

Corporate Transformation or Cosmetic Makeover? Case of a Public Sector Bank in India

Richa Awasthy, C. Vijayalakshmi & Rajen K. Gupta

A longitudinal study was carried out in a public sector bank (PSB), which has taken many change initiatives during the last seven years (post 2004) like technology up-gradation, new products, strategic focus on customer centricity, and human resource management. A qualitative approach was adopted to collect data from different locations. In-depth interviews were conducted with employees across levels including some focus group interviews. Findings indicate that the changes happened at a surface level but not at a deeper level. PSB was able to gain its employees' acceptance of the fact that change was inevitable and that customer centricity and performance could not be done away with, in order to survive. However, this was accepted very reluctantly.

Richa Awasthy (e-mail: richa@imi.edu) is from International Management Institute, New Delhi. **C. Vijayalakshmi** (E-mail: viji@ifmr.ac.in) is from Institute for Financial Management and Research, Chennai. **Rajen K. Gupta** (e-mail: rgupta@mdi.ac.in) is from Management Development Institute, Gurgaon.

Introduction

“Chains of habits are too light to be felt until they are too heavy to be broken”

Warren Buffet

Warren Buffet's words reinforce the antediluvian fact that change is the only constant. The current paper intends to present data collected over a period of time in an Indian public sector bank (PSB). A longitudinal study in India's leading PSB is inspired by the change scenario in the banking industry. The banking industry in India, due to changes in economic conditions and continuous deregulation, is currently in the stage of a turnaround (George & Hedge, 2004). The challenge is much higher in magnitude for public sector banks due to the competition from private or multinational banks. There are 27 nationalized and 27 foreign banks in India (Goyal & Joshi, 2012).

Managing change is much more challenging than deciding what needs to be changed. Authors such as, Worrall, Cooper & Jamison (2000), Ryan et al. (2008), Fronda & Moriceau (2008) have con-

ducted longitudinal studies in public sector organizations and pointed out that, public sector organizations respond to the changing demands of the environment. However, mostly changes were top driven, hence organizations faced difficulty in winning employees' hearts.

Any change, whether it relates to strategy (Black & Lynch, 2004), technology (Bell et al., 2006), finance (Broadbent et al., 2001), marketing (Farrell, 2000) or logistics (Chapman et al., 2003), is invariably aligned with the people who act as the initiators of change, change agents and perhaps even victims of change initiatives. People create social fabric of the organization, which is popularly labeled as Organizational Culture (OC) in management literature. Since culture is considered as the backbone of institutionalizing change in the organization, the following section takes a deeper look at culture.

Culture at the Core of Change

Culture does not change because we desire to change it. Culture changes when the organization is transformed; the culture reflects the realities of people working together every day.

Frances Hesselbein (1999: 6)

Employees in PSBs tend to have a deeply entrenched behavioral culture which impedes change rather than facilitating change.

Due to the decades of relationship with the organization, employees in PSBs

tend to have a deeply entrenched behavioral culture which impedes change rather than facilitating change. When the organizational culture is aligned with the prospective or planned changes, these changes might be embraced with enthusiasm and implemented quicker. Schraeder et al. (2005) shares one such positive case where, in public sector, change in the culture was brought in by training and leading by example. Opposite is pointed out in many studies where organizational changes were implemented without focusing on OC change (Balthazard et al., 2006; Holbeche, 2006; Cameron & Quinn, 1999). In fact, OC is an important aspect of the planned change process (e.g., Burke, 1995). According to Burke and Litwin (1992) and Burke (2002), "Organizational change, which is an overhaul of the company's business strategy, stems more from environmental impact than from any other factor. Moreover, in large scale or total organizational change, mission, strategy, leadership and culture are more important than structure, management practices and systems. Cultural change has to be planned and aligned along with strategy and leader's behavior."

Theoretical Framework: Organizational Culture

Since this is a longitudinal study we intend to refer to a similar theoretical framework, that is, Schein's framework to study the impact of organizational change. The study endeavors to ascertain the extent and depth of change in an Indian public sector bank by undertaking a five year longitudinal study. Schein

(1985, 1990) indicate that “Culture is what a group learns over a period of time as that group solves its problems of survival in an external environment and its problems of internal integration”; he emphasizes that “such learning is simultaneously a behavioral, cognitive and an emotional process”.

Bringing outsiders during the culture change process not only creates discomfort and conflict, it also raises the anxiety levels.

Culture consists of some combinations of artifacts (also called practices, expressive symbols or forms), values and beliefs and underlying assumptions that the organizational members share about appropriate behavior (Gordon & DiTomaso, 1992; Schein, 1992; Wilson, 2001). Schein has argued that culture consists of three layers – assumptions, values and artifacts. Schein’s model of organizational culture looks at two levels: (i) surface level, i.e., behavioral aspects and (ii) deeper level, i.e., internal values and assumptions. Since the purpose of the study is to seek the extent and depth of changes in the organization, current study considers both levels simultaneously. A number of examples provide evidence of the dissatisfaction, anguish and alienation that is usually experienced by employees during culture changes (e.g., Elsmore, 2001; Huy, 2001; Kavanagh & Ashkanasy, 2006; Brooks & Harfield, 2000; Forster, 2006). Also, bringing outsiders during the culture change process not only creates discomfort and conflict, it also raises the anxiety

levels. Schein (2004) points out that the new leader, who is often brought in specifically to change the culture, needs to manage the anxiety and conflicts.

Gaps in Literature

There is a dearth of articles in research journals that explicitly address the topic of culture change in the public sector (for exceptions see Stinchcomb & Ordaz, 2007; Bryson & Anderson, 2000; Wise, 2002; Mani, 1995; Robertson & Seneviratne, 1995; Awasthy, Vijayalakshmi & Gupta, 2011), especially from Schein’s perspective. There is also a dearth of studies carried out in India on organizational change and cultural change but for Public Sector, which is undergoing mega organizational changes, not many studies have been attempted to capture this aspect. Our emphasis on the public sector organizations stems from the conviction that there are cultural distinctions in these organizations in comparison with the private sector and this would, therefore, lead to different directions and findings in the studies. Unless sufficient number of extensive case studies is written, indigenous model of organizational change would not emerge and current study is an attempt to fill this gap.

Background

The organization studied, called here by the acronym PSB (pseudonym), is a hundred and two years old bank, which is a reputed and trustworthy public sector bank in India. To better understand the cultural change, a five year longitu-

dinal study (2007 - 2012) was undertaken in PSB. The business environment in the Indian banking industry is changing rapidly. Indian public sector banks like PSB are facing increasing competitive pressure from local private sector banks and overseas banks. In order for a bank to survive in this competitive environment, it has to control the costs, improve quality and increase productivity. In addition to these factors, more demanding customers, rapid technology advancement as well as more regulatory requirements (such as code of practice or disclosure) have made PSB to adopt major change initiatives to improve its service quality.

Study Objectives

Although we know that PSB is on its road to major changes, we do not know what kind of changes are taking place and what PSB has achieved through these changes. The study aims to understand the extent and depth of the change in PSB over a time period of five years. The study focuses on understanding and evaluating the employees' perception about the impact of organizational changes in the PSB. The study strives to answer the following research questions:

- What kinds of changes have taken place in the last five years?
- What has been their impact on business parameters such as customers' satisfaction?
- Has there been any sustainable change in the culture of PSB? If yes, what, how and why?

Methodology

The case study approach was adopted because of its ability to reveal rich and in-depth data (Yin, 2009), which was essential for understanding the concept of 'cultural change' in the public sector services industry. As a case that has 'intrinsic value' (Stake, 1995), we selected the case of PSB. To understand the phenomenon of organizational change, which is a slow process, the longitudinal case study was found to be the most suitable approach. The first round of data collection was conducted in the year 2007 and the second round in the year 2012. Data was collected in different phases from different locations in India (corporate office, two regional and branches) since its main aim was to uncover people's experiences rather than to reflect objectively a-priori reality. Data was simultaneously collected across the locations. To delve deeper into the phenomenon of how employees' experiences change over a period of time, a number of in-depth personal interviews (12 - South region; 24-North region; 4-Corporate office) were conducted with employees across all the levels. The interviews were semi-structured and lasted approximately an hour on an average. Interestingly, about 30-40% of the respondents were same during the both rounds of data collection. Focused group interviews were conducted with fresh recruits in one region. Data collection was stopped when no further useful information emerged, i.e., the saturation point was achieved (Strauss & Corbin, 1990). Customer satisfaction survey was also carried out at three locations to understand the changes in customer satisfaction from first to second phase of the study.

Data Analysis

Qualitative content analysis (Lincoln & Guba, 1985) was carried out, which is “a research method for the subjective interpretation of the content of the text data, through the systematic classification process of coding and identifying themes or patterns” (Hsieh & Shannon, 2005). The content analysis of the interview transcripts was based on guidelines provided by Miles & Huberman (1994). The emerging themes and patterns in the data were identified and checked with actual instances from the transcripts. Two of the authors separately analyzed the transcripts, compared and contrasted the findings from each interview, independently derived themes and patterns, and collectively reconciled these.

Table 1 Customer Satisfaction Survey

Table-1 Paired Sample Statistics

		Mean	N	Std. Deviation	Std. Error Mean	t	df	Sig.(2-tailed)
Prompt service	Before	3.89	167	1.100	.085	-6.007	166	**
	Now	4.40	167	.938	.073			
Helpfulness	Before	3.85	168	1.158	.089	-6.333	167	**
	Now	4.37	168	.982	.076			
Availability	Before	3.69	169	1.196	0.92	-5.472	168	**
	Now	4.15	169	1.050	.081			
Trust	Before	4.26	169	.996	.077	-5.156	168	**
	Now	4.59	169	.768	.059			
Safety	Before	4.27	169	.968	.074	-6.157	168	**
	Now	4.68	169	.667	.051			
Politeness	Before	4.01	168	1.097	.085	-7.045	167	**
	Now	4.50	168	.789	.061			
Understanding behaviour	Before	3.76	169	1.119	.086	-5.765	168	**
	Now	4.22	169	.998	.077			
Personal Attention	Before	3.98	169	1.058	.081	-4.333	168	**
	Now	4.34	169	.938	.072			
Being well Informed	Before	3.97	169	1.099	0.85	-7.148	168	**
	Now	4.50	169	.832	.064			
Keeping Promise	Before	3.95	168	1.071	.083	-6.077	167	**
	Now	4.36	168	.950	.073			

**Significant at 99% confidence

Customer Satisfaction Survey

The results show that there is a significant improvement in customer satisfaction across all parameters.

A survey was conducted among 169 customers across the country to understand their perceptions of the bank’s service. The survey covered service aspects including promptness of service, trust and safety of services, helpfulness, politeness, personal attention, availability of front-line staff along with their product knowledge. Cronbach alpha of the customer satisfaction scale was 0.927. Univariate analysis was carried out and the results show that there is a significant improvement in customer satisfaction across all parameters as shown in Table 1.

Trail of Change

PSB has undergone major changes during the course of two rounds of data collection. Study team carried out first round in the year 2007. The changes were oriented towards technology up-gradation, introduction of new products, repositioning of the brand, customer centricity, decision making processes and human resource management. A glorifying, yet excruciating change process was initiated by the then CMD (TCMD). Convinced with the need to change, TCMD acted against the resistance from union and employees to respond better to competition and changing customer attitude. His roadmap for change began with rebranding (logo, color scheme, tag line etc.), followed by technological advances, introduction of new products and opening new branches including *Gennext* branches to attract youngsters. Later, systems and processes were streamlined to serve their customers better. PSB became zero-tolerant to customers' grievances. The TCMD also brought greater focus on training, inter-zone transfers, fast track promotions for high performers. This top-down change was not received well by the employees who felt that the change was too harsh, stressful and fast-paced for them to handle. However, that did not deter the TCMD from implementing these changes. Despite the ambivalence, the bank improved on customer satisfaction.

In the second quarter of 2008, the 'New CMD' (NCMD) joined. He relaxed the transfer and target policy. Due to the reduced pressure, the respondents

were, now, more receptive to change, realizing that it was needed for survival and that there was no alternative to performance. Study revealed that deadlines were adhered to and customers were valued. Employees felt relaxed, less fearful and more receptive. Customer focus was still prevalent; however, complaints and grievances were investigated before any action. PSB continued improving on customer satisfaction.

Now, in the year 2012, study team revisited PSB. Current study has kept the findings of 2007 as a base to compare the findings of 2012.

During the first phase of the study, it was observed that multidirectional changes – marketing, technological, structural and employee management – were introduced. The major finding revealed through the first phase was that the top down change had caused enormous anxiety, fear and anger among employees across levels. Hence, the cultural change was at surface level and did not percolate into the deeper layers. The second phase found that these change initiatives have slowly taken the form of practices over the time and that these are continued in the same direction with minor modifications. Most of the initiatives are still customer centric. Marketing focus is still continued but less aggressive. "We are number 3 bank in north India. However, marketing role can be improved", one of the respondents pointed out.

Performance focus is prevalent and targets are expected to be achieved.

Structural change is focused more on sales through new initiatives like 'REFORM' (Pseudonym). It intends to revamp branch office structure to enhance sales initiatives. As pointed out by one of the respondents: "REFORM aims at changing the DNA. Customers focus would increase. We have to be market relevant".

In this new set up, branches shall have front office staff to interact with customers and back office staff to handle administrative work. Branch staff shall include customer host, relationship manager, sales head and credit head. The branch shall have dedicated conference room to deal with corporate clients. In addition, the bank is focusing on opening new branches, bringing uniformity in physical ambience and introducing more products. The bank is IT enabled, however, there is still some scope for technological up-gradation. An employee made a comment: "Technology is not as updated as compared to private banks. We have mobile banking, but we get many customer complaints. System is not operating efficiently".

Bank has also taken a new initiative of Business Process Reengineering to streamline the processes.

Some Employee Management Practices are discontinued, such as, direct contact with CMD (Chairman & Managing Director), and communication from CMD to employees through monthly letters has been reduced. It's now more need based. Another new initiative introduced is Mentorship Program, where

experienced employees mentor newcomers. However, newcomers were not made aware of this practice. Focus on training has increased. Performance Appraisal system has been changed to make it more transparent. Employees can now get access to ratings being given by their superiors and discuss the same. Overall the changes have traversed in the intended direction. Some changes (Table 2) have been stabilized. Major statistically significant improvements have been perceived by customers in availability of staff, their politeness, understanding behavior, personal attention, and being well informed about bank's products and services (Table 1). The bank continues to be considered as safe and trustworthy and the improvements in these parameters have been small but significant.

Employees' Reactions

The first phase brought forth the fact that the perceived outcome of the change initiatives on the employees was not as positive as its impact on PSB's performance. The employees' perception remains the same during the second phase too, although the need for change is now appreciated. Now the employees do not feel threatened and insecure about their jobs as there is less ambiguity and uncertainty, while self-protectiveness and competitiveness are still prevalent. Though change is gradually gaining stability at behavioral level, the employees still express a contrary story. The concern expressed by the employees is that they are expected not only to be adaptive to various radical and incremental changes, but also to exert efforts to go

Table 2 Trail of Change

Change Category/Level	Action Point: during 2007-12	(2007-2009)	(2009-2012)	Outcome
Employee Level	<i>Promotion</i>	Continued- fast track promotion for high performers Continued	Continued- further improvised fast track promotion Continued New initiative-for about this practice Continued	Contentment for high performers Only not Considered very useful Yet to be implemented fully; newcomers new recruits are not well informed Increased work load & Stress
	<i>Training Mentoring</i>			
	<i>Roles Review-</i>	Continued		
<i>sales focus</i>	<i>Performance Appraisal</i>	Target based	-Target based and -ratings discussed with appraisee New initiative	Enhanced target orientation; culture is not conducive to challenge ratings
	<i>Recruitment & induction of new workforce</i>			Newcomers find disparity between Role offered and work assigned; experience discomfort due to generation gap Due to operational ineffectiveness, these were found redundant, hence discontinued
Customer Level	<i>24hr branches</i>	Discontinued	Discontinued	Due to operational ineffectiveness, these were found redundant, hence discontinued
	<i>8-8 branches</i>	Discontinued	Discontinued	
	<i>Uniform Branch ambience</i>	Continued	Continued	Brand recall
	<i>Branch focus (on customer, market, sales)</i>	Continued	Continued	Improved customer satisfaction; marketing efforts are not as aggressive as in 2004-07 era. Enhanced operational efficiency.
Technical Level	<i>CBS, Net-banking, ATM, Tele-banking</i>	Continued	Continued	
Product Level	<i>Diverse Products</i>	Continued	Continued	New market entry and competitiveness Improved financial performance.
Business/Strategy/Market Level	<i>New Business Vertical- Govt. Sector Business Process Reengineering Reform-to enhance focus in branches</i>		New initiative New initiative New initiative	Enhanced technical, Operational efficiency; Business profitability & sustainability At nascent stage; yet to be implemented in all branches

the extra mile. They find an exponential increase in their workload which creates an imbalance in their work-life routine. However, the softer approach of the NCMD is appreciated as compared to the harsh approach of the TCMD. The disruption caused due to aggressive transfers introduced by the TCMD has been eased by the NCMD. The employees now feel less threatened and intimidated by transfers. Performance as a norm is now getting imbibed in the value system of the organization. While there is an increased work pressure and long working hours, the sense of fear for technology and sale orientation is replaced by confidence. This is evident by the comment made by a respondent: "Earlier PSB used to see its role as purely banking. Now banking is the base requirement and we are now more about customer satisfaction. We are now no less than any private sector bank."

The employees now feel less threatened and intimidated by transfers.

Training was identified as the weak area by the older as well as younger employees during both the phases of the study. One of the respondent mentions: "Training is a weak area and there is nothing taught about commercial orientation and customer relationship."

The respondents, when asked about the culture of the organization, expressed concerns over the induction of new and younger managers. The age and experience gap between the older and the

younger generation was also noted as a bone of contention, the average gap being about 15-20 years of work experience. Newcomers often hear antagonistic comments from senior employees like: "My experience is equivalent to your age".

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Another cause of resentment among older employees is related to transfers and promotions. Earlier, due to the government policy, no recruitment was done in the bank during 2002-2007. Post 2007, in a desperate need for new employees in the bank, the PSB underwent a mass recruitment drive. While many older employees had to forgo the opportunity of promotions due to bank's erstwhile rigid transfer policy, the newly inducted young managers were given better postings and many were now the bosses of the older employees. This ambivalence contributed to the growing resentment, as one respondent mentioned: "When older employees get newcomers as their boss, it is frustrating".

Younger employees' strength lies in their technical knowledge, while older employees have arrogance about their experience. As a matter of fact, this challenge is being posed by many authors, such as Keith, Gardner, & Forsyth (2008); Max & Artley (2009); Michael, James, & Samantha (2012).

Retaining the new employees is another critical challenge for PSB (Yu &

Miller, 2005; Hutchings, 2006). One of the senior level respondents cited 'Salary' as the main reason for attrition and said that if entry level attrition due to salary constraints wasn't controlled, it would become a real threat to the PSB. Despite being given postings of their choice, the newcomers saw the 'Public Sector Culture' and 'Salary' as constraints and cause of dissatisfaction. Seemingly, ambiguity about job-role and mismatch between pre-placement offer and post placement role also play factors. As pointed out by newcomers and an older employee: "Newcomers do not want to do clerical work".

In the earlier phase a consistent increase in the attrition rate of employees was found whereas in the current phase the attrition rate is reported to have sharply increased and is higher among newcomers. One of the striking critical revelations from a senior employee on a campus recruitment drive is: "When I went for campus hiring for the PSB, I told the interviewees that in case you do not have any option, then join this PSB. In PSB, you would get very good exposure in a short period, which would help you to get a better next job".

Another instance shared by a newcomer: "On day one of my joining my boss told me I have made the biggest mistake of my life".

The change initiatives (2007 - 2012) have, on one hand, resulted in enhanced efficiency of employees and reduced casual attitude of the workforce; on the other hand, the bureaucratic style of

management has been pin-pointed as the reason for the lack of risk appetite and mutual trust among colleagues and towards the senior management. This management style is clearly expressed through the words of a senior level manager: "It's impossible for bank to get away from hierarchy. We have to take decisions and decision making power is given only up to a certain credit".

Discussion

The change initiatives of PSB have resulted in significant changes in a number of core values and their associated working practices within the organization. Our findings of the longitudinal data and detailed discussions with the respondents provide significant support for the arguments advanced. Changes have traversed in the intended direction of sales-orientation and customer-centricity. Some changes have been stabilized by virtue of these being accepted by the employees at a behavioral level and to a certain extent at cognitive level, though a slight reluctance and discomfort is noticed among the employees about these changes. Secondly, the reality that the bank's survival is dependent on its performance and competitive edge has permeated among the employees.

That the bank's survival is dependent on its performance and competitive edge has permeated among the employees.

Earlier, the employees were anxious and uncertain about their own potential.

Most of them suffered from 'lack of opportunity elsewhere' syndrome. Now that they are sure of their accomplishments and realize their contribution towards the bank's success, they feel that they have been at the short end of the bargain and find disparity in the compensation received by them. PSB employees feel that they are working like private bank employees with long working hours, many fold increased performance pressure and work-family imbalance.

Intergenerational issue also emerged during data collection in response to which, some newcomers were interviewed and focused group interviews were also done. Their responses revealed both negative and positive experiences of working in PSB. Positives being that they find PSB to be a good learning ground and the social pride associated with joining this bank. Whereas the negatives are dissatisfaction pertaining to poor salary, unsatisfactory training, ad-hoc allocation of clerical work to them due to shortage of staff and lack of acceptance by older staff members. Early social interaction with existing employees also left a negative impact leading to high attrition rate.

Increasing diversity in organizational workforce composition has placed greater emphasis on understanding and managing the expectations of different generational groups. PSB may design different reward and recognition policies for them. To retain young workers, Cetron & Davies (2003) argue that organizations need to provide challenging work and opportunities for advancement and training.

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Organizational Culture

When the transformation began culture was market oriented (Cameron & Quinn, 1999), where the espoused values were technological innovation, customer satisfaction, increased business and service quality. It was no longer employee friendly and performance pressure was high. Although prevailing belief was that the change is necessary, the espoused values were apparently not internalized completely. This was mainly ascribed to the top-down change. The most desirable change in employees was to become highly 'customer centric' but they found practicing it to be much difficult. Employees perceive that the change process has led to certain advantages but also many disadvantages.

Change & Organizational Culture

In the current culture of the bank, the employees have reluctantly accepted and adopted the changes. The employees feel that by being highly market-focused, interpersonal affinity has gone missing which is ardently desired. As pointed out by one of the respondents: "Ever since we have grown in size, personal touch has gone down".

The effect of changes has been at a peripheral level (Table 3).

Table 3 Change in Organizational Culture

	FIRST PHASE	SECOND PHASE
Visible layer (Physical artifact & Behavior)	<ul style="list-style-type: none"> • Logo & Slogan • Selective changes in physical layouts • Computerized branches • Interactions with customers • Attire • Sit late in office, <i>if necessary</i> 	<ul style="list-style-type: none"> • Logo & Slogan-same as '07 • Selective changes in physical layouts • Computerized branches • Interactions with customers • Attire • <i>Mostly</i> Sit late in office
Implicit layer (Beliefs & values)	<ul style="list-style-type: none"> • Shared belief <ul style="list-style-type: none"> ◦ Change is necessary • Values enforced but not internalized <ul style="list-style-type: none"> ◦ Customer centricity ◦ Result orientation • Missing Values • Family like bonds and trust 	<ul style="list-style-type: none"> • Shared belief <ul style="list-style-type: none"> ◦ Change is necessary • Values enforced but not internalized <ul style="list-style-type: none"> ◦ Customer centricity ◦ Result orientation • Missing Values <ul style="list-style-type: none"> ◦ Family like bonds and trust • integrate/Balance Clan and market orientation

Whenever there is a change, the employees seek support and stability within the organization to cope with the stress and pressure of change. Another explanation for clan culture (Cameron & Quinn, 1999) preference is that the average age of the employees is 50-55 years, when there is a greater desire for stability and family values. Most of the employees expressed their need to feel valued by the bank and better management of stress created by work pressure, role shift and salary structure. According to Stanleigh (2008), most change initiatives fail because the management may not be engaging employees in the process towards change and do not allow sufficient time for the changes to be rooted. It is important to implement changes in a series of phases that will engage the employees and also to allow for a sufficient length of time for each phase, within the organization, to become institutionalized.

It is important to highlight how this change has happened. As mentioned earlier, the NCMD's vision was in line with the TCMD. However, remarkable difference was eminent in the way they handled people. TCMD was perceived as aggressive, harsh and insensitive, who often publicly rebuked people. The NCMD is perceived to be more people friendly, polite, respectful and more approachable. This difference in leadership style contributed positively in acceptance of changes though reluctantly, by the employees.

Keeping in mind Schein's model, this section ends with the summation that in PSB change has taken place at the practice level or at the surface level but not at a deeper level.

Conclusion

There are two main findings of the current study. Firstly there are two fac-

ets of change, one being that change has occurred and the other being that employees are reluctant to accept change. Secondly, though it is possible to bring about behavioral change due to top-down change, employees may elude organizations if not consciously addressed. Hence the case emphasizes the fact which we began with that Organizational Change influences the Organizational Culture and vice-versa. The intergenerational issue emerged as a new dimension of culture as pointed out by the respondents but it was not the focus of the study. Since there are a very few longitudinal studies in this context our study also contributes to the literature of longitudinal case studies on organizational change.

This case unveils a very potent issue that while the employees do appreciate market orientation, the organizations are challenged to be designed in a way that balances clan and market orientation. This case reveals that culture change is first visible at behavioral level and for it to penetrate into deeper level it takes humongous efforts. The authors conjecture the roadmap for institutionalizing culture change in public sector organizations as: begin with appreciative inquiry, establish a guiding coalition, welcome doubts, acknowledge resistances and respond to those issues, develop vision jointly, develop roadmap jointly, establish necessary structure, processes, HR systems such as reward and performance management, focus on development and learning at individual, team and organizational levels, management by participation and respect.

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