

Transformation through Reforms and Performance

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Abstract— Our Prime Minister in his recent speeches has underlined the need to transform India for accelerated Growth. This is possible through Reforms in Policies by the Government and industry efforts to transform policy to facilitate Performance and Growth. But individual and organizational performance is the underlying key for such a transformation. The measure of Performance; be it individual, organizational or national is in the output and efforts for which the Government would facilitate by providing the necessary environment and infrastructure. The ease of doing business is one of the key areas in which the Government has introduced transparency and reforms in industrial policies for better business environment. The individual transformation needed in this digital age, may appear to be apparent but it goes beyond that. We live at a time in history where social transformations are fast and furious and we need to understand the motivations of three or four generations of people working together for corporate results. This calls for better understanding and team work among employees and a focus on results. Cooperation and consultative participation are required.

Keywords— Transformation, reforms and performance, facilitating individual and organizational performance, transparency and result orientation through team work.

I. INTRODUCTION

In the Union Budget 2017–18, “TEC India” has been outlined as the national agenda where “T” stands for transforming the quality of governance, “E” stands for energizing various sections of the society to help them unleash their true potential and “C” stands for cleansing the nation from the evils of corruption. This agenda perfectly gels with the various national programs that have been launched by the Hon. Prime Minister, in order to improve the Indian economy on a number of parameters. The idea is to make India an attractive destination for investment, create more jobs, unlock the spirit of entrepreneurship among our people by making them competent and provide a better quality of life for the masses.

While the Government is doing everything to make easy doing business with India, we as citizens and members of an organization have responsibilities to realize the dream. While reforms by Government can help us improve our Performance as an organization productivity and skills improvement is an individual agenda item. While transformations through reforms is a gate way we need to make use of it by improving individual performance and better understanding of what is needed in the current situation. As responsible members of an organization and as public we have this responsibility. The present article and research paper is about how individuals can affect this change!

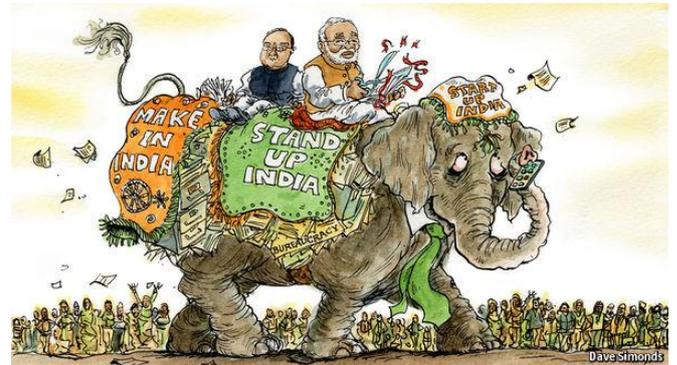


Fig. 1. Though the pace of change is not what Narendra Modi (PM) promised, he has been lucky with the economy.

II. OBJECTIVES AND METHODOLOGY

Often we have seen industries and the captains of industries cribbing for better policies and concessions to improve their profit margins and marketability of products. While the government is receptive and accommodative of various suggestions of the industries, companies need to understand that they have to play a key role in implementing such policies. While the reforms do create better environment and remove barriers to doing business, the companies have to ensure that their performance is in line with expectations. This is a two way process. The present article is to assess the readiness of industries to adopt the policy frame work by creating better process transformations and work attitudes for result oriented performance. With this in mind following specific Objectives have been identified for this research paper:

1. A critical appraisal of current business environment.
2. Reforms and their role in business results.
3. An assessment of how reforms are transforming business environment.
4. Role of industries and employees in realizing the potential Transformation.
5. Review of current performance and suggestions for future.

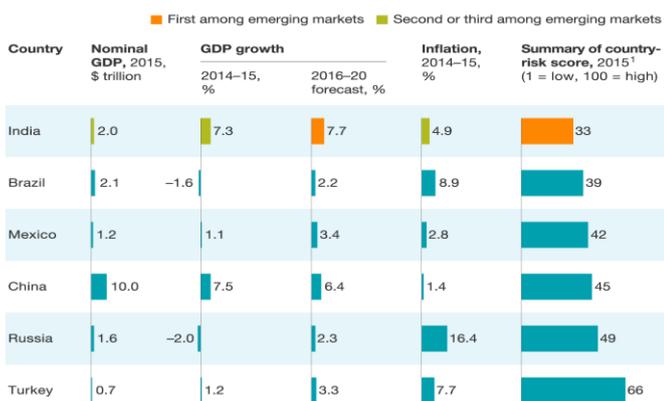
It is ambitious to attempt an evaluation of Policies and their impact as cited above. But this has been limited to the above objectives. Since this relates to environmental impact of policies data collection relied on published information from Government and media and reviews and critical appraisals. During the process of data collection, it was found that adequate information is available from published sources for the limited objective of this research paper. The data so collected has been systematically compiled, edited and refined to arrive at the Conclusions later.

III. REVIEW OF LITERATURE

A reform or movement is a kind of social change that aims to make a gradual or systematic change in certain aspects of society, rather than rapid or fundamental changes. A reform is distinguished from more radical social movements such as revolutionary changes. Reform ideas are founded in liberal principles and sometimes called social benefits. Some rely on personal transformation; others rely on small collectives, such as the spinning wheel or and the self-sustaining village economy, as a mode of social change as propounded by Mahatma Gandhi. Reactionary movements which can arise against any of these, attempt to put things back the way they were before any successes can be obtained by the new reforms or to prevent any such successes.

Twenty-five years ago, India embarked on a journey of economic liberalization, opening its doors to globalization and market forces. We, and the rest of the world, have watched as the investment and trade regime introduced in 1991 raised economic growth, increased consumer choice, and reduced poverty significantly. Now, as uncertainties cloud the global economic picture, the International Monetary Fund has projected that India’s GDP will grow by 7.4 percent for 2016–17, making it the world’s fastest-growing large economy. India also compares favorably with other emerging markets in growth potential. (Figure: 2).The country offers an attractive long-term future powered largely by a consuming class that’s expected to more than triple, to 89 million households, by 2025.

India’s growth potential compares favorably with that of most other emerging markets.



¹Composite index (political, financial, and macroeconomic). Source: The Economist Intelligence Unit; IHS; McKinsey Global Institute analysis McKinsey&Company

Fig. 2. India and the emerging economies.

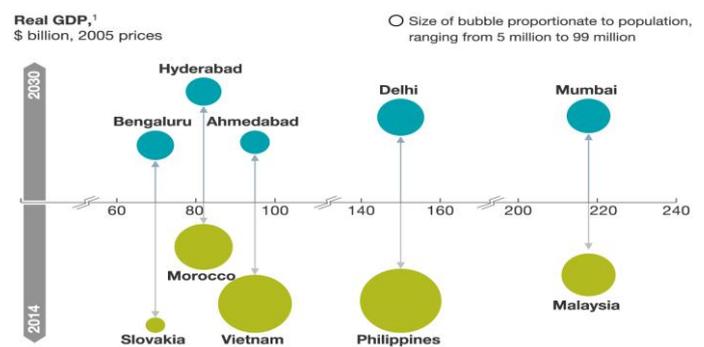
A decisive move towards more (and deeper) economic reforms is the first strategic priority for the future; in widening opportunities and creating a positive environment for equitable development. In developing countries such as India, with illiteracy and underdevelopment of infrastructure, the government must continue to play a crucial role in creating the necessary conditions for growth through investments in areas such as education, health, water supply, irrigation,

infrastructure, and so on. These tasks cannot be taken over by the market. Successful economic reforms must result in helping to generate higher growth, higher revenue, and higher productivity. As the recent experience of several transitional and emerging market economies shows, economic reforms are necessary but by no means a sufficient condition for growth and development. The country could create sustainable economic conditions in many ways, such as promoting acceptable living standards, improving the urban infrastructure, and unlocking the potential of women.

Liberalization has created new opportunities. The challenge for policy makers is to manage growth so that it creates the basis for sustainable economic performance. Although much work has been done, India’s transformation into a global economic force has yet to fully benefit all its citizens. There’s a massive unmet need for basic services, such as water and sanitation, energy, and health care, for example, while red tape makes it hard to do business. The government has begun to address many of these challenges, and the pace of change could accelerate in coming years as some initiatives gain scale.

By 2025, MGI (McKinsey Global Institute) estimates, India will have 69 cities with a population of more than one million each. Economic growth will center on them, and the biggest infrastructure building will take place there. The output of Indian cities will come to resemble that of cities in middle-income nations (Figure: 3).In 2030, for example, Mumbai’s economy, a mammoth market of \$245 billion in consumption, will be bigger than Malaysia’s today. The next four cities by market size will each have annual consumption of \$80 billion to \$175 billion by 2030.

By 2030, the economies of India’s top five cities will be comparable to those of middle-income countries today.



¹Top 5 cities, based on 2030 GDP values. Source: World Bank; McKinsey Global Institute analysis McKinsey&Company

Fig. 3. Income comparison of Indian cities.

To achieve sustainable growth, these cities will have to become more livable places, offering clean air and water, reliable utilities, and extensive green spaces. India’s urban transformation represents a huge opportunity for domestic and international businesses that can provide capital, technology, and planning know-how, as well as the goods and services urban consumers demand.

The government is attempting to improve the investment climate and accelerate job creation—India’s ranking on the

World Economic Forum’s Global Competitiveness Report climbed to 55 in 2015–16, from 71 a year earlier. Officials are moving to make the government more efficient, using technology that can leapfrog traditional bottlenecks of a weak infrastructure. One billion Indian citizens, for example, are now registered under Aadhaar, the world’s largest digital-identity program and a potent platform for delivering benefits directly to the poor.

Social transformation is the process by which an individual or a group of individuals with a common purpose can *alter* the socially achieved status for themselves. However another type refers to large scale social change as in cultural reforms or transformations. The first occurs with the individual, the second with the social system. Social transformation in this context requires a shift in collective thinking of a society - local, state, national or global so that reality is refined by consensus. Scientific discoveries have triggered many social transformations throughout our history. Cities which have reinvented themselves serve of examples of conscious transformations of a social type resulting in reinvigorated and revitalized populations, economic prosperity and restored civic pride. Social transformations are such when they sustain over time where attitudes and values are held in a completely new context (or paradigm) based upon different assumptions and beliefs. Technological innovations have also led to social changes as seen in the current digital age.

“Increasingly, the *policy* of any country--and especially of any developed country--will have to give primacy to the country’s competitive position in an increasingly competitive world economy. Any proposed domestic policy needs to be shaped so as to improve that position, or at least to minimize adverse impacts on it. The same holds true for the policies and strategies of any institution within a nation, whether a local government, a business, a university, or a hospital. But then we also need to develop an *economic theory* appropriate to a world economy in which knowledge has become the key economic resource and the dominant, if not the only, source of comparative advantage. We are beginning to understand the new integrating mechanism: *organization*. But we still have to think through how to balance two apparently contradictory requirements. Organizations must competently perform the one social function for the sake of which they exist--the school to teach, the hospital to cure the sick, and the business to produce goods, services, or the capital to provide for the risks of the future. They can do so only if they single- mindedly concentrate on their specialized mission. But there is also society’s need for these organizations to take social responsibility--to work on the problems and challenges of the community. Together these organizations *are* the community. The emergence of a strong, independent, capable social sector--neither public sector nor private sector--is thus a central need of the society of organizations. But by itself it is not enough--the organizations of both the public and the private sector must share in the work. The *function of government* and its *functioning* must be central to political thought and political action. If the twentieth century was one of social transformations, the twenty- first century needs to be one of

social and political innovations, whose nature cannot be clear to us now as their necessity”- Peter Drucker.

With disruptive change becoming the norm, many government departments and agencies are looking to transform their business models to meet changing demands. Ideally though, an organization should be pre-empting rather than reacting to those changes. We need to develop business transformation strategies that tackle disruptive forces head on – turning risks into opportunities and issues into benefits. Business Transformation solutions will help you adapt, redesign, and or align your business model, workforce, culture, technology, and business processes to achieve the outcomes you want and need. Although we see all aspects of an enterprise holistically, we are able to focus on specific aspects if needed – be it internal operational pressures, machinery of government changes, adoption of newer technologies, or citizen expectations of digital services.



Fig. 4. Business transformation process.

Organizational change management or Business Transformation is not a standalone activity or skill; it is part of everything we do and underpins all of our engagements. A complimentary and mutually inclusive value proposition exists between Change Management and Project Management. Working side by side, the former deals with the people side of change and the latter deals with the technical side of change. In all engagements, we look to understand the broader organizational culture and attitudes towards change, so that we can anticipate and mitigate delivery and benefit risks. We work to build leadership capability, and the participation and buy-in of all staff.

As part of a large transformation program or a single capability requirement, Strategic Reform and Enterprise level requires the following

- Change Stakeholder Analysis, Engagement and Management Plan
- Change and Communication Strategies
- Change Maturity/ Readiness and Impact Assessments
- Organizational Cultural Diagnostics ,Capability Developments and Improvement Programs

- Equipping Change Champions – Training workshops to prepare leaders for change
- Design, Development, and Delivery of Leadership Development Programs
- Action Learning Sets – to support behavioral change (group setting) Executive Coaching Services to embed behavioral changes (individual one-on-one)

Leaders in touch with their operating environment are often the first to recognize the need for change but many struggle with where or how to begin. They need to understand the science and art of delivering value to the customer and achieving operational excellence. Service Design and Delivery, is an area of expertise, whether the initiative is internal or external, at individual channel level, or at a whole-of-supply chain level. In addition to our web-based digital service design offerings, Shared Services is a focus area. We understand the benefits that the move to shared services presents, but also the challenges that stem from it, including the changes to workforce requirements and structures. The benefits of cloud computing and service sharing are important. In particular, we need to understand the challenges around establishing homogenous processes between agencies to achieve maximum benefits. Each agency does things differently, and changing processes and gaining people’s acceptance of the change can be challenging.

Organizations are eager to take advantage of emerging technologies to give customers the service they expect. However, many transformation programs lack a clear connection to customer needs and have poorly defined objectives. This can lead to substandard investment decisions, meaning resources are wasted and transformation objectives go unmet. Organizations across all industries are striving to connect more effectively and efficiently with their customers, utilizing the ability to leverage emerging technologies as a core way to equip them with enhanced decision making. This is helping them to both anticipate and deliver on continually changing customer demands.

For some organizations, being truly customer centric will require an overhaul of their business model and technology systems. They will need to eliminate waste, maximise profit capture and analyze data that will help them personalise services for their customers. Others may have suitable technology, but are not harnessing the full value they can deliver through that technology. They may need to undertake targeted transformation programs to improve processes or speed to market. In the race to embrace new technology some leaders push into transformation programs before they have clearly defined organisational objectives or the needs of the customer, or understood the core business issues that need to be resolved. This can lead organisations to invest in the wrong solution or fail to keep evolving the solution once it is implemented. It is clear that organisations, regardless of the challenge or sector, need to think through transformations carefully to get the maximum results. Using the IBT methodology and leveraging the capabilities from across business, can help you to optimise technology, and realize better customer experience.

Transformation is a unidirectional and irreversible change in dominant human economic activity. Such a change is driven by slower or faster continuous improvement in sector productivity growth rate. Productivity growth itself is fueled by advances in technology, inflow of useful innovations, accumulated practical knowledge and experience, levels of education, viability of institutions, quality of decision making and organized human effort. Human economic activity has so far undergone at least four fundamental transformations:

1. From nomadic hunting and gathering (H/G) to localized agriculture
2. From localized agriculture (A) to internationalized industry
3. From international industry (I) to global services
4. From global services (S) to public sector (including government, welfare and unemployment, GWU)

This evolution naturally proceeds from securing necessary food, through producing useful things, to providing helpful services, both private and public (See H/G→A→I→S→GWU sequence in Fig. 5). Accelerating productivity growth rates speed up the transformations, from millennia, through centuries, to decades of the recent era. It is this acceleration which makes transformation relevant economic category of today, more fundamental in its impact than any recession, crisis or depression. Transformation is quite different from accompanying cyclical recessions and crises, despite the similarity of manifested phenomena (unemployment, technology shifts, socio-political discontent, bankruptcies, etc.). However, the tools and interventions used to combat crisis are clearly ineffective for coping with non-cyclical transformations. The problem is whether we face a mere crisis or a fundamental transformation (globalization vs. relocation).

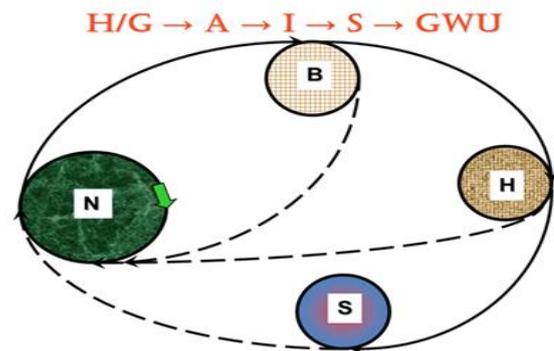


Fig. 5. Nested hyper cycles of the transformations through the parallel evolution of four forms of capital.

IV. ANALYSIS OF FINDINGS AND CONCLUSION

The current business environment is characterized by dynamic changes not seen ever before and also the speed with which it is taking place making it a very unique situation. Conventional organizations and the principles governing them are getting replaced by the digital revolution. The proliferation of hand held devices is making it difficult for an older generation of employee to understand what is going on in an organization too fast! By the time he comes to terms with that some other revolution has taken the wind out of sails.

Government is making every effort to make things easier by policy frame work which is conducive to doing business; but ultimately it will be the onus of the employees to produce the results desired by management.

In such a scenario Government tries to bring in reforms which in the long run will help society to maintain its sobriety. Reforms are policy guide lines for industries and individuals to streamline their efforts for fulfillment of national priorities. Reforms help industries to focus on priorities and make better use of scarce resources. By nature reforms may promote and appear to be favorable to some industries and not so friendly to others. But this has to be understood with a perspective of national growth and futuristic requirements of technology and manpower. Reforms are the product of social demands and priorities.

Reforms are transforming business and environment. Today we see more and more companies are streamlining the operations to meet public policy as stated in reform ideas. Reforms have assisted companies to reduce their tax burden and improve savings to plough back for further reinvestment. Computer literacy in India has improved, empowerment of women is progressing at a faster pace and women are participating in development. There is more awareness of how education and technical training can improve organizational placements.

There is a major and greater role to be played by industries in realizing the full potential of this transformation. Industries can spread to smaller towns and away from city and metropolitan areas for the benefits to percolate towards many more segments of deserving and deprived citizens. Higher education facilities and the Financing arrangements for them have to be made available within reach of individuals of the middle income group. Such a transformation is the need of the hour. Employers may facilitate employees in acquiring higher education and make use of their talent and potential to full extent.

Currently many segments of industry are practicing these. But more needs to be done to bring down the cost of higher education and make it available in Indian Universities at affordable cost. There is a major transformation taking place by women participating in higher education and employment opportunities.

V. RECOMMENDATION

To keep pace with the dynamic business environment public policy changes are inevitable. As a result businesses need to be reoriented to the needs of technical education and computer environment and the proliferation of mobile and handheld devices which are taking over the conventional apps. Training, retraining and Human Resources Intervention assume a bigger role in the scheme of things! Transformations will not take place without reforms and for transformations to be meaningful reforms are necessary. It is a chicken and egg situation!

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