

The Superlative Leadership – A Catalyst#

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Abstract

Mr. Hiremath confirmed second big intercession “Samarthya” This development targeted at fusion of processes of various departments leading to the development and execution of “Systems Model” in the company. The objective of Samarthya was to ministering employees to make decisions, captivating the whole system into account, instead of centering exactly on the snags of their own department. Samarthya was advanced and executed after the remarkable feat of the first notable intervention ‘GURI’ (the first big intervention), by OD practitioners. Mr. Hiremath, with his crew associates realized the importance of being more nimble and economical in milieu of cut throat competition that SACL was stumbling upon. He proclaimed “PCGO” Providing Career Growth Opportunities’ to modify the core situation and defiance of the employees towards work. This comprised divulging leadership training and vesting employees to build decent interpersonal affiliation between managers and shop floor employees. According to his point of view, this would not only substitute healthier relationships amongst the staff but would also brand workstation an extra favorable setting to work. With prominence on shared vision, mutual respect and teamwork, the entire workforce was enthused to work with the concept “Victories to Eveyone”. The efficacy of mediations - GURI which means Aim in Kannada (2012–2013) and SAMARTHYA (2013–14) became apparent when the attrition rate came down dramatically to 6% from 30%. This also proved great employee engagement and extraordinary organizational obligation.

Keywords: Competitive Advantage, Efficiency, Human Resource, Implementation, Organization Development, Participative Management, Social Collaboration, Systems Model, Talent Acquisition

1. Introduction

Mr. Sunil Hiremath confirmed second big intercession “Samarthya” on 1st of February 2013. This development targeted at integrating processes of various departments leading to the development and execution of “Systems Model” in the company. The objective of **Samarthya** was to enable employees to make decisions, keeping the whole system into account, instead of keeping the issues of their own department as a focal point. **Samarthya** was advanced and executed after the remarkable feat of the first notable intervention.

‘GURI’ (the first big intervention), by OD practitioners. Mr. Hiremath, with his crew associates realized the importance of being proactive and economical in the wake of severe competition that **Samarth Artificial Cotton Limited (SACL)** was staring at. He proclaimed “PCGO” Providing Career Growth Opportunities’ to modify the core situation and defiance of the employees towards work. This involved activities like, delegating, leadership training, focusing upon employees building better interpersonal relationships amongst managers and shop floor employees. According to his point of view, this would not only substitute healthier

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relationships amongst the staff but would also be branding workstation as an extra favorable setting to work. With a thrust on *shared vision, mutual respect* and *teamwork*, the entire workforce was enthused to work with the concept “**Victories to everyone**”. The efficacy of mediations - **GURI** (which means *aim* in Kannada (2012–2013) and **SAMARTHYA** which means *ability* in Kannada) (2013–14) it became apparent: attrition rate came down drastically to 6% from 30%. This also proved traces of enhanced employee engagement and organizational obligation among employees notably.

Samarth Artificial Cotton Limited (SACL) was incorporated on 30th August 1947; just 15 days after India became independent, manufacturing textiles made from imported raw materials. It has now become a global leader in Viscose Staple Fiber (VSF), or artificial cotton. The manufacturing facility is located at **Hosapete in Karnataka, India**. SACL is India’s forerunner in VSF, a man-made, biodegradable fiber with characteristics akin to cotton. A multipurpose and easily flexible fiber, artificial cotton is used in apparel, home textiles, dress material, knit wear and non-woven. The firm manufactures both VSF and rayon grade pulp, the raw material for VSF. This dissolving grade pulp plant was the first in India to use indigenous wood resources with in-house technology; it produces rayon pulp with an innovative oxygen bleaching process that reduces the use of chlorine. The business has grown steadily over six decades to become a leading player with 8% global share. The business derives its competitive edge from its integrated business model, with confined raw materials dissolving grade wood pulp, caustic soda, carbon-disulfide, power generation and steam. This ISO certified company has also started manufacturing sponge iron and caustic soda. The manufacturing facility was located at Hosapete in Karnataka, India with an installed capacity of producing 29280 Metric Ton man made cotton which is very akin to natural cotton. The Company focuses on distributing products that exceeded the expectations of clients in terms of quality. The quality inspectors did various quality checks on each and every phase of the engineering procedure to guarantee that the material of high grade was obtained from trusted hawkers to produce the variety of *cottons*. The products were checked on the parameters like

corrosion resistance, resistance to ultraviolet rays, aging resistance, oxidation resistance, flexibility, etc. Company bettered their industry rivalries viz M/S Jayanti Cottons in the market due to constant exertions of a squad of committed specialists. Company is enjoying 71% of the market share and stands number one in position. These professionals had production know-how of years and possessed an in-depth knowledge in their domain. They recurrently intermingled with clients to catch their needs which facilitated them fabricate products as per the stipulations positioned by the clients. They also kept themselves well-informed with all the up-to-the-minute developments in production technique or innovations in the product line and helped the company to move neck-to-neck with other players of the industry. All company’s business accomplishments were directed towards providing satisfaction to the clients. It was confirmed that the products were in acquiescence with the industry standards and adapted to the chucks of the clients. The customers of SACL had developed greater trust and expectations on them because of full-bodied infrastructure, quality assurance, wide distribution network and reasonable prices.

With the practice of distinction and progress compelled by complete determination of a skilled and proficient team as a hallmark the organization reached headship point in producing man made cotton business in India having a worldwide scale of operations. Top management was preparing stratagems for native and international expansion. After considerable research at global level, it was concluded that Canada was the proper place. The rationale behind to set up their plant in Canada was because it’s the largest producer of eucalyptus trees which are an imperative component of artificial cotton production. SACL has finally been successful in setting up a plant in Canada and seized local market opportunity. They also acquired 58% stake in Rajan *Technocrats* protecting the objective of customized machinery and cost competitiveness to acquire market.

2. Turbulance

In the year 2008, company was judged to be an “amorphous” disunion in terms of systems and procedures. Labor class employees were habitually

semi-skilled for their task, had become casual for their roles and Management was finding relatively hard to transform the attitude of some first-born employees regarding any kind of change. There was high resistance. This was not only worsening organizational philosophy but also letting competitive brink to their challengers. Also, the organizational structure at SACL was pigeonholed by a tall hierarchy with unwanted number of managerial ranks between the shop floor executives and CEO. The leadership panache that prevailed in the company was of the despotic form, wherein employees were seldom involved in decision making route. This induced, stress among employees who went on slowdown and due to these actions of theirs, 35 employees were fired in the year 2008. This action of the management gave a severe beating to the self-esteem of the employees leading to loss of faith in the management which subsequently leading to depletion of organizational output and productivity.

3. Retrieval

Company was confronting its bad time. Mr. Sunil Hiremath was employed as CEO at SACL in the year 2008, was a trouper and a man of incredible concepts and mottled experience. He had 25 years of experience in legendary Poly Fibers Company like Aditya Birla's Grasim Industries. He had a sensible approach and believed in participative running, managing employees in an inspired position. He transformed every difficulty into chance and transfigured an unmanageable and scrawny cultured organization into a high performing and learning organization accomplishing outstanding growth in all Key Result Areas (KRA's) in just 8 years. *Mr. Sridhar Mundinamani* at the matching time connected as HR manager at SACL. He had an enormous familiarity of 20 years in companies like Aon Hewitt Ltd. (Previously, Hewitt Associates), Maruti Suzuki India Private Limited etc. He was under the impression that nurturing relevant skills and perfecting attitudes of the employees would be of immense help in achieving organization goals. He did not hesitate to spend the most powerful tool counseling and prop up employees in their troubles consequently rapidly turned out to be admired amid them.

4. Key Aspects in Revival

4.1 Digitalization of Managing Employees

Mr. Hiremath and Mr. Mundinamani intended to give fresh and new look into the business unit. Both the practitioners have realized that the last decade has successfully met the critical challenges being faced by the business units through the novel technologies and innovative ideas and inventions in the way of approaching and handling the problems. In their next high level meeting both planned to give digital dimension to the employees. The focus areas of digitalization were mainly upon the implementation of proficient, user friendly, collective and digital means in job accomplishment.

4.2 Participative Management

One thing common between Mr. Hiremath and Mr. Mundinamani was that they had a greater belief in Participative Management' and put into practice TPAS, Transparent Performance Appraisal System, through which employees were benefitted money-wise, with the concept of '**Victories to everyone**'. They also began judging that what tactics must be adopted to regain the vanished confidence, getting better organizational culture and morale of the employees. To begin with, they arbitrarily called 40 labor class employees from different departments and inquired them what problems they are facing in their respective departments that weakened individual and organizational efficiency. Employees came out with the list of 142 problems in the very first meeting, which were set on and condensed to 84 in the second and 58 in the third meeting. This noticeably changed the employees' attitude towards management and they professed that their problems are being not only listened to, but also were considered seriously and resolved by the higher authorities. In case any accidents took place in the plant, Mr. Hiremath and Mr. Mundinamani used to call an immediate meeting with the workers who have witnessed those accidents and discussed in detail.

Eminent personalities from renowned organizations were invited to the workplace and the top management

provided opportunities to blue collar employees to interact with them. This aided in eliminating the mental blocks and this altered the then existing mindset of the employees and they started contemplating about the progress of the entire company. Mr. Hiremath and Mr. Mundinamani counseled workers and also mentored their personal problems. They assisted some of the workers in plummeting their consuming alcohol routines while helped others in providing financial assistance from the bank for the education of their children. All these intrusions enabled and encouraged employees to develop a sense of belongingness and to achieve corporate leadership towards the organization.

They also took keen interest in continuous learning and development of employees. viz Kaizen; performance-based bonuses; 360 degree performance management feedback system, immediate counseling, timely financial assistance, Employee recognition programs, uncluttered and see-through culture, learning occasions and career improvement. This led to relaxing, restored and more contented workplace. Mr. Hiremath tried to make distinction between task and roles. He was of the opinion that every employee must have *clear job descriptions* and *role clarity* to elude role ambiguity and role conflict. He wanted to make the work place a **home away from home**. He wanted every employee to feel “WE” instead of “I”. He emphasized on empowerment and demonstrative leadership. This not only facilitated management to re-claim the lost trust but also familiarized optimistic and solid organizational culture.

5. Following a Learning Organization Model

Employees recaptured the misplaced trust on top management and were so inspired that now Annual Meets, Quality Months and Safety fortnights were employee driven. To retain the motivation and commitment level of the employees, company took initiations to organize various learning programs like workplace behavior reforms, regular motivation programme from eminent personalities from the fields, time and stress management

programs through hands on exercises, emotional intelligence, and regular yoga programs, etc.

6. Measures to Improve Quality

The Management focused more on Total Quality Management (TQM) and Self-Directed Learning (SDL) which were quintessential. The objective of TQM was to indoctrinate a constructive work culture in the company. Workshops on TQMs enabled employees to reduce defects to zero percent as the manufactured cotton was used in branded apparels and any kind of defect could be fatal and cause loss of goodwill in the market. By 2014 SACL introduced Six Sigma Quality Management Program to make SACL product practically defect free. Company also decided that every employee should undergo at least one training program per year. The aim of training programs was to make employees feel that they are important resources of the organization and develop values to realize their goals.

The ethos of accomplishing overall customer satisfaction through up-gradation in technology, quality, customer service and cost helped SACL in achieving competitive advantage. The company used latest technology in machines, functioning on quality issues by conducting various types of training programs. The cost of the product was competitive which assisted in fascinating new customers and retaining the older ones. The customers of SACL were spread all around the globe, thus employees needed to develop a global stance. To make the employees increase cross country experience and broaden their perspective and knowledge, SACL repeatedly did job rotations across different projects and functions. The company encouraged the culture of innovativeness, transparency and participative management.

Learning organizations are able to identify and riposte to the emergent trends and changes in the environment. With constant and obligatory learning for all within the organization, SACL could be termed as a learning organization. As was the need of the hour SACL was uninterruptedly evolving and

upgrading all its 4M's (Material, Manpower, Machines and Money) to gain edge over rivalries. In order to execute Learning Organization philosophies, SACL followed five disciplines which were crucial for it to become a learning organization: Team Learning, Shared Vision, Mental Models, Personal Mastery and System Thinking. Every employee of the company had his/her own mental model of organizational working. Through Workplace behavior alteration, SACL tried and met each employee's mental model in line with that for rest of the team. The learning process was thus, made efficient and teams were replaced more logically. Personal Mastery was also addressed by making their jobs more challenging and interesting.

Making SACL into learning organization necessitated incessant progress in tapping the organizations shared information base, which was accomplished through the mission 'SAMARTHYA'. It also required concentrating not only on the results but also on the processes, which was confirmed through the project 'GURI'. Both the interventions were implemented organization-wide with support of the top management. The successful implementation of the aforesaid projects in SACL led to corporate turnaround, strategic reorientation, restructuring and cultural metamorphosis.

At SACL culture of Self-Directed Learning (SDL) was developed. In self-directed learning, employees could identify their training needs, set training goals, and formulate strategies to reach these goals. Learning under this system was exceedingly tailor-made and pertinent to each employee at SACL. This action-based training programmes were successful in enabling employees into in-house management consultants evidencing solutions to problems without any Reticence. This led to the creation of Quality Circles which demonstrated high level of gusto. 20 employees from the quality circles at SACL participated in "Quality Circle" competition organized by Association of Indian Industries, Indore in December, 2012. They gave presentation before people participating from different industries. Company also sent 6 operators to boost the impetus of employees and assist them technically.

Here is the some of the financial data of the firm.

Sl. No.	Particulars	Before	After	Difference in (%)
1	Production output	29,280	32,208	10%
2	Employee turnover (%)	30	6	-24%
3	Employee Absenteeism (No. of Days per Month)	4	2	-2
4	No of Defects (Wastage of Raw materials)	4%	2%	-2%
5	Operating Profit (In Millions)	25	27	2
6	Gross Profit	23	24.2	2.2
7	Net Profit	18	21.9	3.9
8	Market Share	3%	3.60%	0.60%

Questions to be discussed:

1. Deliberate upon how HRM Practices and various OD interventions can be a source to regain the lost trust and morale of the employees.
2. What kind of leadership qualities Mr. Sunil Hiremath Possesses?
3. Suggest some techniques to SACL to retain and boost motivation and commitment level of employees and at the same time meet their monetary expectations and demands.
4. 'People Management is quintessential to achieve considerable success in any organization.' Do you agree? Give reasons.

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Note: The Case is fictitious and the references list - is only for the conceptual clarity.