

# Aditya vikram birla group essay



**ASSIGN  
BUSTER**

Aditya Vikram Birla Group, or A V Birla group presently known as is sphere headed by Mr. Kumarmangalam Birla who is credited by corporate knowledgeable for transforming isolated multiple business house of \$3. 0 bn into countries third – largest conglomerate, with approx \$25. 0 bn in less than a decade. The quantum leap was brought about by not only some great business acumen by the London educated CA & MBA K. M. Birla, but also by bringing a sea of change in the organizational culture of a 150 year old business house.

In 1995, sudden death of group head Mr. Aditya V. Birla, required Mr. K M Birla to take over, at a young inexperienced age of 28 yrs, critics dismissed him as a soft and shy person, who lacked the business expertise and assertiveness of his father A. V. Birla. Kumarmangalam slowly but steadily started bring in cultural change by means of below policies. 1. Retirement Policy: He introduced a retirement policy in 1995, on the basis of which around 325 senior employees, who were there early 60s, had to quit the organization in the next five years.

Subsequently about 400 young employees replaced them. 2. Corporate logo: In 1996, he launched for the first time a corporate identity that would serve a corporate logo. The group selected the rising sun as the logo, which signified optimism and served as a unification symbol for the group. K. M. Birla said, “ The new corporate logo helped in bringing various companies of the group together. This helped the organization to reenergize and get started to the path of change”. 3. Recruitment process: K. M. Birla also changed the group’s policy in house recruitment.

In 1996, he also made changes in group's HR system. He hired professionals from other companies into his management team. 4. Change in decision making: The partha system of daily financial reporting which focused mainly on production was replaced with an "Economic value added model". This model focuses on the aspects of profitability, asset productivity and growth 5. Happiness at work: Birla had also implemented the organizational health survey by the late 1990s, which measured the "Happiness at work" index.

This was carried out to track the employee's satisfaction. 6. Hierarchy based on performance of employees: K. M. Birla also brought in some managerial changes in the group. Before K. M. Birla took the chairmanship, the hierarchy in the group was determined by seniority instead of merit. He instituted a performance appraisal system. He decided to implement performance management systems, revised compensations and accentuated on training to bring meritocracy 7. Changes in reporting

He also brought about changes in reporting system being followed at the group. The top 20 executives of the group, who had greater responsibilities in the group, could report directly to K. M. Birla, thereby giving them complete freedom to run their businesses and same holding the more accountable for their performance. Above example shows characterization of an Indian organizational cultural change over handled successfully, i. e. succession by son in corporate leadership.