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in Implementing Organisational
Improvement & Restructuring
Programmes**

By

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HOW TO ENSURE GREATER SUCCESS IN IMPLEMENTING ORGANISATIONAL IMPROVEMENT AND RESTRUCTURING PROGRAMMES

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Indian economy has gone through a process of gradual de-regulation in the eighties and this process has accelerated further in nineties. Globalisation and liberalisation have become the catch words of the nineties.

Regulation and protectionism of the licence-permit raj had debilitated the competitive capability of many Indian organisations. Since whatever produced could be sold easily, technological upgradation, quality improvement and customer service suffered. As costs could be passed on to the customer without any problem, there was no emphasis on cost consciousness or efficiency. All these handicaps didn't matter in an era of regulation and protectionism.

But with deregulation, liberalisation and globalisation, the genie of competition has been let loose. Many erstwhile high performing Indian organisations like Bajaj Auto, TISCO, SIEMENS and ITI have become the recent victims of the process of globalisation and liberalisation. This process will continue even during the next decade. As more and more sectors like banking, insurance, telecommunications, air-transport, power, oil exploration and refining are being deregulated and opened up to the global competition, some of the hitherto highly-respected and successful organisations may find themselves unable to cope with the changed business realities.

Given this scenario, more and more organisations have been forced to embark on the process of organisational improvement, restructuring and transformation. Many organisations like ITI, HMT and SIEMENS, whose fortunes have undergone a drastic change for the worse in the last few years have initiated several measures to achieve turn-around. Other organisations like MTNL, IOC, HPCL and SBI whose performance continues to be fairly good have also become aware of the need to prepare themselves to

face the drastic changes expected in their business environment in the near future and have begun taking steps to bring about changes in their functioning. A survey of more than 100 top level managers indicated that a large number of Indian organisations have gone through or about to go through some kind of restructuring.¹

While several Indian organisations have initiated organisational improvement programmes, the results have been mixed. Some organisations like TVS-SUZUKI have achieved remarkable turn-around in their fortunes, some others like Hindustan Photofilms have not at all been able to improve their health. Others like HMT, ITI and SIEMENS are still grappling with issues of turn-around. Some other organisations like SBI, IOC and MTNL who have initiated restructuring exercises only recently may have to wait a while before they can assess the effectiveness of their restructuring and transformation programmes. For Indian organisations to survive and grow in this scenario of globalised competition, achieving greater success in their organisational improvement programmes is very critical.

I have often wondered about the degree of success of the many organisational improvement and restructuring programmes being reported every day in the business magazines and the newspapers. "Why are some organisations more successful than others in implementing their organisational restructuring and improvement programme, and what factors contribute to this success?" are the questions I have been mulling over for some time. Over a considerable period of reflection on these questions, I have developed some insight based on my own direct experience of working as an executive and internal change-agent in some organisations and as a management consultant to some more organisations. Reflecting on the cases of Indian organisations reported in the business magazines, I could gain some more insight about the factors contributing to the success of organisational improvement programmes. In the rest of this article, I have presented a synthesis of my learning and insights regarding what goes into making an organisational improvement programme more effective and successful and the factors that need to be kept in mind by the Indian organisation before they embark on an organisational-restructuring programme.

CHOICE OF ORGANISATIONAL IMPROVEMENT STRATEGY

One of the most important determinants of the degree of success of organisational improvement and change programmes is the appropriateness of the chosen improvement strategy. Many a time, due attention is not given with regard to the fit between the context of the organisation and the chosen improvement strategy. What measures should be initiated and how should they be sequenced is often decided without giving too much thought.

From a review of literature on the subject of organisational change, restructuring and transformation, approaches to organisational change are conceptualised as of many different types. Change efforts are classified as being driven either through the introduction of new technology or by changing the attitudes and behaviour of people through training and organisational development or by bringing changes in the organisation structure and administrative systems.² Improving operations, strategic transformation and corporate self renewal is another way of classifying the organisational improvement and change efforts.³ Organisational transformation is seen as a very different process from restructuring.³

From the point of examining the appropriateness of a chosen strategy, a better way of categorising the different organisational improvement programmes could be on the basis of the nature of the needs of the organisation and the outcomes expected. On this basis, organisational improvement strategies can be broadly categorised into i) Crisis-management, ii) Turn-around and iii) Organisational-transformation strategies.

Among these three strategies which is the most appropriate strategy depends on answers to the following questions:

- 1) Is the organisation facing any perceptible problem?

- 2) Is there a significant decline in the organisational performance in terms of visible parameters like profits, growth rate and market share?
- 3) If there is a visible decline in performance, is it possibly a symptom of other deeper problems?
- 4) Even if there is no visible problem faced by the organisation or a visible decline in its performance at present, are there any potential but hidden problems which may manifest themselves in future, as and when the business environment of the organisation undergoes change? Are there any tell-tale signs of these hidden problems?
- 5) Is the organisation in a position to keep its operations going or is it facing an immediate crisis?

When the organisation is unable to continue its day-to-day operations, the most appropriate strategy would be one of Crisis management.

CRISIS MANAGEMENT

Here the focus will be on tackling the immediate crisis and have the breathing time to achieve a turn-around in the medium term. This is very much analogous to the emergency care provided to a seriously ill patient, before a long term treatment can begin for achieving a relatively more permanent cure.

Typical elements of crisis management strategy are:

- i) Austerity measures like restrictions on travel, telephones, cut in training and R&D expenditure, etc;
- ii) Improving credit collections;
- iii) Reducing inventory levels and even resorting to partial shut down of operations to reduce finished goods inventory levels, if required;
- iv) Stoppage of operations in case of divisions and products where even variable cost are not recovered;

- v) Freeze on recruitment, increments, incentives and employee perks;
- vi) Sale of unproductive and surplus assets.

Quite often these steps tend to give a degree of immediate short-term relief to the organisation. But crisis management cannot be a permanent solution to organisational problems. It is a purely temporary measure. The breathing space it provides is useful to initiate measures for achieving a turn-around.

TURN-AROUND

When there is a significant deterioration in performance, then the focus of the improvement strategy needs to be on achieving a turn-around.

In the case of a turn-around strategy; the focus tends to be on bringing significant improvements in terms of tangible parameters like profitability, growth rate and market share. This strategy is analogous to conducting a surgery for a person suffering from a heart ailment to enable him to lead a normal life after a period of recuperation.

Primary objective of turn-around strategy is treatment and cure of the symptoms and proximate causal factors.

Typical measures which form part of organisational turn-around strategy are:

- i) Value-engineering and cost-reduction exercises to cut product costs and overheads,
- ii) Technological upgradation of product features as well as the manufacturing practices to improve quality and compete better in the market place;
- iii) Disposal of unviable and non-core businesses;
- iv) Reducing manpower costs through voluntary retirement schemes;
- v) Financial-restructuring to enable the organisation to come out of debt trap;
- vi) Redesign of the organisation structure to achieve better customer focus, improved coordination and accountability; and

- vii) Business-process-reengineering to enhance the speed of decision-making and make the organisation more responsive.

These turn-around measures have been broadly classified by Anand Ram¹ into business restructuring, financial restructuring, organisational restructuring and technological restructuring. Often a typical turn-around strategy includes a combination of these different measures.

If these measures are implemented properly, an organisations may often manage to achieve a turn-around in a period of two to three years. In the event of an organisation facing immediate crisis, for the organisational improvement programme to be effective, handling the immediate crisis takes precedence over the turn-around. For this reason, often some of the measures listed as part of the crisis management strategy become precursors to achieving a successful turn-around.

But in some cases, in spite of undertaking the steps indicated above, a successful turn-around may not be accomplished. One of the reasons for this lack of success could be ineffective implementation. Sometimes these measures are implemented only to the letter but not to the spirit. For example, if there is a 50% surplus manpower, the organisation may manage to reduce its manpower only by 10 to 15%. Similarly, when cost reduction exercises are undertaken, instead of looking for radical solutions which can cut costs drastically, often the organisation may resort to only small incremental reduction.

In spite of this kind of ineffective implementation, sometimes even these minor improvements may suffice to achieve a turn-around. But in the case of organisations where changes in their business environment have been drastic, turn-around may be possible only by undertaking equally drastic measures. Often implementing radical measures can be painful and can lead to considerable internal resistances.

In some other cases, organisational turn-around may not be successful because of the narrow focus on achieving symptomatic cure rather than on tackling the deeper causes of the organisational problems. In some cases the problem of the organisation may have been allowed to fester for a long time and might have become too serious and almost incurable as in the case of Hindustan Photofilms.

Even in cases where successful turn-around is achieved, many times the root causes of the organisational problem may not have been tackled and the focus might have been only on achieving symptomatic cure in terms of traditional parameters like growth rate, profitability and market share. For this reason, when the favourable factors in the business environment disappear, the organisation may once again get into trouble after a while.

This brings us to the third category of organisation improvement strategy, i.e., 'Organisational Transformation'.

c) Organisational Transformation:

If the current decline in organisational performance is a symptom of other deeper causes or alternately even if the current organisational performance in terms of traditional parameters is quite good, but there are tell-tale signs of deeper problems, which could surface when the business environment of the organisation undergoes change, then the appropriate strategy ought to be one of 'Organisational Transformation'.

In this case, the primary focus tends to be not on symptomatic cure, but on tackling root causes and improving the health and fitness of the organisations. This is analogous to the efforts of people to improve their fitness and long-term health by changing their life-style, eating habits and undertaking a regimen of physical exercise and mental relaxation even when they are not facing any immediate problems of ill-health. In a similar way, the focus of 'Organisational Transformation strategy' is on preparing the organisation to enhance its capability to respond effectively even in situations of drastic change in its

business environment. The aim is enhancement of the survival ability and long-term growth even in a turbulent and competitive environment.

Unlike in the case of turn-around, the primary focus in this strategy tends to be on relatively intangible goals like bringing in greater professionalism, customer-orientation, flexibility, responsiveness, performance-orientation, innovativeness, quality - consciousness, etc. Often, the objective of this strategy is to bring-in a radical transformation in the character and culture of the organisation.

Typical measures which form part of the organisational transformation strategy are:

- i) Organisation restructuring;
- ii) Business process reengineering;
- iii) Enterprise Resource planning;
- iv) Redesign of organisational policies and systems to bring in greater customer orientation, innovativeness, etc;
- v) Total quality management and total productivity management;
- vi) Organisational development exercises to bring changes in the values and character of the organisation, which may include redesign of Human Resources Management and Development Systems and Processes like performance appraisal, reward and incentive schemes and career planning .

Organisational transformation process is a slow and painstaking process and takes many years before it can show tangible results. Though many organisational transformation exercises are initiated with a lot of fanfare, on account of the absence of visible results in the short-run, in many cases the enthusiasm wanes after a while and often the focus tends to shift to other tasks which are perceived as more pressing and which are likely to produce immediate results. In addition, since organisational transformation involves bringing in radical changes in familiar and habitual ways of doing things, organisational transformation exercises tend to trigger a lot of resistance from with-in the organisation.

For these reasons, strong commitment, perseverance and patience become pre-requisites for achieving success in organisational transformation efforts.

It is also important to recognise that before embarking on an organisational transformation process, wherever necessary, substantial progress needs to be made in achieving organisational turn-around. Otherwise, the focus on the process of long-term transformation could divert the attention of the organisation from more urgent and pressing tasks and this can be counter-productive. It is like putting a patient on a regimen of rigorous physical exercise even before he recovers from a heart surgery.

Though for the purpose of conceptualisation, the organisational improvement strategies have been presented as three pure types, namely, i) Crisis management, ii) Turn-around and iii) Organisational transformation, in practice the chosen strategy could contain elements from all the three with the main focus being on one of the three strategies with the objective of either short-term, medium-term or long-term results depending on the context of the organisation. But it is important to recognise that for an organisation improvement strategy to be effective, crisis management takes precedence over turn-around and turn-around over organisational transformation.

II. Mis-diagnosis and pseudo problem solving

One of the most common pitfalls in the implementation of organisational improvement strategies is mis-diagnosis and pseudo problem solving. For organisations to be more successful in their improvement efforts they need to avoid falling into this trap of mis-diagnosis and pseudo problem-solving.

For example, when what is really necessary, for achieving a turn-around, may be tackling the root causes and reorienting the basic character of the organisation, some times organisations tend to focus on symptomatic cure by taking measures like cost-cutting, manpower reduction and financial restructuring. In some cases these traditional steps of a turn-around strategy may yield some positive results at least in the short-run. But in some other cases, they don't yield the desired results. But, in spite of the outcomes not

being satisfactory, rather than searching for the root causes and tackling them, some organisations continue to tinker-around with familiar measures. For example, HMT, when confronted with deterioration in its performance, resorted to traditional measures of turn-around strategy like cost-cutting, closure of unviable units and manpower reduction. When the results were not satisfactory, it thought of financial reengineering, converting its divisions into subsidiary companies and selling of some of these divisions. While the visible deterioration in terms of traditional measures of performance is the immediate and manifest problem of HMT and therefore needs to be tackled on priority, the deeper problem of HMT is its not being market savvy and lacking in responsiveness and performance-orientation to the degree required in today's highly turbulent and competitive environment. In today's highly competitive environment, these factors have become major limitations. While bringing a radical change in its character and culture is equally critical for HMT's success in today's competitive environment, HMT's improvement strategy seems to be focussed solely on traditional measures of turn-around like cost-cutting, restructuring and financial engineering⁴. Another case is that of a well known MNCs in the electrical engineering industry, another recent victim of globalisation and liberalisation process. It has initiated a comprehensive turn-around strategy consisting of cost-cutting, emphasis on improving credit collections, sale of unproductive and under-productive assets, disposal of unprofitable divisions, manpower reduction through VRS and organisational restructuring together with major focus on management development. In spite of this comprehensive strategy, this organisation is still struggling to achieve a turn-around.

Once again in this case also, the focus seems to have been on achieving a symptomatic cure. Though, for this organisation to be successful, in addition to the measures mentioned above, it needs to focus on becoming more market savvy, flexible and responsive to the needs of the customer, these aspects don't seem to have received as much attention as they deserve.

Another example is that of an organisation in the ferro-alloy industry when its financial performance deteriorated quite significantly, it chose to view its problem only as a

problem of liquidity. As a consequence, the company sold off some of its real estate assets to meet the perceived liquidity problem. But since the real problem was the unviability of some of its divisions, which remained untackled, business losses continued to pile up and all the proceeds from the sale of the real-estate were spent within no time and the problem of cash-flow re-surfaced once again and the organisation was once again finding it tough to keep its operations going.

It can be seen from these examples that improper diagnosis of the context and problems faced by an organisation and the consequent focus on symptomatic cure could leave out the deeper but crucial factors unaddressed and this could result in the organisational improvement programmes not yielding the expected results.

For this reason, before initiating a programme for organisational improvement, doing a proper diagnosis of the context of the organisation is very crucial. This should not be limited to the examination of the obvious symptoms and proximate causes but should also include the identification of the deeper causes. It is also important to become aware of and avoid the tendency to focus exclusively on symptomatic cure.

Wide consultation within the organisation as well as seeking external help for a more objective assessment can significantly improve the quality of diagnosis as well as the effectiveness of the improvement programme.

III. Choice of specific measures

While the importance of appropriateness of chosen strategy for organisational improvement has been discussed already, it is equally important to assess the appropriateness of specific measures which form part of an organisational improvement strategy. Different measures require different time horizons before they can yield appreciable results. Ease of implementation of different measures also varies. Sequencing of these measures also has a significant impact on the effectiveness of the organisational improvement programme.

A list of commonly employed measures for organisational improvement along with details regarding the ease with which each of these measures can be implemented, time period required before tangible results can be obtained and their congruence with different improvement strategies is given in table-I.

In choosing specific measures to be included as part of an organisational improvement strategy, it is important to keep in mind the time horizon within which tangible results are expected, the degree of freedom available to implement difficult measures and their congruence with the chosen strategy, as also the likely negative fall outs.

For example, while measures like improved credit collections, austerity measures, sale of unproductive assets, etc., can show results within a short period of time, these are not adequate for achieving a turn-around. In addition, sometimes they may also show negative consequences over the medium term. For example, austerity measures like cutting down R&D expenses and advertising expenses, though may result in savings in the short-run, may result in greater cost to the organisation over the medium and long-term in terms of decline in sales and slow-down in product innovations, etc. Similarly, focus on improved credit collections could result in a drop in sales and a reduction in the sales price. So also, while VRS is an effective measure to cut down employee costs, it often leads to larger cash out-flow in the short-run on account of separation costs. In addition, there is also the danger of the loss of useful and necessary muscle along with the fat. In fact, quite often the unwanted people remain with the organisation, while the people useful to the organisation may be the ones seeking VRS.

There is also a need to guard against the tendency to initiate measures which are easy to implement, at least on paper, even if they are not the most appropriate in a given organisational context. For example, though bringing changes in HR systems like performance appraisal and initiating management development programmes is easy to implement, they are not effective in the cases where the main focus ought to be on handling the immediate crisis or on achieving a quick turn-around. In spite of these

measures being long-term in nature, they were included as part of 'turn-around' strategy by some of the well known organisations. From the available information, in these cases it appears that the congruence or the lack of congruence of these measures with the chosen organisational improvement strategy has not been given careful consideration. Choice of these measures seemed more to do with the needs of the management of the concerned organisations to appear to be doing some thing or other towards achieving a turn-around. While measures like changing HR systems and policies and major management development initiatives may be useful and effective as part of a coherent organisational transformation strategy, when introduced as a small part of a turn-around strategy, they would be ineffective at the best and counter-productive at the worst.

As can be seen from the above examples, a lot of care needs to be taken in the choice of specific measures for organisational improvement, keeping in mind the time available for achieving results, the leverage available to implement difficult measures and the congruence of these measures with the chosen strategy.

Even while sequencing the different measures, these measures which are helpful in tackling immediate crisis and achieving a quick turn-around often needs to be implemented first. After the immediate crisis is handled and considerable progress is made in achieving a turn-around, long-term measures for organisational transformation can be implemented more effectively. However in cases where turn-around can not be achieved without a fundamental change in the culture and basic mode of functioning of the organisation, measures aimed at organisational transformation may have to be implemented in parallel with other traditional measures of turn-around.

IV. Tendency to resort to Fads

In many organisations, initiating measures like BPR, ERP, TQM and organisation restructuring has become a fad. While these measures are very useful in appropriate organisational contexts, often these measures are being implemented with a lot of fanfare as the latest quick-fix solution, without the necessary commitment and persistence and as

a result, often tend to be given up after a while. It is therefore important to recognise that while these measures are useful in certain organisational situations, they are not a panacea for all organisational ills. It is also important to recognise that measures like BPR and TQM don't provide quick-fix solutions, and take time to show results and their effective implementation requires a lot of commitment, perseverance and patience.

V. Pitfalls in organisation Restructuring

Now-a-days, organisation restructuring has also become another fad. Almost every organisational improvement strategy now-a-days includes bringing changes in the structure of the organisation as one of the measures.

While organisational restructuring is very useful in improving coordination, bringing in greater responsiveness, flexibility, accountability, etc., it is not as easy to implement as it appears at first.

Quite often it is implemented on paper by changing the reporting relationships. But in many cases changes in reporting relationships are not accompanied by appropriate changes in the delegation of power, information and control systems and other associated policies. In addition, in organisations where hierarchial relationships have been very deeply ingrained for a long time, flattening the structure on paper doesn't automatically translate into changes in the mode of functioning of role-holders. Often organisational restructuring is effected only in form and the essence remains unchanged. For these reasons, in many cases, restructuring doesn't show the expected result and even when it is appropriate and implemented with care, it takes time to show results. In fact, in some cases, restructuring may lead to more problems of coordination and control and reduced performance in the short run. For example, ITI which changed its organisation structure as one of the first measures of its turn-around strategy, found that restructuring created more problems than it solved and after a while went back to its earlier structure.

Another common pitfall is the tendency of some organisations to resort to frequent exercises of restructuring. When a particular structure doesn't result in improved performance, some organisations think that it is because of the fault in the structure and hope that they can improve the performance by changing the structure. When the new structure does not yield the expected results, they resort to another exercise of restructuring. There are cases of organisations changing their structure four or five times in as many years. This is a case of mis-diagnosis and pseudo problem-solving. While the actual problem may be with regard to the culture and the basic mode of functioning of the organisation and therefore requires changes in the organisation processes, policies, systems and culture, the focus often tends to be only on changing the superstructure.

Therefore, before resorting to changes in organisation structure it is important to recognise that organisation restructuring is not a panacea for every organisational problem and even where it is appropriate, it is not sufficient to just shuffle the boxes around on the organisation chart. It is important to recognise that information and control systems, policies and organisational processes need to be aligned with the changes in the superstructure and it is not as easy as it appears and takes time to show results

VI. Points to be kept in mind while embarking on the process of organisational Transformation

Organisational Transformation involves fundamental changes in some or many of the values, beliefs and norms and the basic mode of functioning of an organisation. Many organisations which often stop with achieving a tun-around may achieve significant long term benefits by embarking on a process of organisational transformation.

It is a slow and difficult process and may take four to five years before tangible results can be seen. For it to be a success, it requires patience and perseverance. Many times, by bringing changes in the structure of an organisation, introducing new systems and policies and initiating exercises like BPR, ERP and TQM, top managers may conclude

that the organisation has undergone a transformation. Quite often, many of these exercises tend to result only in superficial changes without really touching the core values, beliefs and norms and the basic mode of functioning of the organisation. It is therefore important to avoid falling into this trap of initiating several exercises and then believing that the organisation has been transformed.

It is very important to recognise that organisational transformation is not a mechanical process, but an organic process. It is more akin to changing the character and behaviour of a grown-up person rather than to making alterations to an existing piece of equipment.

It is to be kept in mind that organisations, like people, often tend to resist attempts to change their core identities, even if it is necessary in a changed context. Since organisational transformation may often mean giving up familiar modes of functioning and doing things differently, it can trigger off anxiety and insecurity among organisational members.

Some of the factors that need to be kept in mind to increase the probability of success in achieving a positive organisational transformation are as follows:

- i) Beware that it takes several years to show tangible results. It is therefore important to prepare the organisation for a long haul;
- ii) Whole hearted commitment from a critical mass is essential. Therefore it is very important to gain the support of key functionaries and develop a shared vision. Communication and cooptation play a crucial role in this process;
- iii) It is useful to develop a brief statement of intent depicting the shared vision with regard to the direction of transformation, listing the desired values, beliefs and norms. But, just having a written document won't suffice. To actualise the intent, policies and systems may need to be revamped to bring them in line with the desired values and norms;
- iv) Communication through words and changes in systems and policies are not sufficient. Actions, which symbolise the desired values and norms, by the top

management is the most effective means of facilitating the spread of new values and norms;

- v) To monitor the direction and magnitude of change in the core values, beliefs and norms, it is important to put in place a system of periodic survey and feedback;
- vi) It is also important to create channels of upward communication to enable the top management to be sensitive to the anxieties and concerns of the people lower down the hierarchy and take quick remedial action during the phase of transition;
- vii) For the transformation process to succeed, surfacing the resistances generated within the organisation and tackling them effectively is very vital. Ignoring these internal resistances can be detrimental to the transformation process;
- viii) It is equally important to recognise that organisational transformation process will quite often acquire political overtones. The key change-agents need to be skilled at managing organisational politics for achieving greater success in this endeavour. Otherwise, there is a danger of the whole exercise getting stalled;
- ix) Another important aspect to be taken into account is, while in the process of achieving transformation, there is a danger of losing the hitherto strengths of the organisation. At times, some of the existing values like loyalty which have contributed to the success of the organisation till now may be given a go-by due to the emphasis on new values like meritocracy and professionalism. The top managers may have to achieve a fine balance between the existing values which contributed to an organisation's success till date and the desired new values, wherever they are in conflict, during the period of transition to avoid deleterious effects in the process of organisational transformation.

CONCLUSION

In conclusion, it can be said that while almost every other Indian organisation has initiated or is in the process of initiating, a major organisational improvement programme as a consequence of the process of globalisation and liberalisation of the nineties, which of these Indian organisations will survive and grow as they enter the new millennium

depends on how successful are they in their efforts to improve, restructure and transform themselves to be more efficient, nimble, market savvy, responsive and innovative.

To achieve greater success in their efforts to improve, restructure and transform themselves, it is very important to keep the following points in mind:

- i) The chosen organisational change and improvement strategy should fit with the context and the needs of the organisation;
Proper diagnosis of organisational context and identification of the deeper causes that trigger off symptoms of organisational ill health are very critical for making a right choice with regard to the organisational improvement and change strategy and in avoiding falling into the trap of pseudo-problem solving;
- ii) Different organisational improvement measures differ in terms of the time required to achieve tangible results in terms of the degree of difficulty in implementation, in terms of their ability to deal with the underlying causes of organisational ill-health in contrast with symptomatic treatment and in terms of their match with the chosen strategy of organisational improvement. In the choice of the different measures and in their sequencing, the above factors need to be taken into account for achieving greater success in the organisational improvement effort;
- iii) It is important to avoid the tendency of initiating organisational improvement exercises like BPR, TQM and to ERP and Restructuring just because it is the most current fad without proper examination of whether these are appropriate or not, given the context and needs of the organisation;
- iv) Recognise that organisational restructuring is not a panacea for all the ills of an organisation and bringing changes in the underlying mode of organisational functioning is not as easy as shifting the boxes by issuing an edict;
- v) While organisational transformation involving fundamental changes in the values, beliefs and modes of functioning can yield significant long term benefits in the case of many organisation, it is a slow, uncertain and difficult process and therefore for this process to succeed, it is important not to get impatient when

there are no tangible results in the short-term as it takes several years before results can become tangible. Whole hearted commitment, perseverance and preparedness to cope with the uncertainties are some of the pre-requisites from the top management for achieving success in transforming an organisation.

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TABLE 1

CHARACTERISTICS OF DIFFERENT ORGANISATIONAL IMPROVEMENT MEASURES

Sl. No.	Description of the organisational improvement measure	Ease of implementation	Time required before results become visible	Extent to which this measure is of help and the type of strategy with which this measure fits	Other comments
i	Improving credit collections and austerity measures like restrictions on travel, telephones, cut in R&D expenses and management development expenses, etc.	Relatively easy to implement	Short term (just a few months)	Helpful in treating the symptom and handling the immediate crisis. Fits well with crisis-management and to an extent with turn-around	Shows short term results, but there is a danger of adverse effects in the medium term and long term. Has a lot of symbolic value in conveying the seriousness of the intent of top management
ii	Better working capital management including partial shut-down of manufacturing facility where appropriate to reduce inventory levels	Moderately difficult	Short term (a few months)	Helps in alleviating immediate working capital problems. Primarily a measure for managing immediate crisis, but can also form part of a turn-around strategy	There could be resistance from unions even for a partial shut-down. Some times, focus on low inventories may create problems in terms of increased delivery time, shortages, etc.

Sl. No.	Description of the organisational improvement measure	Ease of implementation	Time required before results become visible	Extent to which this measure is of help and the type of strategy with which this measure fits	Other comments
iii	Stoppage of operations in the case of products and divisions with negative contribution margin	Moderately difficult	Short term (a few months)	Useful in dealing with immediate crisis. Can also be an element of turn-around strategy	Unions are likely to put-up stiff resistance
iv	Focus on improving sales and order-book position	Moderately difficult	Medium term	Usually an important element of a turn-around strategy	It may require bringing in improvements in many related functions and processes in the organisation
v	Sale of surplus unproductive /under productive assets, real estate, etc.	Relatively easy to implement	Short term (about a year)	Useful in tackling the immediate problems of liquidity. Usually an element of crisis-management, but can also be part of turn-around strategy	Often the assets to be disposed off may not have ready market and may fetch much less than their actual worth
vi	Cost reduction	Moderately difficult	Partially short term and partially medium term and long term	Useful in tackling the immediate problem as well as for a deeper cure. Can form part of crisis management as well as turn-around strategies	Often shows results in the short run. But in the long run its effectiveness may diminish, if not monitored carefully

Sl. No.	Description of the organisational improvement measure	Ease of implementation	Time required before results become visible	Extent to which this measure is of help and the type of strategy with which this measure fits	Other comments
vii	Upgradation of product features and production technology	Moderately difficult	Medium term (two to three years)	Useful in dealing with the visible problem of declining sales and loss of market share. Fits well with turn-around strategy	Takes time to show results. Not useful in tackling immediate crisis
viii	Disposal of unviable and non-core businesses	Moderately difficult	Medium term (two to three years)	Useful in improving performance in terms of profitability. Goes well with turn-around strategy	In addition to facilitating a turn-around, it is useful in changing the strategic focus of the organisation
ix	Manpower reduction through voluntary retirement, ban on recruitment, etc.	Moderately difficult	Medium term (six months to several years)	Useful in bringing in a turn-around over the medium term	Not useful for handling immediate crisis. Large payments involved could adversely affect the liquidity position of the organisation in the short run

Sl. No.	Description of the organisational improvement measure	Ease of implementation	Time required before results become visible	Extent to which this measure is of help and the type of strategy with which this measure fits	Other comments
x	Redesigning the structure of the organisation	Relatively easy at the surface level, but difficult to bring changes at the deeper level	Medium term (one to two years)	Can be of help in bringing improved coordination, flexibility and greater accountability. Fits well with turn-around strategy as well as long term organisational transformation strategy	Bringing changes in reporting relationships can be accomplished with ease, but bringing changes in the underlying mode of organisational functioning is much more difficult. May also cause disruptions in the short run
xi	Financial reengineering	Moderate to considerable difficulty	A few months to one or two years	Very useful in improving the financial situation. Focusses on symptomatic cure. Fits well with turn-around strategy	Though useful in tackling the immediate financial situation, it in no way tackles the basic causes which brought about the organisational problems in the first place.

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xii	Mergers and acquisitions	Moderately difficult	Medium term (one to three years)	Can facilitate symptomatic cure. Fits well as an element of turn-around strategy	Can be of help in bringing about improved performance. But fundamental problems may often remain unaddressed
xiii	Business - process reengineering	Considerable difficulty	Medium term (two to three years)	Can be of help in dealing with symptoms as well as in tackling deeper causes. Fits well with organisational transformation strategy. Can also be part of turn-around strategy	Has become a fad in the recent past. It can cause a lot of pain and therefore may encounter a lot of resistance from within the organisation. Takes time to show results. Can cause disruptions in the short run
xiv	Enterprise Resource Planning (ERP)	Moderately difficult	Medium term (two to three years)	Fits well with long -term organisational reorientation strategy as well as turn-around strategy	It has become another recent fad - a panacea for all organisational ills. Won't be of much use in crisis management

Sl. No.	Description of the organisational improve ment measure	Ease of implemen- tation	Time required before results become visible	Extent to which this measure is of help and the type of strategy with which this measure fits	Other comments
xv	Total quality management and total productivity management	Moderately difficult	Medium to long term (takes several years to show results)	Helpful in tackling not only symptoms but also deeper causes. Fits well with organisational transformation strategy	It is often initiated with a lot of fanfare and then fizzles out slowly in many cases If implemented with a strong commitment it can pay good dividends over the medium and long term
xvi	Bringing changes in the Human Resources Management policies and systems	Moderately difficult	Medium to long term (may take a few years to show results)	If effectively implemented, it can be of help in improving performance, over a period of time Fits well with organisational transformation strategy	HR policies and systems can be changed easily by an edict. But there is a danger of only change in the form without any change in the essence
xvii	Bringing radical changes in the culture and identity of the organisation	Quite a difficult task	Long term. It takes many years to show tangible results	Very useful in tackling the root causes. Often an essential element of long term organisational transformation strategy	Does not show tangible results in the short run. It also triggers of tangible or subtle resistances. It requires a lot of commitment, patience and persistence to achieve success in this endeavour.

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