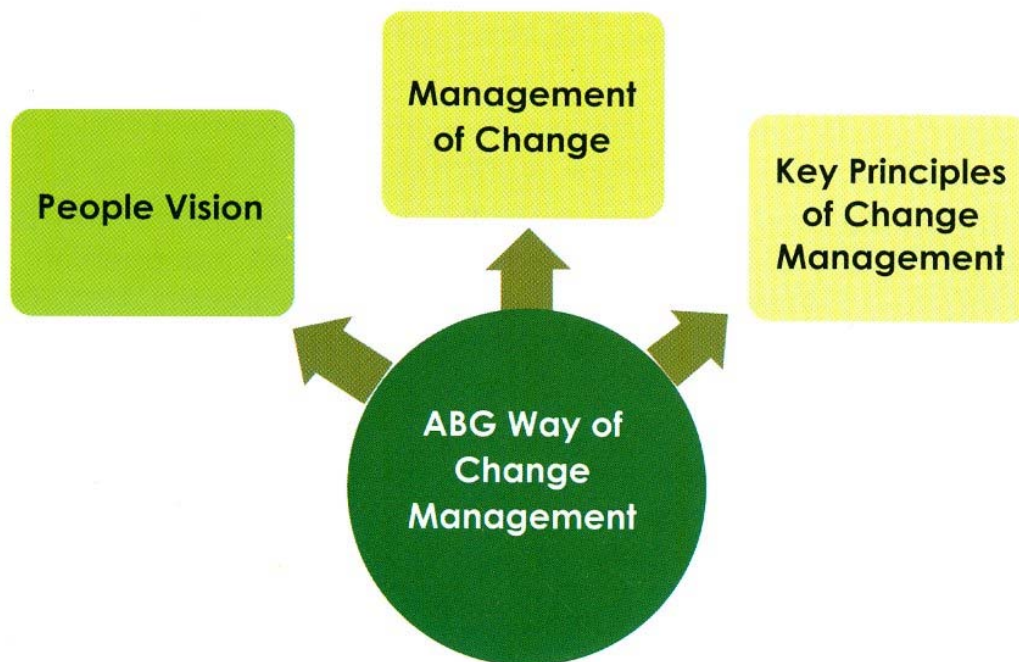


Change Management at Aditya Birla Group....People at the heart of strategy

By Preeti Gupta, President- Rewards and Performance Management

ABG is a multi business Indian Conglomerate, with operations in 36 countries, global business leader in Aluminum, Pulp& Fibre, Carbon black and Cement. Within the services sector in India, ABG's Telecom, Life Insurance, apparel and retail businesses have grown exponentially over the past decade. Its employee strength spans over 130000 , comprised of 42 nationalities and with average age 37 years.

Imperatives for change: With an intensively competitive, Highly volatile business environment driven by global forces, the organization has endeavored to understand the implication of change in business environment in order to quickly formulate effective business solutions unique to the context. ABG acquired many companies, and post acquisition – all aspects of business strategy and people strategy are taken to drawing board for a fresh look. Change is therefore an integral element of our organizational fabric, which calls for change management framework focus on three key areas



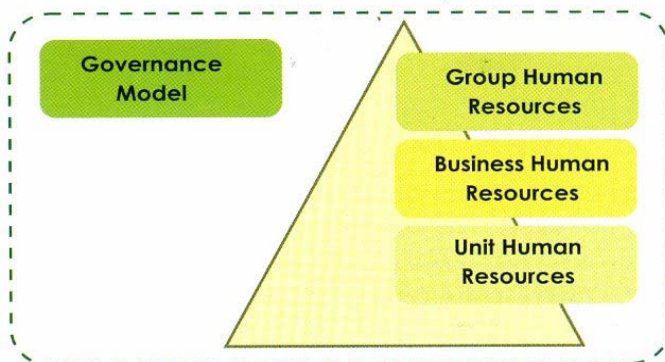
1. People vision
2. Management of change
3. Key principles of change management

People Vision: aspire for 'ABG to be exciting a world of opportunities for professional growth with human care'. Our employee value proposition has four key pegs viz. **Learning and Development**

(opportunities to learn, develop and grow as professionals), **Career** (opportunities to build and fulfill career aspirations), **Rewards and Recognition** (opportunities to get rewarded and recognized for commitment and contribution) and **Enrich your life** (opportunities to fulfill responsibilities and lead a healthy balanced life).

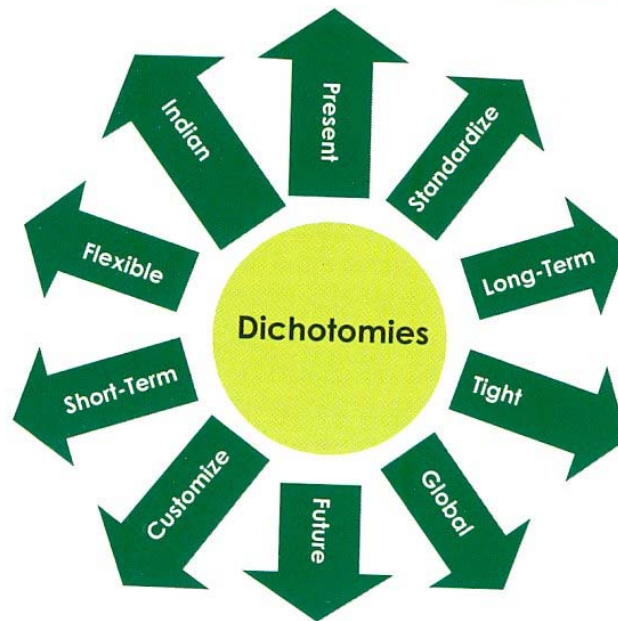


The three tier HR structure enabling (efforts to drive , manage and sustain the change agenda) across the organization comprises Group HR, Business(SBU)HR , Unit HR, all backed by a robust and enabling HR Governance model.



Managing Change –Key principles

The choices are not binary (either/or) , but answer lies somewhere between the two, a sort of 'fuzzy-logic' state. Some of these dichotomies (division into two, esp. a sharply defined one) are illustrated below



8 step process to manage change at ABG are

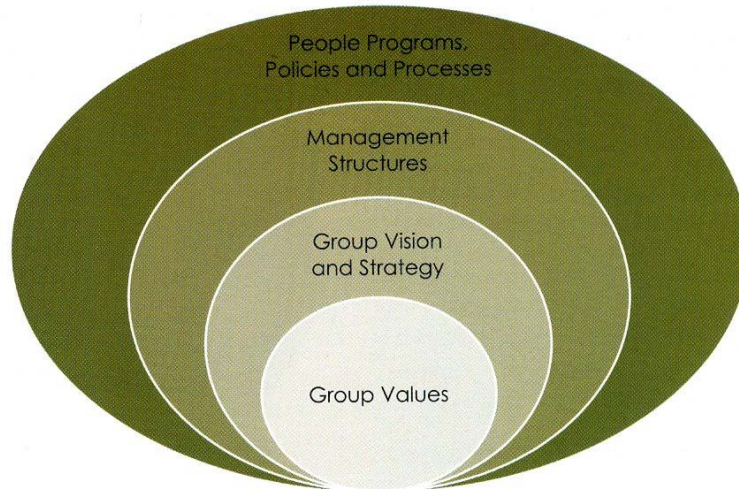
1. **Focus on opportunities for the business:** Over the last 2-3 years , the political, economic and business environment has been dynamic, pushing even our stable businesses to change enormously. Organizations are integral part of the eco-system that they operate in and hence , cannot be impervious to the impact of changes in the environment, be they social, economic, regulatory, or geo-political in nature. We derive continuous mapping of the changes happening in the external environment and put them to rigorous analysis to identify their impact on us and to decide on our course of action
2. **Understanding internal currents and under currents:** The success of any change process hinges on our ability to build and sustain trust and credibility for change within the organization. We use numerous tools to 'sense' e.g. employee survey, opinion polls, town-hall meetings, focus group discussions, regular surveys and employee feedback to gauge and synthesize the pulse of our people and their unique requirements. OHS (organizational Health Survey) has been one of the integral tools used on a bi-annual basis since 1996, to understand the employee pulse.
3. **Asses the change:** We constantly ask the question 'what are three most important things that we should be doing to manage change or be ready for it. Our principle here is –“ first to understand and then to be understood”. We believe that a standardized approach may not always work. We look for ways to customize our change management approach. Customization creates challenges ranging from design robustness to system and process strength.

4. **Involve and commit:** A critical part of our approach to the change process is **on-boarding key stakeholders** for their buy-in and **building leadership**. This is a critical step to show case the business benefits of any change program, to set agenda and to incorporate their feedback. In order to create a more inclusive climate, for people to be supportive to the change program, we focus on **extensive engagement and communication** with people to create awareness about the change program, its intent, benefits and shortcomings
5. **Implement and refine:** Managing the momentum and expectations from the change process are critical. We pilot the planned change initiative in part of the organization, refine our execution and learning and then drive large scale implementation.
6. **Stay on course and be flexible:** Change requires conviction and persistence, despite early setbacks. Early results are never what one would have hoped for. The effort requirement typically is double that of what is planned. While complying with the group guidelines and frameworks, it is vital to take into account people's need and motivations at the beginning of change process. While our core principles remain unchanged, our approach provides us flexibility in retaining the essence of our principles whilst delivering HR solutions as part of change process. We seek reinforcement of the group values and core principles and at the same time , permit flexibility to cognize for the unique requirement at the business level.
7. **Communicate and celebrate:** It is important to create awareness about the why of change in programs, policies and processes. We engage in a lot of communication and continually the modes of communication.

We demonstrate the results of the change efforts through credible stories. We believe that the stories help people assimilate complex information quickly and easily. Further stories are powerful ways to connect with people at a deeper level and get them emotionally connect with the organization.

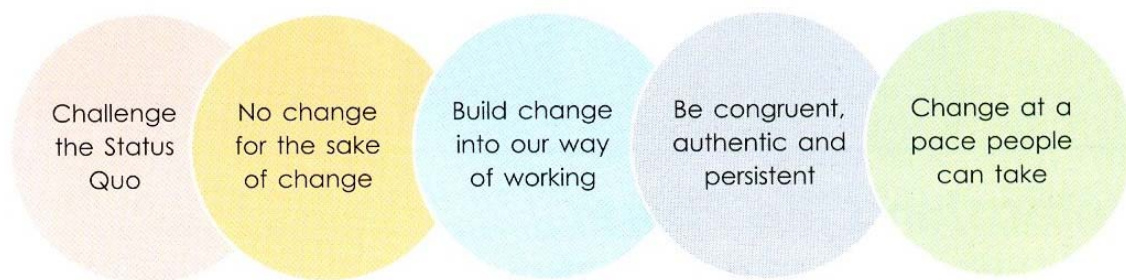
Celebrations of small success and quick wins is one way to reduce the pain of change , while keeping the commitment to them.
8. **Institutionalize the core:** It is important to leverage the 'power of one'- a strength that provides group businesses with unmatched access to resource and energy.

Elements of this architecture anchored in our strong organization culture, ensure that we are different yet one in our approach thinking and beliefs. We enable adherence to core elements through our group values framework, governance processes, and business processes like business review committees, capital allocation and review committees, talent management , succession planning etc. This mechanism provides a high degree of autonomy while enhancing the competitive strength of each of the businesses and helps position them within the top three in that particular sector



Principles:

Our **core principles** of change management could be summarized as –



Conclusion: There is constant need to develop new capabilities and leverage them to ensure the growth and success of the organization in a context that is perpetually in state of flux.

Following quote is note worthy

You cannot look at the future as continuation of the past, because the future is going to be different. And we really have to unlearn the way we dealt with the past- Charles Handy