

Change Management: Implementation of Cadre Restructuring in CBEC-Lessons Learnt from Overseas

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Table of Contents

Table of Contents.....	1
Introduction	2
Change and management of change.....	3
Change management: Challenges.....	6
Tax administration: changes around the world.....	7
CBEC Cadre Restructuring.....	8
Background	8
Restructuring	10
The Change Process –Design	11
Change Process- Deliver	12
Change Process - Dialogue.....	15
Change Process- Do	15
Change Process - Evaluate	16
Conclusion	18
Bibliography	20

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Introduction

Change is indispensable part of everyone's life. In fact, change is the only thing that is eternal in the universe in all senses. Change occurs everywhere, everyday and in everyone and organizations are no exceptions. Organisational changes invariably involve one or the more of the following namely, processes, systems, Organizationstructure, and job roles (Creasy, 2007). While project management deals with accomplishment through the application and integration of the project management processes of initiating, planning, executing, monitoring and controlling, and closing, change management incorporates the organizational tools that can be utilized to help individuals make successful personal transitions resulting in the adoption and realization of change(Creasy, 2007).

The Central Board of Excise and Customs (CBEC) underwent a massive restructuring wherein the number of formations at the field increased; new functional units were created; and created promotional opportunities to many in the entire hierarchy. One of the major objectives of this cadre restructuring was to have an effective compliance monitoring mechanism by creating units with smaller jurisdictions and also functional specialization such as audit. According to CBEC, cadre restructuring involves devising a holistic manpower management plan and reorganization of field formations on scientific basis to improve productivity and quality of deliverables. It is also a mean to align human resource architecture with business process strategy to ensure that there is smooth change management and effective implementation of strategic goals of the department. While on one side it aims at enhancing core competencies, on

the other hand tries to satisfy the stakeholders in facilitating honest tax payers as well as creating deterrence against tax evaders (CBEC, 2010).

Thus Cadre restructuring itself is a part of change management in the indirect tax administration in India. No doubt, there are more field formations, more promotional avenues and more opportunities for specialization in each area of indirect taxation. However, whether the recent cadre restructuring in CBEC takes along the principles of change management in a holistic manner so that it meets the objectives effectively is a question that remains unresolved.

This paper attempts to address the above question by deliberating the principles of change management and comparing the world models by studying the similar exercises undertaken in other countries and the experiences learnt therein. The first part will deal with the theoretical basis of change management. The second part will discuss on the background and scheme of cadre restructuring in Government of India and CBEC. The international experiences will be discussed in part three of the paper and the concluding part will give suggestions on how to move forward.

Change and management of change

Change happens at various fronts- the way we think, communicate, act or create new relationships and structures in an organization to redefine in response to the changes happening in the environment. Change is characterized as crystallization of new actions and possibilities on reconceptualised patterns of organization as well as redefining the architecture of Organisational structure. (Felkins, Cakiris, & Chakiris, 1993). Change may be directed from top down or it can be a continuous non directed process (ibid). 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 change whether from internal or external sources, large or small, involves adopting new mindsets, processes, policies, practices and behavior. Invariably all changes have the following characteristics namely, - it

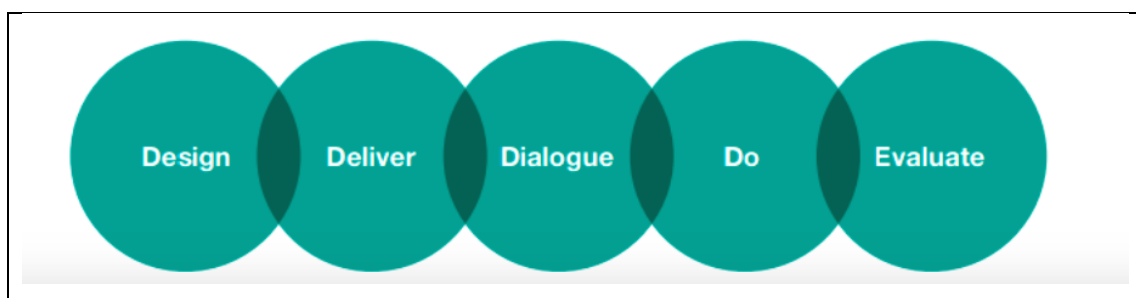
involves contradictions, it is a continuous process, it is interpreted through the perceptions and interactions of the people and facilitated through collaborative inquiry and team work (ibid). Leavitt observed that Organisational change can impact four variables-task or the purpose for which the organization exists, competencies of the people, the process or the technology by which the task is accomplished and structure involving communication, power, reporting systems (Paton & McCalman, 2013). In CBEC, changes are happening continually and they impacted to a great extent the task we perform. We are no longer mere regulators or enforcers of law; in the past two decades our role has gradually changed to a facilitator. Certain changes impacted the process also. Introduction of ICES, ACES, ICEGATE, RMS and IT Consolidation project changed the way we perform our work. Various capacity building programmes in different areas such as IT skills, Risk Management, EA 2000 etc no doubt impacted the competencies of the people working in the organization. And periodical cadre restructuring changes the structure as well as the functions of the formation. In all the change processes the broad objective is improving the efficiency and effectiveness. Though there is no empirical studies available it cannot be an overstatement to say that the structural change brought in the 2002 cadre restructuring has improved efficiency in terms of compliance monitoring and plugging avoidance and evasion of duties and taxes through well monitored scrutiny, audit and anti-evasion works.

While there are numerous models of change management, no single approach suits all planned change. It is important that the change approach adopted is one that is suited to the culture of the organisation and the context of the change. While each public sector organisation needs to consider the best way to approach change, there are common change management principles that characterise successful change. The extent to which those principles are exhibited will vary, depending on the extent and nature of the change. The principles for managing successful structural change are: A clearly defined rationale and vision of the change is understood; stakeholders are identified, appropriately consulted and informed; The system and processes developed to achieve the change are transparent; Collective and collaborative leadership is

empowered; There is a dedicated focus on people and the change is systematically reviewed and adapted (Workforce performance Directorate, 2015).

No single process is suitable for all structural change. However, there are some common interlocking process steps that should be followed. The process is not typically linear; the steps interlock and merge, allowing one step to begin prior to another being completed. The steps comprise design, deliver, dialogue, do and evaluate and are illustrated in the following diagram (ibid).

Figure 1 Change Management Process



Ensuring the process steps are included in structural change will contribute towards a successful change outcome. Conversely, some common obstacles can prevent successful change. Any agency undergoing structural change should be aware of these obstacles and ensure that when designing their change approach that consideration is given how to overcome them. The following obstacles have been drawn from general change efforts. However, they can be applied to structural change as well. The common impediments to successful change are: lack of a governance structure, lack of role modelling by leaders, under-communication of the vision, declaring success too soon (ibid).

Change management: Challenges

All changes are required to be implemented as part of a strategy to accomplish an overall goal; these transformations should not take place just for the sake of change. It is quite rare that restructuring plan of any organization go smoothly and not met with any opposition or resistance. Quite a few times, this opposition is because of real threats, but many a times these threat perceptions are unfounded one and not on strong footing. History shows that workers have resisted some of the best-laid plans. A few may openly fight it. Many more may ignore or try to sabotage a plan. In today's business world, most people, most of the time, resist change. These people believe that change is rarely for the better. They believe that fruits of the restructuring will be eaten up by the top few and they will be left with very meager benefits. For this category of individuals, at the end of the day, the whole exercise seems like a waste of time. Threat of retrenchment or longer working hours and lessening of promotional avenues for some cadres also strengthen the resistance amongst the lower staff.

These kinds of dismal scenarios give employees the impression that change is not good. And employees have no reason to believe that it's going to be better in the future. A number of the most common reasons for which employees resist change are:

- Uncertainty and insecurity
- Reaction against the way change is presented
- Threats to vested interests
- Cynicism and lack of trust
- Perceptual differences and lack of understanding

In order to overcome resistance, broader consultations is necessary with all stakeholders whose interests are affected by the change process by communicating openly about changes, providing advance notice of an upcoming change, exercising sensitivity to concerns of field officers, and reassuring field officers that change will not affect their security.

In addition, successful implementation of changes may be ensured if some common pitfalls are avoided that cause changes to fail. The same are as follows:

- Faulty thinking
- Inadequate change process
- Insufficient resources
- Lack of commitment to change
- Poor timing
- A culture resistant to change(Cliffs Notes)

Tax administration: changes around the world

A tax administration should define its own objectives and performance horizon within an agreed framework. It should also carry the full responsibility of formulating its own strategies and operational plans so that it can respond rapidly to the changing circumstances resulting from increasing globalization represented by emerging business arrangements and the corresponding needs of the tax administration. Some of the traditional views or structures need reorientation and change. The preoccupation of “how” to administer has to yield to “why” and “for what”. It is for these reasons that modernizing a tax administration changes the existing organizational structure to fit the needs of the time, reorganizing its activities in an effective and efficient way. This could include decisions on the number, size and geographical location of tax offices.

In the past two decades, world over the tax administrations underwent changes with a view to enhance efficiency and effectiveness (TARC, 2014). These reforms were in response to demands for extensive and deeper information, not only from the respective governments but from the governments elsewhere. Taxpayers also demand better and more economical and effective tax services. Changing paradigms like trust based clearance and self-assessment, risk based selective audit, and other non-adversarial approach for tax collection, need structural changes as well.

The OECD report on tax administrations found that reforms around the world have moved along two main axes –(a) revamping institutional

mechanisms for governance and (b) reorganizing the machinery for tax administration. The first one addresses the organizational structures and processes for tax governance focused on outcomes, with an emphasis on improvements in the efficiency and effectiveness of operations. They have moved from tax- type organizational structures to staff being organized along functional groupings. This approach permits better management of and better outcomes from core functions and greater consistency and coherence in the administration's interface with taxpayers. It has permitted better standardization and greater operational efficiency leading to improved organizational performance and productivity. Alongside functional restructuring, the approach also segments taxpayers in order to better target administration policies, services and compliance management activities in reflection of taxpayer needs and behaviors. The OECD survey indicates that 49 out of the 52 surveyed countries had "function" as a key element in their organizational structure (OECD, 2013).

Several tax administrations are undergoing major organizational reform to achieve improved outcomes, in particular in areas such as increasing application of customer segmentation approaches (including large taxpayer units), bringing separate verticals for more focused delivery and on expanding the ICT base. (OECD, 2013)

CBEC Cadre Restructuring

Background

Indirect Tax governance and administration witnessed many pages of the law being changed and re-written quite a few times. Many redundant and obsolete practices have fallen by the way side and in their place rose a more lean and transparent code that signifies a dynamic response to change. The Central Board of Excise and Customs implemented changes with an unwavering focus on efficacious service delivery and tangible transparency in dealings. The Department has evolved into an efficient tax administration system by adapting itself to the challenges of the changing economic scenario, technological advancements and the liberalization process taking place all over the world.

From the role of a controller and enforcer, the Department has emerged as the facilitator. The change management has been done in a seamless way and we have bound ourselves in the spirit of the Citizens Charter and pledged to make it a reality, rather than a mere rhetoric.

The significant milestones of the Department in the journey towards building of an effective Tax Administration System for a stronger Nation are as follows:

1944: All the Excise Acts were consolidated into a single Central Excise Act.

1962: The Customs Act came into being replacing assorted Acts that governed Customs at Sea, Land and Airports.

1963: Board of Revenue Act came into being whereby the CBEC has come into existence to administer the indirect Taxes in the Country namely the Central Excise Act 1944 and the Customs Act 1962.

1969: Self Removal Procedure was introduced replacing physical control signaling the change of attitude of the Department towards the assesseees.

1975: Customs Tariff harmonised with the rest of the world.

1978: Record Based Control was introduced on certain commodities as a further measure of liberalization.

1986: MODVAT scheme (presently known as CENVAT) was introduced to facilitate the manufacturers to set off the duty paid on the inputs and capital goods against the duty payable on the final products.

1994: Service Tax, the new concept of levying tax on services was introduced with an initial coverage of 3 services with a potential to have magnificent growth to cover more than 100 services in future.

1996: "Self Assessment Procedure" and "Selective Audit" were introduced which vested total freedom and trust in the assesseees.

1996: ICES was introduced in Customs heralding in ICT based tax administration.

2000: Excise Audit-2000 was introduced. Consignment based payment of duty was replaced by fortnightly payment.

2001 and 2002 : New set of Central Excise Rules were introduced. The Central excise rules were reduced in number from more than 250 rules to just 30 plus rules.

2002: Online registration of Central Excise and Service Tax Assesseees was introduced.

2003: ICEGATE was created for online processing of customs clearances.

2003: The restrictions on the movement of excisable goods on the Budget day were removed. Fortnightly payment of duty was replaced by monthly payment of duty.

2004: Cenvat Credit Rules, 2004 were introduced to facilitate both manufacturers and service providers for availment of Cenvat credit of duty/tax paid on the inputs, input services and Capital goods.

2006: Risk Management System was put in place in Customs whereby the import documents were assessed on selective basis.

2009: ACES was introduced in Central Excise and Service Tax.

2012: Service Tax revamped with the introduction of negative list barring which all services were made taxable.

Restructuring

In accordance with the need to synchronize with the policy decisions of the Government, the Department undertakes various innovative initiatives periodically to serve the trade and industry. One of such major periodical initiatives is cadre restructuring. It helps to prepare and equip the Officers to face the challenges of the constant changes and developments around the Department; it aids in re-organization of the formations at all levels; it also aims at enhancing the efficiency of the department for achieving the goals in an effective manner for the betterment of the Nation as well as the Trade and Industry. In the past the major cadre restructuring exercises were undertaken in 1971, 1983, 1997 and 2002. The re-structuring and re-organization of the formations of the Department, which took place in the year 2002, was based on the statistical data and economic environment prevalent in the year 2000. To meet the challenges as existed then, smaller Zones and Commissionerates were created which has taken the services at the cutting edges of the Department closer to the locations of the Trade and Industry. In order to ensure speedy

disposal of Appeals, more formations of Commissioners (Appeals) were created. These measures, as the data available clearly indicate, proved to be result oriented providing a win-win situation both for the Department as well as the Trade and Industry(Study Group I, 2010)(Study Group II, 2010).

The Change Process –Design

The department is not an isolated entity immune from external and internal stimuli. The proactive and responsive Tax Administration that it is, the Central Board of Excise and Customs has initiated the process of responding to the changed economic scenario and other poignant stimulus by initiating a Cadre Reorganization and Restructuring of the field formations. The recent exercise of cadre re-structuring and re-organization of the formations is significant, as the challenges ahead of us are tough. The Global economic meltdown and its cascading effect on all Nations was clear and profound. The effect of recession in countries having close and significant economic ties with India needed an imaginative response. The slowdown in the manufacturing sector and sluggish Exports are alarming. Against these odds, we had the proud task of moving forward to elevate the Nation to greater heights with the Vision that India will be one of the super powers of the World by 2020.

Constitution of Study Groups

The Central Board of Excise and Customs had constituted three Study Groups for undertaking the exercise relating to cadre restructuring/reorganization of the field formations of the CBEC in 2008.

The Study groups conducted detailed study on various aspects including Revenue scenario, work load at all levels, projected work load at all levels, numbers of assessee, export/imports, bills filed, refunds, rebates, adjudication and appeals, anti-evasion measures, anti-smuggling activities, number of workforce available, infra structure, administrative requirements as per terms of reference and submitted their final reports to the Board recommending re-structuring of field formations and various cadre for effective administration and Tax collection.

- The service sector in India has been the sunrise area of taxation since the last cadre review and has shown phenomenal growth since inception, last six years in particular. There was an urgent need to provide additional manpower in this area to tap the vast potential.
- Service Tax was being managed under great constraints of manpower. Its total collections are already equal to the non-POL Central Excise revenue, whereas the total workforce was only a very small fraction of the manpower deployed in Central Excise.
- In Central Excise, the new Commissionerates are proposed on the twin criteria of revenue collection as well as workload in terms of the number of units.

Change Process- Deliver

- It was recommended to create exclusive Central Excise Commissionerates on the norm of 1500 assesseees and revenue in the range of Rs.1500 crore to Rs.2000 crore. Each Commissionerate may have five Divisions with six Ranges each. Overall staff strength of a Commissionerate is recommended as 428.
- There were clear trends in manufacturing activity moving away from major cities, which are centres of Service Tax collections. As a result the Central Excise revenue is largely stagnant in these cities or at least not growing at the pace witnessed in other taxes. Accordingly the number of Commissionerates in Mumbai are being reduced from the existing 8 to 6 and in Kolkatta from 7 to 5. However there has been noticeable growth in some regions. As a result two new Commissionerates are being proposed in Delhi Zone- one each at Gurgaon and Faridabd by bifurcating the existing Commissionerates- and one at Bangalore
- Consequent upon creation of exclusive Service Tax Commissionerates at new locations the existing Central Excise Commissionerates in the respective jurisdictions of Hyderabad, Pune, Rajkot, Jaipur, Ghaziabad and Noida will become ii exclusive or may have very little revenue from Service Tax in some far flung areas.
- Creation of two additional posts of Chief Commissioners at Delhi and GhaziabadNoida is also recommended.

- The recommendations have been made keeping in view the present regime of tax collections, with due allowances for foreseeable changes.
- The advent of GST, expected to be introduced from April, 2010 to have major impact on the way many of the processes are carried. In fact much of the distinction between goods and services will vanish and to that extent the concept of exclusive Service Tax and exclusive Central Excise Commissionerates may need to be revisited.
- While this switchover may take some time, it was necessary that the Department should position itself in a very high level of preparedness to meet the new challenge, particularly in the area of Service Tax, by implementing the review before the GST is brought into force.
- The taxpayer participation in LTUs at Bangalore, Chennai, Mumbai and Delhi has registered positive growth and the feed back obtained from the large taxpayers indicated high satisfaction levels. Compliance improvement in the form of improved recoveries through audit/ anti-evasion etc., also pointed to the benefits that will accrue to the department in the long run due to focused approach on large business entities who account for substantial tax revenues to the government. The existing system of posting officers and staff on ad-hoc basis needs urgent review. Though the entry into and exit from the scheme was optional, it is worth noting that none of the large taxpayers have opted out of the scheme from any of the LTUs in the last two and half years which clearly indicated that the scheme has come to stay and will be continued. If adequate number of officers are not posted in LTUs, the risk to revenue cannot be ruled out especially when eligibility criteria applicable at present do not distinguish a large taxpayer whether compliant or not as is being followed in RMS in the Customs side. The staff compliment suggested above takes into account the norms suggested in the Approach Paper, the report submitted by the Human Resource Group constituted by CBEC and CBDT and the working experience gained in the last two and half years, particularly at Bangalore and Chennai. Suitable adjustments in the staffing requirement has been suggested in this paper, compared to the suggestion contained in the aforementioned reports in view of the increase in the eligibility threshold limit from Rs.1 Cr. to Rs.5 Cr., inclusion of Service Tax assesseees in the scheme and the reduced role

of jurisdictional Commissionerates in respect of Large Taxpayers opting for the scheme.

- It is thus recommended to create 23 exclusive Service Tax Commissionerates, i.e., 17 additional Commissionerates, primarily on the basis of certain criteria:
- It is also recommended to provide 14 Commissioner (Appeals) primarily on the basis of 1 Commissioner (Appeals) for every 2 executive Commissioners, plus at locations with heavy pendency.
- Three Chief Commissioners, together with the necessary complement of staff are required to provide leadership and cohesion and also monitor performance in major tax-paying centres i.e. 2 at Mumbai and 1 at Delhi. For other locations Chief Commissioners may also be considered for the combined jurisdiction of Service Tax and Central Excise.
- The total staff requirements for managing nearly 75% of the Service Tax target of Rs 65,000 cr in 2009-10 and assessee base of about 3,85,000 out of 7,00,000 as on March 31, 2010 through 23 exclusive Service Tax Commissionerates is 8,789 personnel or 7,354 personnel after accounting for the existing sanction . This compares extremely favorably with the manpower deployed for collecting any other tax, direct or indirect, by a huge margin.
- As regards Customs Commissionerate, falling under the categories of Exclusive Import (Sea), Exclusive Export (Sea), Exclusive Import (Air), Exclusive Export (Air), Composite Commissionerate, Airport Commissionerate and Commissionerate (General). As regards Preventive Commissionerates, they vary so much in the geographical dispersion and field units, the Group has largely gone by the recommendations made by the respective Preventive Commissionerates, while making the recommendation for their strengthening
- Group has proposed for creation of 14 new Customs Commissionerates, including two Preventive Commissionerates.
- Creation of two posts of Commissioner (Adjudication), one at JNCH and another at Chennai
- Creation of four new Customs (Zones) at Hyderabad, Chennai, Bangalore and Ahmedabad
- Augmentaion of existing preventive Commissionerates at Amritsar, Jodhpur, Mumbai, Kolkata, Patna and Lucknow

- Creation of posts of Principal Chief Commissioners at Delhi, Mumbai, Chennai, Kolkata, Principal Chief Commissioner Audit/Compliance and also upgrading certain posts to PCC like DGRI, DGCEI, DG (Audit), DG (NACEN), DG (System), DG (ST), DG(Inspection) and DG (HRD).
- Complete re-organisation of Audit set-up in CBEC has been recommended, by shifting from existing transaction based PCA, at Custom Houses to record base audit and Common audit/compliance verification Commissionerates for Customs, Excise and Service Tax. The proposal is to create 10 new Zones and 40 new Commissionerates. In this context, manpower requirements have been projected keeping in view that a significant number of staff requirements could be met with by diverting staff from existing formations.
- Creation of six exclusive Single Window Commissionerates for SEZs/EOUs/STPs
- Recommendations for strengthening of (a) Directorate General of Valuation; (b) Commissioner (Appeal)'s office-and revising the norms for disposal of cases by Commissioner; (c) CDR's office; (d) Directorate of Legal Affairs.
- Overall implications of the recommendations made by the Group, as regards the manpower requirements have been worked out.

In sum, a total of 18,067 additional posts will be created. Out of this, 989 posts will be for Group 'A' officials such as Chief Commissioner, Commissioner and Assistant Commissioners. The remaining will be for Group B, C and other category consisting of Superintendents, Inspectors, Havaldars and field staffs. Currently, the sanctioned strength of CBEC is 66,808.

Change Process - Dialogue

THE CBEC had dialogue with the stake holders namely the trade and the staff unions and the proposal was sent for expenditure clearance in 2010. It was deliberated with the Expenditure department of Government of India. The final proposal was sent for Department of Personnel and Training in 2013. After several discussions, the re-structuring proposal was approved by the Union Cabinet in May 2014.

Change Process- Do

The CBEC notified the field formations under re-structuring and re-organisation of filed formations and allocated various revised strength at all levels to all the filed formations On 01.08.2014. As per final cadre re-structuring and re-organisation, 18,067 additional posts were created including 2,118 temporary posts for five years. This enabled uniform promotion opportunity for all the cadres of the CBEC that has been stagnated for several years. Although, creation of additional posts will involve an expenditure of approximately Rs 774 crore, it would help in collecting around Rs 68,000 crore annually. The new formations were started functioning from 15.10.2014. Accordingly, the number of formations were re-organised as below:

No. of Central Excise Zones	23
No. of Central Excise Commissionerates	119
No. of Service tax Zone	04
No. of Service Tax Commissionerates	22
No. of Customs Zone	11
No. of Customs/ Customs (P) Zones	60
No. of Appeal Commissionerates	60
No. of Audit Commissionerates	45
Large Tax Units	08
Directorate General / Directorates	20

Change Process - Evaluate

To elicit the feedback from the officers of the department, a pilot survey was conducted by designing a small questionnaire in google forms and circulating it among the officers of the department. The form of the questionnaire is given in Appendix.....the results of the questionnaire is summarised as below.

- The process took unduly long time. The process was initiated in 2008 and it took seven years for the new structure to come into being. The need

assessment done in 2008 and 2009 are of no meaning in 2015. Even after seven years many issues such as stagnations, inadequate infrastructure are yet to be addressed.

- When Government t keen on to introduce GST from April, 2016 onwards, Cadre Restructure has not merged Central Excise & Service Tax work
- Distribution of posts and formation of new formations was done with metros only in mind. In other areas the service tax and central excise work was kept intact while the staff strength was reduced by almost half, resulting in hardship to staff.
- Staff allocation in CR is not as per work load prevails. From previous CR, work load was increased in the last 12 year, but staff allocation reduced in some commissionerate without any reason.
- Now, after creating offices at places (read metros) that do not require expansion and reducing staff strength at non-metros, work and assessees and staff are the sufferers. For example. DGST office in Chennai is yet to start function. But ranges of Coimbatore having assessees of central Excise and Service Tax are crying for staff strength.
- The most stagnated posts in the department were in the grade of Inspectors/Superintendents but it is unfortunate that the posts have not been properly distributed to mitigate the specific problem, instead it has created a lot of additional posts in the top echelon which is not helping the Department any useful manner. By downsizing the posts in the lower cadre, it has created an imbalance in the working system. It also does not seem to improve the working conditions by putting additional burden on the existing staff.
- It took me nearly 19 years to get my first promotion as Superintendent. But in the cadre restructuring, Inspectors, who have put in less than 13 years of service were promoted. Now everyone is treated as same.
- Any cadre restructuring should remove stagnation in every cadre, especially, in the lower rungs. It is on record that many of the cadres in the lower rungs have not benefited much, especially in Tamil Nadu. Even those who had been promoted after cadre restructuring have suffered

heavily due to transfers. Creation of Commissionerates/posts were not well balanced.

- The purpose of the Cadre restructuring is to remove the stagnation, where as the present Cadre restructuring has not removed the stagnation in the cadre of inspectors working in Tamil Nadu
- The stagnation position of Group B Gazetted and non-Gazetted officers were not redressed in a genuine manner. The more benefited officers are ministerial and Class I Officers. Group B cadre were neglected and their interest was not taken care of properly
- The main way to improve tax payer services is through computers and with ACES system still not up to mark, cannot say how it has improved tax payer services
- All the day to day work in Central Excise, Customs and Service Tax must be online and responsibility should be fixed individually.
- Revenue should not be the criteria; Correct distribution of work force.
- Before GST, a suitable cadre restructuring should take place, otherwise the department will suffer as it had during the initial period when Service tax was introduced.
- Infrastructure management was not done properly. There are deficiencies in physical as well as IT infrastructure in the many of the newly formed commissionerates and Divisions.

Conclusion

Change is an ongoing and never-ending part of organisational life and leading successful change is incredibly difficult. The change process is not a linear stage-by-stage process but an interconnecting cycle of activity that merges the beginning, middle and end of each process step. During the change process, agencies may face obstacles to change. Such obstacles should be assessed and handled as risks to the overall change effort. With most structural change, both positions and people are affected. Managing successful change in the government is a challenging pursuit. Successful change is possible when the principles are applied appropriately, the process followed flexibly, and barriers recognised and

considered suitably. Finally, the principles, process and barriers need to be applied within the context of the extent and scale of the change and adapted to suit the specific culture of the agency.

In 2014, India has been ranked 152 out of 185 countries on ease of “paying taxes” in the World Bank’s “Doing Business” indicators. This is a stark indication of the gap between where we are and where we ought to be. The big question is how the tax administration can be transformed to radically improve the ranking if India is to emerge even among the top 50, with a view to improving its ranking steadily thereafter. To answer this question, we need to assess ourselves against global best practices.

Against this backdrop, the CBEC underwent a major structural change recently. Dynamic external environment and internal needs led to the changes in the task, processes, structure and competencies within the organization. Still in the perception of the other stake holders, CBEC has to go a long way to adapt to the rapid changes that are happening around the world in economic, cultural, social and technological spheres and adopt best practices. We can look at this in two ways. Firstly, though in the recent past a lot of changes happened in the tax policy and procedure towards simplification of tax structure and compliance system, they are not happening at the speed at which the world is changing. Secondly, we have not invested in the perception management system as is done by some of the developed countries like the United Kingdom, Australia etc. In either case, the finger points towards us only and as the members of the organization we need to ask ourselves the following questions- Who and what we are? What is our purpose? Whom do we serve? Churning these questions, may make the cadre restructuring more meaningful. As we are heralding in GST regime, finding answers to these questions in a purposeful manner, will certainly place our organization the top of the public organizations but also put in top rankers in the ease of doing business and make the ‘make in India campaign much more meaningful.

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