

Change management at icici flashcard



**ASSIGN
BUSTER**

Change Management @ ICICI By Group-5 Group Members: 1)Adrish Ray
2)Deepak Prakash Tejale 3)G.

B. Sambhrama 4)Girish Krishnamurthy 5)Neelkant Rajaghatta 6)Neha Gupta

Q1. ' The changed focus of ICICI to become a non-stop shop for financial services necessitated the changes in the organization culture and goals. ' Analyze the changes implemented by Kamath in mid-1990s and comment briefly on the necessity and efficacy of these changes.

Answer : In 1996, when Kamath took charge over ICICI, he introduced massive changes in the organizational structure.

He wanted to change the development bank into a market-driven financial conglomerate. Some of the changes implemented by Kamath for ICICI are: 1. The first change was initiated within the organization by forming Infrastructure group (IIG), Oil & gas group (O&G), Planning and treasury department (PTD) and the Structured products group (SPG). This was necessary because the lending practices were quite different for all of these groups. He picked the efficient people from various departments for these groups.

2. The next move by Kamath was to focus its operations much more around its customers i. . they wanted to be customer oriented. For this ICICI set up 3 new departments

Now ICICI wanted to provide almost every financial service, separating the customer service people from the product development groups.

The MCG & GCG person understood the clients need and possessed the required skill to develop the solution. For this purpose ICICI took the initiative to impart new skills to existing employees. This was done by conducting training programmes and seminars by external agencies covering different areas. This was necessary because the employees need to be trained from time to time according to the changing business scenario. . The management also took steps to build a reward system to avoid negative impact of profit centre approach.

The most important thing was that the management ensured rewards only for group performance rather than individual performances. This created the spirit of team work among the employees. 5. The next step was taken for compensation structure in work place. Two types of remuneration was considered : • On contract basis- which attracted the risk takers, & • On tenure basis- which is appealing to employees who resist change and wanted security 6.

Kamath also took steps for proper appraisal system for their employees.

So he implemented a 360-degree appraisal system in which an individual was assessed by his peers, seniors and subordinates. The employees were happy for their appraisals and recognition which led to the job satisfaction of the employees. The above changes were necessary to be taken by ICICI to achieve its objective of becoming a non-stop shop for financial services. And because of these changes by 2000, ICICI emerged as the second largest financial institution in India, with assets worth rs.

82 billion.