at the workplace, use and application of individual competence, structure, cooperation and collaboration, competence building, empowerment and delegation, HR systems, technology and financial strength. But according to their culture of the organization has faced the brunt which now appears to be detached and also having only low to moderate feelings of achievement, affiliation, identity and belongingness, lower group dynamics, moderate motivation, lower job satisfaction and moderate employee engagement. However, externally, it looks that the transformation process has generated a self-renewal and coping ability in the company to overcome challenges and ensure organizational growth for years to come.

12.1 Points to ponder

- In a company of this mammoth size, is it possible to have one strong culture or was it possible to align both structure and culture in the right direction as part of the change process?

- In a PSU with job security, does it really matter if it has a culture of "detachment" as perceived by a few of its employees?
- The study shows that initially company had detailed planning for everything but the process went into a lull, whereas later with the change of leadership, implementation took place while planning got effected. So, which phase of leadership can be considered more effective in the context of the change process in such a big PSU?
- In the context of a PSU organization of such a magnitude, can we say that the transformational change process is successful as is visible from the performance of the organization or the feeling of detachment as perceived by the employees is a precursor of impending failure in long run?

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