

Role of Change Agent in Developing and Managing e-Governance Projects



Gagan Rai
Managing Director & CEO
National Securities Depository
Ltd.

Change can be a time of exciting opportunity for some and a time of loss, disruption or threat for others. How such responses to change are managed can be the difference between surviving and thriving in a work or business environment. Change is an inherent characteristic of any organisation and like it or not, all organisations whether in the public or private sector must change to remain relevant. Change can originate from external sources through technological advances, social, political or economic pressures, or it can come from inside the organisation as a management response to a range of issues such as changing client needs, costs or a human resource or a performance issue. It can affect one small area or the entire organisation. Nevertheless, all the changes whether from internal or external sources, large or small, involve adopting new mindsets, processes, policies, practices and behaviour. Irrespective of the way the change originates, change management is the process of taking a planned and structured approach to help in aligning an organisation with the change. In its most simple and effective form, change management involves working with an organisation's stakeholder groups to help them understand what the change means for them, helping them make and sustain the transition and working to overcome any challenges involved. From a management perspective, it involves organisational and behavioural adjustments that need to be carried out to accommodate and sustain change. Strong governance and associated reporting arrangements need to be established to drive and monitor change. In change projects, separate roles and/or lines of responsibility for the change are often established, resulting in the normal hierarchy of control being broken or modified. This is particularly the case if the change stretches across many parts of the organization. Change management governance involves establishing appropriate roles, responsibilities and a structure within the organisation to ensure a successful change.

CHANGE AGENT

One of the prerequisites of successful change projects is the appointment of a Change Agent to provide day to day project management and support for the change

effort. The Change Agent is responsible for planning, organising and coordinating the activities associated with the change ensuring that the change management process addresses business process, workforce and infrastructure changes and monitors implementation progress and risks. Another key responsibility of the Change Agent is the coordination of communications relating to the change ensuring that information is shared with all relevant stakeholders. The number of resources that comprise a Change Agent will be largely dependent on the size, scope and complexity of the change effort. There may be a need for representatives from specialty business areas. The composition of the Change Agent may also change as the project moves through its various phases, with different skills required for different phases of the change.

The role of leadership in any change management effort cannot be underestimated and is repeatedly cited as the number one contributor to change success. The earlier in the project life cycle an organisation's leaders engage in change, the more useful they can be at building acceptance of the change by those who are affected by it. Change starts at the top and an organisation's leader must be a visionary and role model for change. Strong e-Governance promotes positive change. Such governance establishes appropriate organisational structures, roles and responsibilities for change, that encourage stakeholders and support the change effort and also ensure that these roles and structures are well understood with Change Agent. e-Governance uses Information and Communication Technologies to automate governance in innovative ways, so that it becomes more efficient, more cost-effective and empowers the human race even more.

CHANGE MANAGEMENT THROUGH e-GOVERNANCE

It is widely accepted that the role of the government is that of facilitator in promoting social and economic change. e-Governance facilitates the government machinery to bridge the gap between public policy and implementation, a crying need in public administration in India today. Technology change has been broadly defined as the process by which economies change over time in respect of products and services they produce and the processes used to produce them. Efficient use of technologies like information technology may help the government to usher in change at faster pace. It is the government, which has to facilitate this effort in a more effective way by embracing Information Technology (IT). IT enabled e-Governance helps the governments to provide public services to masses in a cost effective and efficient manner.

More recent advances in technology like broadband i.e. high speed internet, mobile phone network expansion,

etc. have made it possible to reach out to the masses to educate them in a cost effective manner. It enables the government services to be taken to the doorstep of the people. People, processes and technology are the crucial triumvirate of governance in management of change. Besides technology, people and processes concerned with government departments also have to undergo changes for a meaningful change. The rate of technological change achieved in centuries in the past is now realized in few decades and this process is accelerating. The role of National Securities Depository Limited (NSDL) as an agent of change management has been challenging. In this information age, it is apt for NSDL to adopt e-Governance as a means of delivering and improving services.

NSDL, the first and the largest securities depository in India established in 1996, handles over 80% of the securities held and settled in dematerialised form in India though its nationwide network of electronic system infrastructure. The solutions developed and implemented by NSDL were total transformational projects which covered use of modern information and communication tools, business process re-engineering, policy changes, strengthening administrative & legal infrastructure and facilitating change management.

NSDL has achieved and delivered path-breaking success in the area of automation of large and complicated processes by use of niche technologies, management experience and creation of a large network of service centers. These service centers in form of Depository Participants' branches and Facilitation Centers spread across length & breadth of the country. NSDL's core competence is its ability to conceive, design, implement, manage and maintain large databases that can bring in transactional efficiency for common good. NSDL has also successfully set-up secure technology hub for managing these databases.

DEMATERIALIZATION OF SECURITIES

In the arena of Capital Markets, NSDL established Depository System for securities and transformed settlement infrastructure of Indian Capital Market to become one of the best in the world today. The dematerialisation project has put India on the global map by becoming one of the fastest markets to implement paperless trading. Looking at the success of this, NSDL has been assigned to carry out many such large e-Governance projects.

More than 9,000 companies have joined NSDL and more than 290 Depository Participants service 1.17 crore investors holding securities valued at about Rs. 64 lakh crore through 13,000 service centres across 1,400 cities/towns in the country. These accounts have more than 85% of securities held and settled in dematerialised form in India, indicating preference and trust the investors have in maintaining their assets with NSDL.

TAX INFORMATION NETWORK

NSDL has established nationwide Tax Information Network (TIN) on behalf of Income Tax Department. The principal component of TIN is the automation of system for administering Tax Deducted at Source (TDS) which today forms a significant part of direct tax collection. Under this scheme, the entities that make specified payments are required to deduct tax at source and file periodic returns giving details of the deductees and the tax deducted on their behalf. TDS returns are filed electronically to a central system managed by NSDL. TIN also receives online information on collection of taxes from the banks through 'Online tax Accounting System' (OLTAS) which flows into the central database. TIN matches TDS returns from the deductors with the collection details from the banks.

Besides, TIN provides a facility to upload Annual Information Return (AIR) information regarding high value transactions undertaken by various tax payers. NSDL also processes applications for issuance of Permanent Account Number (PAN) and Tax Deduction Account Number (TAN).

Earlier, there were limitations in various processes of paper filing such as:

- a) Verification of tax deposit at the time of assessment;
- b) Track compliance in filing of TDS returns;
- c) Verification of genuineness of TDS credit;
- d) Limitation in Data Mining i.e., investigations and policy evaluation;
- e) Use of third party reporting to identify evaders; and
- f) Integrate national level data.

NSDL has established connectivity with 31 tax collecting banks to upload tax collection data about 12,900 branches. Every day, around one lakh tax payment details are uploaded by these banks to the central system. As of now more than 2,000 TIN Facilitation Centers service taxpayers / deductors across about 700 locations in the country.

This has benefitted to the Government as well as to the Tax Payers in terms of:

- a) Monitoring Compliance;
- b) Tax credit against funds received;
- c) Data Mining for Policy Formulation and Evaluation;
- d) Increased Tax collection;
- e) Elimination of possible Tax frauds;
- f) Non-intrusive Investigation;
- g) Timely feedback of Tax credit;
- h) Reduced cost of compliance;
- i) Ensure TDS credit; and
- j) No risk of loss of TDS certificate.

CENTRAL RECORD-KEEPING AGENCY

NSDL has established a Central Record-keeping Agency (CRA) for the National Pension System (NPS) on behalf of the Pension Fund Regulatory and Development Authority (PFRDA). Implementation of such a system

stems from moving over from Defined Benefits Pension System towards Defined Contribution Pension System known as the NPS and having unique & portable Permanent Retirement Account Number (PRAN).

NSDL has setup a CRA system for this purpose. CRA is a first of its kind venture in India which carries out the functions of Record Keeping, Administration and Customer Service for all Subscribers under NPS. The record of the contributions of each Subscriber is kept in an account known as the Permanent Retirement Account which is identified by a Permanent Retirement Account Number (PRAN). CRA issues a PRAN to each Subscriber on his/her successful registration and maintains database of each Permanent Retirement Account along with recording of transactions relating to each PRAN.

CRA provides electronic interconnectivity to PFRDA, other linked entities like Trustee Bank, Pension Funds and Annuity Providers. CRA strives for a seamless and error-free system enabling the Subscriber to have a nation-wide access to the system. CRA is the core infrastructure for the NPS and is critical for its successful operationalisation.

Savings generated through NPS will further provide depth and stability to the capital market and enhance appetite for Government Securities and Corporate Bonds. Pension savings will also provide the much needed funds for infrastructure development. At the same time, pension reforms will help the Governments to fund their pension liabilities. The most distinguishing feature of NPS relates to seamless portability across jobs and locations. It provides hassle-free arrangement for the Subscribers. Most importantly, NPS provides an opportunity to every citizen to save for retirement in a regulated environment and thus help in promoting inclusive growth.

More than 18,600 nodal offices of Central Government (including 2,800 nodal offices of 232 Central Autonomous Bodies) have been registered with CRA. About 8 lakh government subscribers have been registered under this sector. Pension contributions amounting to more than Rs. 6,500 crores have been credited to Subscribers' accounts under this sector.

In order to extend the benefits of NPS to economically disadvantaged people, a new segment being referred as 'NPS Lite' has been made available from April 1, 2010. More than 7 lakh PRANs have been generated in this sector till date.

NATIONAL SKILLS REGISTRY

One of the major concerns that global clients had while dealing with India and that affected their outsourcing decisions was near absence of any information system and with the industry about its workforce. There was no credible information system available on which information about industry employees who work on client projects, database and systems can be referenced. Such credible information system is crucial for referencing information about any person before assigning work. There was no standard practice used for background checks and

information history and reference data was not developed over the career cycle of an employee.

National Skills Registry (NSR) is an initiative taken by NASSCOM. NASSCOM took up a significant initiative called "Trusted Sourcing". This initiative has developed and projected the industry as a safe and trusted destination for sourcing, development, outsourcing and process work so that overseas clients develop confidence with the safety of our industry and assign more work. NSDL through its subsidiary has implemented this socially useful project of national importance which is an information repository of all knowledge professionals who work in the IT/ITeS and financial services industry in India. Earlier every company needed to collect information about employees, use its practices to get such information verified and then present to clients. This process was both costly and inefficient and also did not reflect upon trust environment in good light. This initiative helps in having unique identity which is ensured by bio-metrics and reduces cost and time of hiring process.

The above features works together to create an important security attribute. As against a scenario where there is no database of information and same person can represent in as many ways as desired and each time the information user needs to validate the information, in NSR each person can create only one profile and all employers refer to the same. NSR is a central system which brings the registered professional (providers of information), background checkers (information verifiers) and industry / clients (information users) on the same platform. NSR connects all the entities and provides for seamless information flow to suit respective needs. While doing this, NSR ensures privacy of data of registered professional and information requirements of users.

The system has seen wide acceptance and participation by the industry and following are some of the important milestones achieved:

- 104 leading IT / ITeS / Financial Services companies representing more than 60% of industry's employee strength have endorsed the initiative and are participating in NSR.
- NSR today is positioned as an important security measure and NASSCOM has termed it as a Security Best Practice from people perspective for the industry.
- More than 9,30,000 Knowledge Professionals working for the industry have registered details on NSR website; more than 5,88,000 professionals have submitted biometric details and have completed the registration.
- NSR system is ISO 27001 certified for implementation of Information Security Controls.

SEZ ONLINE SYSTEM

The Government of India (GoI) established Special Economic Zones (SEZ) as an engine of economic growth. It provided special fiscal package and world class infrastructure. Government of India has identified that a strong and well-functioning SEZ is a critical

element for the growth aspirations of our country. Therefore, GOI has put in place comprehensive SEZ Act and Rules streamlining and simplifying the administrative and legal infrastructure to encourage export oriented business out of the SEZ. As a part of its strategy to reduce multiplicity of controls and clearances, Ministry of Commerce and Industry (MOCI) intended to provide online facility for processing most of the applications, compliance reporting and customs clearances to SEZ units, Developers and Co-Developers.

SEZ Online System (SOS) provides nation-wide integrated solution for administration of SEZs of India and facilitates online clearance of both imports and exports by the Development Commissioner (DC).

There are many benefits of SEZ online, such as:

- 1) Reduction in Operational Cost and Turnaround Time;
- 2) Reduction in Compliance Cost;
- 3) Faster Clearances;
- 4) Improvement in efficiency & transparency in Service to End Users;
- 5) Repository of all transactions / interactions with DC's Office; and
- 6) Dashboard and MIS for MOC and DCs.

During the F.Y. 2010-11, the project has made significant progress and has moved from a pilot phase to a full implementation phase. With the continued support and emphasis of MOCI and all Development Commissioners various modules of the system have been developed and implemented across most of the active zones. Currently the system has been implemented in 71 SEZs and about 2000 units are registered who have processed 4.5 lakh transactions so far.

CONCLUSION

Effective e-Governance requires negotiation, co-ordination, networking and regulation of Information & Communication Technologies (ICT). Relations among different ICT stakeholders need to be managed to achieve fairness, accountability, transparency and efficiency in service delivery. The quality of e-Governance at all levels within an organisation and the competency with which it uses technology, are crucial factors in determining whether an organisation will survive and thrive in the global economy. Effective e-Governance is more likely when ICTs are managed strategically. The eventual success of any e-Governance project is intimately linked to the methodology used and to that complex mesh between men, machines and mindsets.
