

Corporate Success and Transformational Leadership

**P. SINGH
ASHA BHANDARKER**

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AND
TRANSFORMATIONAL LEADERSHIP**

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**Dedicated to those corporate Hamlets who suffer
from the syndrome 'to be or not to be', in the
hope that the present work will inspire them 'to be'.**

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PREFACE

The contemporary business world is characterised by many uncertainties and complexities. This has been due to expanding governmentalisation, transnationalisation of business, geometrical advancement in the area of science and technology and large-scale upheavals in societal values. In place of the stability of environment, once taken for granted, there is suddenly a new buoyancy—Reliable constants have now become fast galloping variables. Thus, the present environment is full of several new factors accelerating the pace of change.

The ever expanding governmentalisation of business is the most powerful and tricky environmental factor. Today the government has assumed a dominant role in the functioning of economic and business institutions, through a myriad of direct and indirect control measures. Name any field of business in India, from bakery to sophisticated basic industrial products and the government will be seen to be involved in it, directly or indirectly. However, the relationship between the government and business has been marked more by hostility or collusion and less by co-operation or collaboration. The organisational community does not view the governmental role as that of a facilitator. Instead, it perceives the government as a controller, arm-twister, policeman, patroniser and jurist. These roles have been found to be detrimental and counterproductive, negating the basic element of competitiveness and operational autonomy of business. Erosion of operational autonomy has increasingly introduced a governmentalised, non-responsive, bureaucratic and monolithic ethos in the enterprise system. Worse, it has generated a feeling of powerlessness, resulting in mass disenchantment in the managerial community, particularly in the public sector.

The primary role of the top management as policy-formulator, strategic thinker, planner, and visionary has been reduced to that of a mere implementer of policy directed by bureaucrats and politicians. The latter are not only devoid of accountability, but regrettably, do not adequately possess the desired managerial skills, styles, and attitudes for managing a business enterprise. No wonder then that many chief executives in the public sector enterprises do not believe in taking adequate initiative and risk. For mere survival, however, they have to be active in “worshipping” their political and bureaucratic deities, by running from pillar to post in the ministerial temples of New Delhi.

The functioning of the private sector is similarly controlled by the tentacles of governmental regulations. Today, most of the big private sector

organisations are like the public corporations, with more or less similar constraints and multi-accountability. Their survival and growth is enormously influenced by governmental patronage. The recent happenings in Escorts, DCM, Indian Post, Shaw Wallace, Gammon India, Larsen and Toubro, Reliance Industries Ltd. and others bear ample testimony to the extent of governmental interference, patronage and "highhandedness" in exercising power. The governmental relationship with business is thus characterised either by collusion or by hostility. Conspicuous by its absence, ironically enough, is the spirit of collaboration, thus making organisational functioning enormously complex.

The second environmental factor affecting the functioning of the organisation is the all pervasive and fast expanding trend of internationalisation of business. Business in many sectors today is becoming transnational. In the home context also, the market is becoming increasingly competitive and "cannibalistic". This is exemplified, among other things, by the fact that the rate of companies becoming "sick" has increased.

Another factor which is likely to severely affect Indian organisations is the geometrical progression of science, R & D and "intellectual" technology. Large-scale technological obsolescence may soon envelop the Indian corporate scene. The massive advances in the area of science and technology, coupled with the growing transnationalisation of business, may pose a serious threat to the very survival of many organisations. There now looms the great danger of the complete subversion of the indigenous spirit of innovation, creativity and experimentation through technological and business colonisation. The challenge of the latter, therefore, needs to be countered effectively through corporate transformation.

Of late, business-social interactions have assumed a new slant. Today, it is imperative for business to contribute to the upliftment of the surrounding community. Business organisations in the present framework are perceived to be instruments not only of economic development but also of social transformation and change.

The reality, however, is different. The Indian corporate community and its leaders have been criticised for being insensitive to the social demands and challenges. They are blamed for their indifference towards the problems and policies related to the common man. They are criticised for being prone to serve the interests of the privileged class. One possible reason for such adverse reactions, we feel, is that corporate actions, goals, and responses in a changing society like India have often been inadequate and inappropriate for the solution of social problems.

The corporate leaders, however, refute these charges by asserting that these criticisms are the product of political fervour, self-serving motives of politicians and "muck-raking" intellectuals, who attempt to capitalise on the dissatisfaction of the weaker sections for furthering their ambitions. Business leaders may come out with greater logical justification and defence. The fact, however, remains that, by and large, the business leaders in our country have been insensitive to the problems of the "have-nots". A society like ours, which is fast becoming politically alive and demanding, will no

longer tolerate these attitudes of the corporate leaders. Business organisations, therefore, in their own interest, will have to undergo a transformation to keep up with the changing social demand and challenges.

Another societal wave, which has posed serious problems for motivation and commitment to work, is the prevalent credo for entitlement, generally devoid of work ethics and “dianta”. The exaggerated emphasis on rights and prerogatives has led to a situation where there is no longer any semblance of a code of ethics in the sphere of work. The pervasiveness of this phenomenon is paradoxical in a land where the yoga of desireless work has been assigned a significantly high place in the life of man towards his evolution and ultimate salvation. Such a philosophical about turn has created a peculiar problem for motivation and, consequently, optimal channelisation of human potentiality in the work setting.

Unions which were once preoccupied with bread and butter issues today express concern for the climate of work; for growth in conditions that will enhance and ensure the dignity of labour; and for sharing of power through the instrument of participation. These changes, we personally believe, are desirable, provided we develop the organisational capability to utilise them. Lack of capacity to confront this new reality may, however, threaten the very basics of organisational life. In fact, there is evidence of increased industrial violence, unrest, lock-outs etc., which are probably a reflection of organisational incapability to manage the burgeoning grass-root forces.

Yet another set of demands and challenges which we have often come across during our work in the industrial sector relate to problems of organisational “caucasisation” and power games, bordering on tribalism. People do not hesitate to annihilate and destroy others for their own goals and self aggrandisement. Such a situation has produced many “tribal chieftains” in organisations, more preoccupied with fighting for the interest of their own tribes, rather than focussing their energies on organisational growth. This has been further aggravated by the emergence of the “arrivismo” syndrome, where regionalism, casteism, and religious groups are aggressively utilised in the power games. This syndrome may get accentuated in view of the fast growing regionalistic thinking and the new patterns of politico-religious groupings. Thus, the challenge lies in integrating these diverse forces and channelising them for organisational benefits through the creation of a new organisational ethos.

The environmental compulsions and imperatives have made organisational functioning increasingly difficult and complex today. This has necessitated the design of a new business strategy for effective organisation-environment interface. Therefore, we must evolve business institutions which can successfully cope with the above demands and challenges. This brings out the enormous need to transform business institutions from what they are today into institutions which will be able to meet the demands and challenges of the future. For this, there is a greater need to have transformational leaders, because it is they who build strategy, evolve organisational systems and ethos, which in turn create a responsive organisation.

Autocratic leaders tend to achieve the task preponderantly through pushing, chasing, and even sometimes punishing people; democratic leaders through the process of democratisation, participation, involvement and collectivity; benevolent autocrats through the power of benevolence and performance-reward linkage; task nurturants through combining task with nurturance; and entrepreneurs through intuition and risk-taking. Transactional leaders operate through contingent reward-reinforcement, motivate followers by exchanging with them rewards for services rendered, while interactional leaders operate through energising individuals, synergising groups, building cohesive teams and by the process of sharing and collectivisation. Expansive leaders work through the strength of “occupying a larger than average place in life”. They are characterised by a need for mastery, extra-ordinary efforts and self-assertion, a pre-occupation with achievement, a powerful belief in themselves and their own abilities, a hunger for the rewards that come from attaining mastery, and defensiveness about criticisms and failures. Visionary leaders manage through the power of foresightedness and creating new vision, goals, and purposes. As against these, transformational leaders achieve organisational goals by evolving a new organisational ethos, redefining organisational goals, and creating a new vision, meaning and hope for people. They demonstrate enormous strength in persuading followers to transcend the limitations of their self interest for the sake of the team, the organisation, and the larger society. They elevate their subordinates and followers to become self-actualisers, self-regulators, and self-controllers. This they achieve by heightening people’s consciousness of a higher goal in life. Activation of a higher consciousness is facilitated because transformational leaders are extremely capable of articulating vision, confidence, and a sense of right and wrong. These, taken together, form a formidable moral and ethical force for creating a sense of excitement among the followers.

In the former cases, change, if at all achieved by such leaders, is cosmetic and marginal in nature. The main focus tends to be on the achievement of organisational results and not novelty transition and transformation. However, in the latter case, the focus is on search for new meaning, novel ways of doing things and experimenting relentlessly with new ideas. Transformational leaders achieve these through fundamental changes at multiple levels and dimensions— strategy, structure, system, process, culture and ethos.

The style of transformational leaders thus also encompasses the core values of the above mentioned leadership styles. Another uniqueness of transformational leaders is their capacity to mobilise the masses and achieve large-scale and wide ranging changes in a relatively short span of time. Transformational leaders are invariably characterised by an almost messianic zeal for reforming their respective institutions. Followers who experience these distinctive qualities of transformational leaders tend to put them on a very high pedestal and often start viewing them in a charismatic light.

Thus, it goes without saying that every society should endeavour to promote and develop transformational leadership for creating adaptive and responsive organisations. This may be achieved through many ways and means. However, studying the profile of transformational leaders and disseminating the findings—what do they do? how do they do? and what are their characteristics?—are the most powerful ways of attuning the managerial community to the tasks and challenges confronting transformational leaders.

In spite of the fact that India has produced a galaxy of transformational leaders of world class, adequate efforts have not been made to examine in depth their achievements, leadership profiles, and value dispositions. Whatever exists in this area is largely in the form of autobiographies and superfluous lack-lustre pieces of work by the media, devoid of scientific temper and scrutiny.

There are, in fact, many unsung Miltons in the wilderness of Indian industry; exceptional leaders who have worked in anonymity, without being noticed or talked about by the academic community and mass communication media. Neither the media nor the academic community have made an adequate scientific effort to examine the process of organisational transformation and transformational leadership.

Unfortunately, media writings in this area have been, by and large, guided by the economic power of big business having resources and clout. Another reason may be the lack of adequate awareness and determined endeavour on the part of both the media and the academia to search for and bring out the transformational experimentation taking place in many Indian organisations. Therefore, efforts made by leaders out of the charmed circle have stayed in the background. Our effort, in this book, is to try to bridge the above lacunae, by examining the process of transformation, and highlighting the profile of transformational leaders and their values comprehensively, through rigorous scientific scrutiny.

The present book has been organised in five chapters. The first chapter provides a conceptual and methodological perspective, and the second presents five live cases: (i) Building a New Church, (ii) Solo to Folk, (iii) Quest for Excellence, (iv) From Pandemonium to Peace, and (v) Man at the Centre. Against this background, the third and fourth chapters examine the profile of transformational leaders and the process of corporate transformation. The last chapter presents the summary, conclusions and further directions for future work in this area.

The first chapter sets the tone for the entire book by (a) presenting our perspective on corporate success and transformational leadership; (b) linking the transformational leadership role in achieving corporate success; and (c) outlining the methodological framework adopted in the study.

Chapter II deals with the process of transformation in five selected organisations. This chapter highlights both the distinctive, as well as the common features in transformation. In fact, the canvas of this chapter is vast in the sense that it ranges from problem-sensing to total transformation.

This chapter attempts to first provide a comparative picture of the pre- and post-chief executive take-over scenario in each company. This has been done with a view to providing an idea of the quantum of culture shift. Such an approach would enable the reader to develop a total and holistic perspective in a Taoistic sense, where awareness of both Yin and Yang polarities is vital for understanding the totality of life. It also delineates the process of change adopted in each organisation.

Chapter III has been divided into two parts: Part I focusses on the transformational leadership profile; and Part II on the value dispositions. In Part I, the leadership profile has been examined at two levels: (a) Self; and (b) Others (followers). This has been done in order to test the extent of homogeneity and divergence between the two. Besides, this chapter also attempts to present the expected idealised profile of transformational leaders generated by an independent sample (413). It has been compared with the perceived profile generated by the followers in the five organisations. In Part II, the value profile has been generated through content analysis based on (a) various value statements made by the leaders and (b) the opinions expressed by the followers.

Chapter IV deals with the management of change in all the five organisations. It has been divided into four parts: Part I purports to examine the concept of change and transformation; Part II focusses on the cultural nuances and their implications for management of change; Part III attempts to describe the modes of change and studies the same in the context of cultural imperatives. As against these, Part IV presents a holistic perspective of the change process in terms of the dimensions involved and the phases they underwent.

Chapter V focusses on the summary and conclusions of the work as well as some pertinent reflections on the issue of leadership.

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Asha Bhandarker

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Corporate Success and Transformational Leadership: Rationale and Framework

INTRODUCTION

Organisational survival, in the long-run, primarily depends upon its capability to achieve success. Organisational success and the process of its achievement, therefore, have always been the subject matter of great significance and concern for both the academic and managerial community. No wonder then that there has been extensive research on this aspect. A variety of hypotheses and viewpoints have gone into the theoretical paradigms on building a successful organisation. Some measure success in terms of designing effective corporate strategic management and structure, others in terms of developing potent management systems and human process, yet others in the framework of producing high quality output.

In organisational literature, the concept of success is perceived in divergent ways, and hence termed controversial. Some explain success in terms of profit, productivity, and capacity utilisation; others relate it to the market share, sales—growth, turnover, and yet others to human satisfaction. The debate is still wide open, and the controversies still persist. Perhaps our endeavour to examine corporate success may add further to the prevalent confusion. However, in the present context where many organisations in India, are either becoming sick or not operating very effectively, the study of corporate success, and the process of its achievement are worth venturing into.

The present chapter is designed on this premise. It highlights the conceptual dimensions of organisational success, and the strategies organisations could adopt to pursue the same. The first part, thus, focusses on examining the academic output on corporate success with a view to evolving concepts and criteria of success which could be used in the corporate sector. The second part deals with the roles the leaders play in bringing about organisational success and corporate transformation. The third part provides the research framework of the study.

PART I

ORGANISATIONAL SUCCESS: A LITERATURE REVIEW

Success is a normative goal for both individuals and organisations. It is an important driving force behind good organisations, the level of success being the crucial criterion differentiating a good organisation from a poor one. Hence most organisations have success as a *raison d'être* for their existence.

Success, in a generic sense, refers to the emergence of favourable or prosperous results emanating out of the organisational efforts. Over time, success connotes the capacity of an organisation to survive and continue to achieve favourable or prosperous outcomes. Broadly speaking, the success of organisations is reflected in their effectiveness and performance. Performance reflects the achievement of limited and short-term objective outcomes. Effectiveness, however, is macro in nature, encompassing both the short-term and long-term goals. Performance, as a concept, is, therefore, subsumed under effectiveness. While all effective organisations demonstrate good performance, all high performing organisations may not necessarily be effective.

Researchers have employed a myriad of criteria in conceptualising and examining organisational success, effectiveness, and performance. There is burgeoning literature extant on these dimensions. As stated earlier, the concept still continues to preoccupy academia and practitioners alike due to its normative nature and since it has an intrinsic value for individuals, organisations, and society at large.

The literature in the area of organisational success has unfortunately grown in an isolated manner, although all the scholars have been discussing the same (overlapping) constructs, namely, success and effectiveness. There is inadequacy in the integration of literature, probably due to the tendency of scholars to view the issue from the perspective of their own discipline. This perhaps explains the lack of a holistic view on organisational success and effectiveness.

For conceptual clarity, we have classified the academic output on organisational success and effectiveness into three broad categories according to the level of analysis to which they belong:

- (A) The first focusses exclusively on outputs:
 - (a) prescribed goal outcomes
 - (b) the operative goal outcomes, the organisation-related outcomes, and
 - (c) the human-related outcomes.
- (B) The second examines variables like technology, strategy, systems, superordinate goals, skills, styles and people, presumed to lead to effectiveness. These have been dealt with under:
 - (a) Systems-process (Systems, skills, styles, people), and
 - (b) Strategy-structure technology.
- (C) The third category deals with the linkages between modes of organisational responses, environmental compulsions, demands and

challenges. This has been viewed in terms of organisational response measured through:

- (a) organisational health,
- (b) response to constituencies,
- (c) maximisation of external resources, and
- (d) the means-ends linkage.

Figure 1 depicts variables and their interrelations.

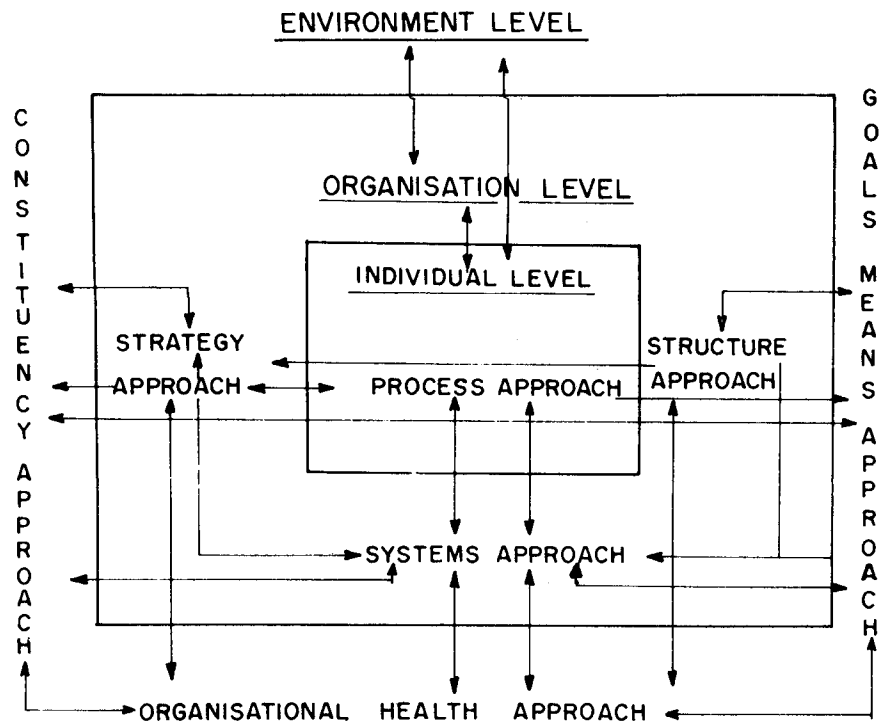


Fig. 1

A. OUTPUT

I. Goal Approach

Every organisation has certain goals to achieve. In fact, early thinking on organisational effectiveness emphasised goal achievement — “the degree to which an organisation realises its goals” — as the most critical criterion of success (15). Barnard (8) emphasised that the degree of goal accomplishment indicates the degree of success and effectiveness of the organisation. The goal approach is basically an outcome-related conceptualisation. In other words, it refers to outcomes for both the organisation and individuals resulting from their collective efforts.

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A large number of criteria have been employed to measure the outcomes—they fall into two broad categories: (i) prescribed goal outcomes, and (ii) operative goal outcomes. The former approach focusses on goal consensus (22), role and norm congruence (22), internationalisation of organisational goals philosophy, values and vision (22), achievement orientation (22), and commonweal and particular goals, that is specific goals held by leaders (148), social change (40), and integration of organisational goals with national goals (147), as indicators of effectiveness. The latter, however, emphasise the organisational output—profitability (1, 10, 33, 37, 38, 41, 52, 56, 64, 66, 74, 84, 145, 146), productivity (14, 76a, 53, 91, 96, 117, 130, 142, 152, 162), level of production (15, 54, 100, 101, 109), sales growth (37, 100, 101), business growth (7, 28, 52, 71, 74a, 84, 89), turnaround (21, 61, 63, 76a, 104, 115), quality of output (15, 22, 42, 79, 140), efficiency (54, 165), business volume (130), production cost (130), business and product mix (130), maintenance cost (130), market penetration (51, 130), overall organisational performance relative to other units (37), price earnings ratio (52), total factor productivity (39), volume of profit (10), financial strength (74), financial solvency (14), cost overruns (75), delays (75), number of accidents (22), amount of marketing activity (31), plant efficiency, tool breakage, scrap costs, and written grievances (42), goal achievement (75), and rate of new products (84).

Human-related outcomes, such as satisfaction of individual needs (23, 49, 54, 74b, 98, 100, 101), employee morale (34, 74a, 100, 101, 109, 117), employee turnover (100, 101), absenteeism (100, 101), anxiety (109), motivation (22), conflict (22), cohesion (22), value of human resources (22), member integration with organisational goal (43, 133), loss due to errors (101), performance (103, 111, 134), and apathy (75) have also been examined as effectiveness manifestations.

The above presentation and the analysis of the studies indicate that a wide variety of measurement criteria are used in examining organisational success and effectiveness. Of these, however, the largest number fall in the category of the output-related outcomes. The most commonly adopted criterion in the research cited above is profitability (14 times), followed by productivity (11 times), individual satisfaction (7 times), business growth (7 times), turn around and morale (6 times each), level of production output (5 times), and sales growth (4 times). The rest of the criteria have hardly been used.

The goal approach continues to be very popular, as reflected in the research output and writings (34, 57, 60, 80, 91, 167, 168). In fact, management by objectives (MbO), another powerful organisational strategy for inducing effectiveness, is nothing but a hue of the basic goal approach. One of the major reasons for this focus probably lies in the fact that it makes intuitive sense to examine corporate goals for channelling all organisational efforts. The goal approach, however, is not as simple as Etzioni (45), and Barnard (8) made it out to be. It has been highlighted (110) that goals are multiple, held by different stake-holders, constituency members, and, therefore, bound to be mutually conflicting. Even within the organisation, different

departments perceive organisational goals differently. This phenomenon normally generates a lot of inter-departmental tensions and rivalries, constraining the level of organisational achievement. Therefore, the question which emerges is “goal from whose viewpoint?”

B. CAUSAL VARIABLES

I. Systems Process

This approach basically deals with intra-organisational aspects of systems-process functioning. The systems criteria lays stress on goal setting, management information systems (MIS), performance appraisal, budgetary control, performance review, career planning, training and development, etc.

Maintenance of internal environment has been viewed as a core activity, for the growth and success of any organisation (6). This is contingent on the following systems dimensions:

- (a) stability of lines of authority and communication,
- (b) stability of informal relations within the organisation, and
- (c) homogeneity with respect to the meaning and role of the organisation (131).

In the process framework, a number of criteria have been considered to be the indicators of organisational effectiveness and success. They are: consensus in top management team about (a) organisational objectives (37, 56), (b) who is responsible for setting long-term objectives (102), (c) means for innovation and creativity (41), (d) goals and means (18, 19), (e) strength and weaknesses with respect to the environmental demands and challenges (66), and (f) prioritisation of objectives of the chief executive (28), leadership (48, 53, 140, 142, 162), sustained feedback and information sharing (42), adequacy of information gathering (31), open communication (128), and relatively undistorted communication (128), presence of feedback mechanisms (11, 92, 163), social support (91, 165), support of risk taking and organisational change (31), participation in decision-making (22, 31, 42), innovation (24, 51, 93, 113), reliability (66, 67), individual initiative (90, 91), decision-making process (92, 163), team collaboration, team building, and team spirit (31, 42, 133), joint goal setting (31, 42), and goal consensus (22), low inter-personal difficulty but high clash on task (11), low win-lose between individuals and groups (11), climate for creativity (31), rational trust environment (31), (g) absence of strain, tension, conflict between sub-groups (53), member growth (130, 133), conformity (117), role and norm congruence (22), managerial inter-personal skills (22), group attitudes and perception (79), usefulness of consultation (31), frequency of scanning and greater use of personal information sources by the chief executives (33), managerial styles (74a, 89, 140), risk taking (52), extent of giving by individuals and organisations to each other (25), ratio of energy generating to energy draining activities (35), consideration for staff (48), ability to control (48), and extent to which individual exerts to transform inputs into maximum outputs (97), have also been utilised.

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OD specialists (6, 11, 12, 13) and other behavioural scientists (87, 153) basically focus on these aspects, the assumption being that organisations characterised by effective systems and processes are successful. Caplow (23) suggested that organisational success depends (among other things) mainly on two process criteria—minimisation of spontaneous conflict and maximisation of satisfaction of individuals. Bennis (12) has also emphasised the internal process dimensions while dealing with the concept of organisational success. According to him, an effective and successful organisation is one which has a clear identity of its own, manifested through: (a) greater understanding and acceptance of higher organisational goals, and (b) greater veridical perception of the organisational philosophy, values, and goals. Effectiveness, says Bennis (12), has to be judged primarily on the basis of the process which organisations adopt in solving their problems.

An examination of the literature on the systems-process model of success indicates the preponderance of the consensus (within the top management team) criterion, and leadership (6 times each), followed by communication and organisational efforts to assess the strengths, weaknesses, opportunities, and threats in the environment (5 times). Another important criterion in this category is support — social support and support for risk-taking (4 times). Innovation, participation in decision-making, team collaboration, management styles, and member growth are other favoured criteria.

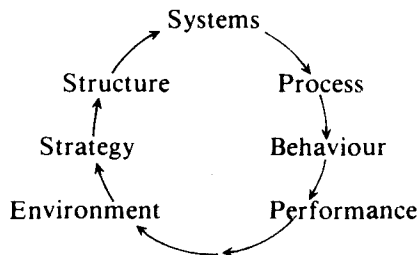
Cohen and Collins (31), studied the effectiveness of field offices of the social and rehabilitation service organisations. Their findings indicate that a successful and effective public service organisation is characterised by greater staff participation in decision-making, an environment for team work, a climate that supports and fosters creativity, high satisfaction with own work, and co-workers and an administration characterised by consistency and fairness. Kimberly and Nielson (79), and Dowling (42) examined the impact of OD efforts on increasing organisational effectiveness. Findings of their studies indicated that success (profits in one study, and production and quality levels in the other) was achieved by initiating changes on the process dimensions—goal setting, sustained feedback, team building, planned leadership, and participation (42), and systems dimensions—decision-making, information dissemination, and power diffusion (79). Positive group attitudes and perceptions were also found to parallel the above (79). A set of empirical studies on business firms (18, 19, 37, 41, 56, 66, 102) has provided ample evidence to show that good performance is enabled by the presence of group level consensus on various issues among the top management team members.

Studies conducted in India have indicated the importance of managerial styles for effectiveness (81b, 76a, 89, 140, 142). Findings indicate a clear case against authoritarian styles; effective styles veer more towards the participative/democratic/nurturant dimensions.

A study (48) of 523 Indian managers' perceptions of factors contributing to effectiveness brought out the importance of the process dimension—consideration for the staff, leadership, and ability to control.

II. Strategy - Structure - Technology

Strategy basically refers to the selection of short-term and long-term goals by a given organisation and the means used to achieve them. These are partly evolved over a period of time and are partly planned. Lorsch (88) defined strategy as “the stream of decisions taken over time by the top managers which, when understood as a whole, reveal the goals they are seeking and the means used to reach these goals”. A number of scholars have taken this perspective in viewing organisational success. The earlier approaches concentrated more on manipulation of the structure, degree of formalisation/centralisation, differentiation/integration, size and divisionalisation in order to achieve higher performance (28, 43, 68, 84, 100, 101, 109, 119, 120). Many of the researchers (43, 84, 100, 101), of late, have emphasised the importance of matching strategy with environment, and structure with strategy. The linkages are conceptualised as under:



The various indicators of success used by scholars of this school are: consensus within the top management team about objectives/goals (18, 37, 56), methods/means (18, 37), persons responsible for setting long-term organisational objectives (102); strengths and weaknesses of the organisation with respect to environmental imperatives (101), turnaround (21, 61, 63, 76a), control over environment (6, 64, 71), internationalisation of activity (22, 27, 83), planning (90, 91), integration (30, 84), formalisation (31, 84), task and inter-task structuring (98), goal setting (22), and clarity of definition of objectives (106), marketing focus (149); competence of regulatory activity (31), differentiation (84), prioritisation of objectives (28), flexibility of strategy to environmental variation (144), the rate of environmental scanning under uncertainty (33), and diversification (26). The nature of organisational super-structure has been found to have an impact on the type of output orientation. The research suggested that a functional set-up would emphasise quality orientation, while a regional or sectoral structure would tend to increase orientation to maximise quantity of output (15).

The importance of the type of strategy and its linkage with good performance has been empirically established (10, 145). Child's (28) study on objective priorities of chief executives revealed the relationship between goal priorities and performance. Poor performing organisations have been found to have top management teams characterised by greater disagreement on means (18) and on who was responsible for setting long-term objectives (102). The opposite findings have emerged in high performing companies (18, 37, 102). Perhaps the agreement within the top management team is as important

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as the type of strategy for achieving organisational success. This is based on the fact that combined efforts to achieve, emerge from a commonality of acceptance of goals and objectives. The capacity to be flexible enough to change strategy according to the changing environmental demands has been found to be significantly related to organisational success (144).

It has been reported (26) that many large Indian organisations have used diversification as a strategy for adapting to changes in the business environment. This helped them reduce organisational vulnerability to the environment and also facilitated growth.

The approaches to strategy are becoming increasingly holistic, integrating not only structural and environmental dimensions but also the human processes behind decision-making. Besides this, there is also a move in this approach to integrate cultural dimensions with corporate strategy (88), the basic thesis being that managing culture is fundamental to strategic change.

C. ORGANISATION - ENVIRONMENT INTERACTION

I. Organisational Health Model

In this approach, the organisation is viewed as an organic system. It is an evolving entity in close interaction with the environment, which constantly brings changes in the response mode of the organisation. Organisations characterised by the organic mode of response develop their own media for survival and homeostasis. The effectiveness of such an organisation, thus depends upon the extent to which it can maintain itself, as well as adapt to the changing demands and compulsions of the environment. Evans (46) defines organisational effectiveness in terms of its capability to continuously transform its strategy, structure, systems and process to respond to environmental imperatives. Bennis (12) has used a mental health model to analyse as well as evaluate organisational effectiveness and success. He related the health of an organisation to its ability to cope with environmental demands and changes. He emphasised that the problem-solving capacity of an organisation is based on its flexibility, and its capacity to examine the real properties of the environment in which it exists. In listing factors important for organisational growth and survival, Selznick (131) has singled out "security of organisation in relation to social forces in its environment" as an important factor. According to Argyris (6), and Katz and Kahn (71), the organisation's ability to proact, shape, and control its environment is vital for its survival and growth.

A number of criteria are posited under the organisational health perspective. They are: adaptability of the organisation to the environment (6, 12, 31, 34, 43, 54, 71, 98, 117, 127, 165, 166), flexibility (53, 98, 127, 128, 144), innovation (24, 31, 34, 124, 144), control over the environment (6, 64, 71, 166), survival (54, 71), growth and development (54, 71), organisational slack (19), readiness to respond (22), stability (22, 74a), receptiveness to relevant clientele (71), frequency of environmental scanning (33), anticipation of stress (31), utilisation of internal resources (31), and environment (22), etc.

An examination of the above criteria indicates that of the parameters used in this model, adaptability has been mentioned the highest number of items (thirteen times), flexibility occupies the second place (five times), followed by innovation (five times), control over environment (four times), stability, survival, and growth and development (twice each). The rest of the criteria have been mentioned just once.

Mott's (98) study on fifteen non-profit organisations revealed an important linkage between organisational success and adaptability. He found that clarity of norms and objectives and satisfaction of organisational as well as individuals needs, were related to organisational adaptability. Adaptability and ability to anticipate stressful problems have been found to characterise effective public service organisations (31). Organisational adaptability to environmental change (144) and increase in the amount of environmental information scanned by chief executives in response to uncertainty (33) have been found to be significantly influencing organisational performance and success.

Subramanian's (151) study of successful voluntary agencies operating in rural areas indicated that:

- (a) they had the capacity to arrive at goals based on interaction with the relevant constituent members;
- (b) They had intimate knowledge of the community they served and could bring out service packages to suit the needs of various segments of the community.

Khandwalla (74a) has reported a linkage between the presence of the P.I. (Pioneering-Innovative) style of management and its capacity to adapt to a turbulent environment, through a capacity to encourage creativity and innovation and by risk taking.

The organisational responses to the environmental demands and challenges are gaining increasing focus. In a recent article analysing seven approaches from the viewpoints of five disciplines (psychology, sociology, operations research, micro-economics, political science), Schreiber (129) arrived at some common themes which predominantly reflect an organic focus. Enhanced receptivity to environmental data, the capacity for informed experimentation and the use of this data to inform and modify assumptions about the organisation's internal and external environments, have been found to be the hallmarks of organisational success. In other words, the capacity of the organisation to keep up with the changing environment was the common thread running through the five different approaches. A very recent HRM (Human Resources Management) model by Guest (58) also stresses high problem-solving capacity and successful change process as indicators of organisational excellence.

II. The Constituency Approach

This is a broader approach emphasising the satisfaction of constituency members. The organisation, in this framework, is perceived as an entity existing to benefit numerous constituencies, both internal and external (32,

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50, 72, 114, 123, 154). “Effectiveness criteria must take into account the profitability of the organisation, the degree to which it satisfies its members and the degree to which it is of value for the larger society of which it is a part” (49). Success and effectiveness of the organisation are thus assessed according to its capability to satisfy the needs of its constituencies. The constituents include the organisational members, the shareholders, the owners, the customers, the suppliers, the government, etc.

The indices of success from this perspective are: societal value—satisfaction of community, government, customers, suppliers and creditors (49); employee satisfaction (49); owner compensation (49); receptiveness to programme beneficiaries (31); acceptance of organisational activities by the constituents (50); benefit to the society (107); social change (40); integration of organisational goals with national goals (167); public image and goodwill (74a); and citizen alienation (75).

Findings in this area indicate no significant relationship between fulfilling the constituency obligations and the success of organisations (49). This is probably due to the fact that many needs of the different constituencies are in conflict with each other. Support from the relevant environment and environmentally generated disruptions, however, have been found to be significantly related to organisational effectiveness (31).

III. Systems Resources

This approach is a rather narrow one. It highlights the ability of an organisation “to exploit its environment in the acquisition of scarce and valued resources to sustain its functioning” (130). An organisation which achieves this is considered to be effective. The resources can be money, men, material, and skills. A few scholars have utilised this approach. For examining corporate success and effectiveness (3, 62, 130, 149), manpower growth (130, 133), operating efficiency (74a, 54, 165), capacity development (51), utilisation of high level of manpower (100, 101), managerial task skills (22), utilisation of internal environment (31), resource utilisation (34), efficient utilisation of infrastructural resources (106), knowledgeability (31) and manpower available (31), have been some of the salient criteria in this area. A closer examination of this approach, however, indicates that it is closely connected with the goal achievement approach since resource acquisition is a pre-requisite to goal attainment. That research using this approach has not advanced much is seen by the paucity of research output in this area.

IV. Means - Ends Model

This perspective explicitly highlights concern not only for achieving certain ends but also for the means used to achieve them. Success in this approach has been defined as “the extent to which an organisation as a social system, given certain resources and means, fulfils its objectives without incapacitating its means and resources and without placing undue strain upon its members” (53). Georgopolous and Tannenbaum (53) viewed the absence of intra-

organisational strain, tension and conflict between organisational subgroups as indicative of organisational success.

Though there has been very little work done using this approach, nevertheless it is a very powerful criterion to measure organisational success. The concept of means used raises much larger issues worthy of extensive examination.

From the foregoing analysis of the approaches, one can draw the following conclusions:

1. There are multiple criteria used for examining organisational success. Because of their inter-relatedness and inter-dependence, there has been a considerable overlap. In reality, therefore, it would be inappropriate to define the success or failure of an organisation just in terms of a single criterion.

This is an important point, since we are often tempted to evaluate organisations and pass judgment about their success or failure solely on the basis of a single criterion. In the process, many other equally relevant criteria get ignored.

2. In most of the studies cited in this chapter one may notice that some of the criteria of success have been used both as dependent and independent variables. Besides, there is also overlap of criteria across the three fold categorisation mentioned above. It is, therefore, difficult to identify the directionality of causation leading to organisational success. For example, consensus regarding organisational goals, values and norms in the top management team and human satisfaction have been used not only as indices of organisational success, but also as causal factors leading to some other success criteria, such as higher productivity and performance.

3. Among all the criteria used in the study of the success of organisations, the most commonly employed is the operative goal approach. In this approach, however, there is preponderance of the profitability criterion. The operative goal approach is followed by the system-process approach and the organic health model.

4. While exploring the success phenomenon, many of the studies have unfortunately used a single criterion of success and, therefore, they present only a partial picture of organisational success. In other words, one does not get a comprehensive picture of organisational success.

5. Selecting and studying criterion/criteria without linking them with the organisational purpose is inadequate. The usage must, therefore, ensure the relevance and linkages of such criterion/criteria with the nature of the organisation, its functions, and objectives. Thus, there is a need to develop a contingency approach, since a particular criterion may not be uniformly relevant and applicable to all the organisations. There is thus a strong case for a composite criteria index which could incorporate the unique as well as distinctive organisational dimensions, such as the nature of industry, objective of the organisation, nature and level of technology, the market segments, and environmental facilitations and constraints in which an organisation functions.

PART - II

LEADERSHIP ROLE IN ORGANISATIONAL SUCCESS

Corporate transformation and success depend directly upon the style of the chief executive. It is really his style that brings about transformation and success in corporate culture and ethos, which, in turn, helps create the necessary work culture conducive to employees' motivation, commitment, and performance.

The transformational leader creates meaning for his followers, and this facilitates followers' commitment and identification with the organisation. Such leaders demonstrate the capability to frame their ideas and experiences in a way that generates a viable basis for human action. This they achieve essentially by (a) mobilising meaning, articulating and defining what has previously remained implicit or unsaid; (b) by consolidating, confronting and/or changing the prevailing beliefs and wisdom. Thus, in the organisation, the transformational leader provides a model of behaviour which percolates all the way down the line. What he touches, emphasises, and focuses upon become the value, meaning, and purpose to most people in the organisation (85, 156).

Sustained organisational success and achievement can never be a one-man affair. It requires the combined commitment and efforts of all the members. The transformational leader plays a crucial role here by creating a culture which catalyses and channellises collective human energy for corporate growth and success.

No wonder the chief executive is expected to play the most critical role in the process of corporate transformation and building. The fact that most of the management development programmes (for senior executives) devote a substantial portion of their time to examining the role of the top leaders reflects the concern for building a top management cadre which could successfully transform, achieve success and shape the destiny of the corporate world (3, 136, 137).

Ironically enough, however, the present industrial society seems to suffer from an unprecedented crisis of leadership at the top. People today do not demonstrate reverence for the prevalent leadership. On the contrary, they take every opportunity to express their cynicism and disillusionment (136). Viewed in this perspective, one has to agree with Bennis (13) that the present industrial society is manned by managers devoid of transformational leadership. How else can one explain the prevalent disillusionment with the top leadership? The industrial unrest, violence, low morale, all-round lack of commitment, low performance, and lack of creative and innovative ideas are perhaps symptomatic of blocks in channellisation of human energy in organisations. Many individuals today appear to be alienated, and seem to be groping in the dark with a feeling of powerlessness, helplessness and meaninglessness (136).

The need of the times is not the old styled transactional leader, but a new breed of transformational leader. Transactional leaders, no doubt, had a role to play in the earlier era of expanding market and non-existent competition.

Today, however, we need a leadership style which is characterised by change-orientation, innovation, and entrepreneurship. We need a style which is systematic, consisting of purposeful and organised search for changes, rational analysis and the capacity to move resources from areas of lesser to greater productivity (163). We need leader behaviour which is sensitive to the psychological needs and expectations of the individual, besides being committed to organisational goals, purpose, and mission.

The time has come to highlight the contributions made by some of the corporate leaders in the Indian industry—leaders who, through their courage and conviction, transformed the corporate culture and generated a value for success and high achievement; and who brought about a drastic shift on various organisational dimensions, mission, goal and structure. These success stories have been the source of inspiration for this book. However, our desire to document the contributions of such leaders was fired, in 1987, by half-a-dozen executives from the public sector attending the Advanced Management Programme at the Administrative Staff College of India, Hyderabad. They put many searching questions: “Do you think, Professor, that there is no example of success, excellence, and transformation in the Indian public sector organisations? Do you also consider that all the public sector organisations are poor performers? If no, then why such a heavy orientation among the Indian academia to highlight mostly the negative aspects of the public enterprise system? It sometimes amounts to maligning and even denigrating the whole sector. It makes us feel very depressed”. Observations such as these inspired us to document the cases of success and change. This was further accentuated because of our strong belief that experiences of success help reinforce the human desire to achieve further success. Besides, human beings learn more from the experiences of success than from failures. In the learning situations, over emphasis on failures tends to create despair and despondency. We, therefore, thought it vital to bring out a book which could highlight the situations of corporate transformation and success.

Research Review

A number of studies (29, 76b, 88, 113, 150, 155, 157, 160) have emphasised the importance of cultural transformation to organisational success. Cultural change and transformation can occur in a revolutionary fashion, creating an upheaval in fundamental beliefs and assumptions. It can also happen incrementally (88, 160). While the former is drastic and overwhelming, the latter involves gradual change, which is assimilated into the existing culture. These changes can also be classified as either proactive or reactive in nature.

In the cultural transformation and success of any organisation, the chief executive plays a vital role (9, 69, 76, 82, 85, 113, 150, 155, 156, 157, 158, 160). This is not just a theoretical proposition, but it has been illustrated by many real-life situations—ICI, Ciba-Geigy, Prima Computer, Alpha Corporation, City Bank, General Radi, AT & T, Hindustan Photo Films, and Titwal Mills — to mention but a few. In these organisations, the chief executives have been the main force behind corporate success and cultural transformation.

Without creation of new meaning, reorientation of beliefs and assumptions, no amount of manipulation of structure, strategy, systems and process will sustain organisational growth and success. All these dimensions are given life when they are consistent with the basic perceptions and values espoused by the leader, and when people also see the over-reaching meaning behind his actions (136).

Review of the decades of research (17, 67, 86, 95, 108, 141) in the area of leadership is, however, not of much help in understanding the role of the chief executive for organisational success and change. Early writings on leadership preponderantly focused on classification of leadership styles—autocratic, democratic, and laissez-faire (Ohio State Studies); consideration structure and initiation structure (Michigan studies); employee and production orientation (Likert's system IV); and model III (Argyris). The preoccupation with classifying leaders into types continues even in the eighties. For example, Fielder's Least Preferred Co worker (LPC) construct (77, 121, 135) continues to be a popular subject of inquiry.

A second line of work in this area (17, 47, 65, 116) has focused on models of leadership effectiveness, emphasising the impact of the situational demands on style effectiveness. This approach highlights the importance of the match between leader behaviour and the situation for effectiveness.

Most of the research efforts have examined leadership styles at the lower and middle-management levels. Based on this, conceptualisation about the efficacy of certain styles have been developed. Besides this, the tendency has been to generalise the paradigms right up to the top management level, unfortunately with little concern for the role differentiation required across the managerial hierarchy.

Leadership researchers have seldom examined the profile of the top management level, much less the role of the chief executive as transformational leader. There have been a few exceptions (12,20,136) where attempts have been made to profile the chief executive as transformational leader. Most of the theorisations in the area of leadership, therefore, do not provide the touchstone to adequately outline the role and style of the chief executive as the transformational leader.

An examination of the post-80s research output on leadership (5, 47, 70, 94,99, 105, 115, 122, 124, 125, 127, 135, 138) in India does not bring out a different picture. The samples studied continue to be confined to the lower and middle management levels. An exception to this has been a study (136) examining expectations of executives regarding behaviour of top managers. The popularity of the LPC construct in research continues in India even today. The preoccupation with classifying leaders into a culture specific typology—Nurturant Task Leader (4,5,139,160)—is also quite prevalent.

On the international scene, a few researches have, however, provided some insights into the role of chief executives for organisational change and success. They primarily stem out of the tradition of research from a strategic perspective. Child's study (28) highlighted the impact of the leaders objectives and priorities on organisational profitability. His study revealed that in

commercially successful companies, the top management teams were more clear about objectives prioritisation. Chief executives in these companies paid considerable attention to the building up of internal strengths. As against this, the top executives of the poor performing companies hardly discriminated among the various objectives, leading to the state of non-goal clarity and the accompanying diffusion of efforts.

The case studies of organisations undergoing transformation and achieving success have generated rich and intuitive insights into the dynamics of the chief executive role (20, 69, 76, 82, 88, 113, 150, 155, 157, 158, 159). All these studies have demonstrated that the chief executive plays a crucial role in bringing about transformation, reorientation, and success in the entire organisation.

In a study of chief executives of 50 companies, it was revealed that under conditions of environmental uncertainty, chief executives of high performing companies reported greater frequency and breadth of environmental scanning, and greater use of personal information sources, compared to chief executives of low performing companies (33). A research study on OD efforts in an automotive plant (42) highlighted the importance of the general manager of the plant in the success of the OD efforts (in a decentralised organisation, the general manager is in many ways like the chief executive). The author elaborated that much of this stemmed out of the fact that people in the organisation take behavioural cues from the chief executive.

From the foregoing discussion, the following salient features emerge:

- (a) The research output on leadership has preponderantly focused on the lower and middle management levels. Paradigms evolved on the basis of this research have, therefore, been inappropriate in defining the role and functions of the top management and the chief executive.
- (b) There are very few studies which focus on the chief executive's role in organisation building and its success, especially in the Indian context.

The present study is aimed at reducing the lacunae mentioned above by:

- (a) Examining the profile of the transformational chief executives;
- (b) Comparing the perceived profile of the successful transformational leaders with that of the idealised profile of the chief executive. This has been done in order to explore whether there is compatibility between the profile of the transformational leader and the expected profile of the idealised leader. The rationale behind this paradigm is the basic assumption that compatibility between the two helps the process of organisational change and culture building, besides channelling human energies for high performance; and
- (c) Studying the role of the chief executive in the process of corporate transformation and culture building.

PART III

FRAMEWORK OF THE STUDY

For the purpose of this study, five organisations—three belonging to the public sector and one each to the co-operative and private sector—were selected. Multiple criteria were used as indices of success while choosing these organisations. In the initial stage, however, fifteen organisations from the public sector, cooperative sector, and private sector were chosen. The main criterion for the selection was profit. After choosing these fifteen organisations, a structured questionnaire—examining organisational culture, strategy, systems, and processes—was administered to 50 respondents belonging to the top, and senior-middle levels of management, in each of these organisations (c). This was done with a view to measuring the organisational culture shift (d) and transformation. Respondents had to assess the culture shift and transformation at two points of time—the pre-and-post-take over period of the chief executive, since our idea has been to examine the contribution made by the chief executive to culture change, transformation, and organisational success.

We, however, found that in eight cases, the culture shift was marginal and insignificant. This forced us to re-examine and question the wisdom of using the profitability criterion as the sole basis for the choice of organisations in studying corporate success and the profile of the transformational leader. This insignificant relation between organisational culture and profit can be explained in more ways than one. Profitability is the product of market forces. It depends upon the competitive positioning of the enterprise. It is also influenced by the nature and the level of technology. Besides this, flexibility in determining price is another factor influencing profitability.

In public enterprises, however, these are unfortunately the factors where the enterprises cannot exercise direct control. Decisions regarding pricing, choice of technology, sector of business and products are invariably taken at the governmental level. In these decisions, the enterprise plays only a marginal role. It is, therefore, inappropriate to use profitability as the sole criterion for judging the success of the public sector organisations, much less so for judging the profiles of transformational leaders. Viewed in this perspective, a host of other criteria, such as motivation, morale, job satisfaction, mode of problem-solving, organisational strategies, teamwork, industrial relations, etc. (measured through the culture instrument), capacity utilisation, business volume, productivity, have been used (along with profit) for the choice of the sample organisation. Although, while selecting the sample organisations, all these criteria were used, two criteria were, however, heavily emphasised—capacity utilisation and/or volume or business, (see Appendix-A for details). This is so because these criteria truly reflect the organisational factor productivity and are within the control of the enterprise system. Based on this approach, eleven organisations were dropped though they were high profit-making enterprises.

Of the five enterprises, two are unit-level organisations, one headed by the general managers, and the other by the chief general manager. These organisations were chosen to demonstrate that the unit-level chief can also play the role of a transformational leader. A basic premise of this work is that in a decentralised set-up, a leader has the autonomy and freedom to shape the culture through his style. A co-operative sector organisation, and a private sector organisation were included with a view to comparing the transformational profile across all sectors. The basic thesis behind this choice is that there is most probably a significant commonality in the profile of transformational leaders regardless of the sector they operate in.

Data were obtained through structured instruments (see Appendices B-1, 2, 3, and C for details). The first instrument (B-1) deals with the perceived leadership profile of the chief executive, the second (B-2) with the idealised leadership profile of the chief executive, whereas the third (B-3) measures the self-perceived leadership profile of the chief executive. Instrument C focuses on the cultural aspects of the organisation. In order to eliminate the halo effect, the data on culture dimensions were collected in two phases, with a gap of five months. In the first stage, the respondents were requested to evaluate the cultural parameters on a seven-point scale, in the pre-takeover period of the chief executive. In the second phase (after a gap of five months), the same set of respondents were asked to evaluate the existing organisational culture on the same cultural parameters.

Instruments on leadership profile, culture, and climate were evolved through a pilot study. This was done in two phases: the first one, for generating the probable items, and the second, for testing the item validity. In the first phase, 43 items were generated for the former instrument; and 21 for the latter, by a group of 100 executives belonging to different levels of managerial hierarchy. In the second phase, however, certain items were eliminated and, finally, reduced to the size of 31 in the case of leadership, and 16 in the case of the culture and climate instrument, by another group of 100 managers representing different levels of managerial category.

Although both organisational success and failure are influenced by a variety of factors, yet the causation of both phenomena are explained by people wholly in terms of the leadership style of the chief executive. The credit for the success as well as for the failure, therefore, invariably tends to go to the chief executive. This happens because of the attributional phenomenon. The question is not whether this perspective is right or wrong. The fact, however, is that it happens. It is, therefore, essential for the researchers to be sensitive about the attributional syndrome which can contaminate people's perception about the chief executive's style. In the absence of such a sensitivity, one may bring out the style of the chief executive, which is more a product of members attribution rather than of reality, that is the magnitude of his actual contribution to the success or failure. Keeping this fact in view, it was decided to get the leadership data directly from the chief executive and compare them with the (perceived leadership) profile data already collected from organisational members. For this purpose, a structured instrument—

Inventory of your Managerial style of Reddin (121) measuring the leadership style was utilised.

All the transformational leaders were also requested to tick the ten leadership characteristics out of 31 which they thought they possessed and operated on, and rank them in order of importance (e) Thus, in the case of our chief executives, the leadership phenomenon has been examined at three levels: (a) Perceived leadership profile (by the followers), (b) Self-perceived leadership profile, and (c) Self-perceived and operative leadership style.

For the study of leadership at the top, we have many options and alternative approaches. One way of understanding leadership is through style classification and leadership trait categorisation. Another way is through behaviour observation. Yet another approach is by conducting personal interviews.

All these approaches, unless combined, would provide only a partial picture of the chief executive's roles and styles. This is so because chief executives do not operate essentially within the organisations like the lower and middle-level managers. They do not work in a limited and well defined boundary. "Top leaders go everywhere" (62). Therefore, documentation through one approach would fail to offer a holistic picture.

Keeping in view these limitations, we have adopted, for this work, an eclectic methodology—questionnaire approach, anthropological enquiry and the clinical approach. This approach in terms of time and cost has been enormously heavy. Two years have been spent on data collection. However, it has been intellectually exciting and rewarding, since this offered us opportunities to understand leadership dynamics from very close quarters. Many of the myths and stereotypes about leadership were exploded. Many paradigms in this area came to be questioned. The present work is thus the outcome of such explorations and questioning.

The rank order coefficient of correlations has been calculated for data analysis. The idealised leadership profile has been studied in relation to (a) corporate ownership (b) managerial hierarchy, (c) age, (d) early environment (city, town or village) and childhood socialisation in terms of parental styles (for details see Appendix D).

Data regarding organisational culture were collected from 560 members in the first phase. However, in the second phase, the number came down to 529 because we could not get hold of the total sample (560) which participated in the first phase. The break-up of the sample is as under:

Culture data: Level-wise-breakup

n = 529

<i>Level</i>	<i>No. of respondents</i>	<i>Percentage</i>
Top management	97	16.10
Middle management	268	52.77
Lower management	164	31.13

Data for the idealised profile were collected from 413 respondents. The level-wise break-up of the sample is as under:

n = 413

<i>Managerial Level</i>	<i>No. of respondents</i>	<i>Percentage</i>
Top management	64	15.49
Middle management	305	73.86
Lower management	44	10.65

These respondents do not belong to any of the five organisations chosen for the study. This sample has been used as a control group for purposes of comparison. These responses were gathered from the participants attending various training programmes at the Administrative Staff College of India, Hyderabad.

Responses for generating the perceived leadership profile of the successful transformational leaders were collected from 804 respondents belonging to the organisations chosen for the present work. The level-wise and organisation-wise break-up of the sample is given below:

Perceived Profile of Transformational Leaders: Level-wise Break-up

n = 804

<i>Managerial Level</i>	<i>No. of Respondents</i>	<i>Percentage</i>
Top management	115	14.31
Middle management	467	58.08
Lower management	222	27.61

Perceived Profile of Transformational Leaders: Organisation-wise Break-up

n = 804

<i>Organisation</i>	<i>No. of Respondents</i>	<i>Percentage</i>
MMTC	149	18.53
IFFCO - Phulpur (Allahabad)	118	14.68
TISCO	224	27.86
N.F.L.	201	25.00
W.C.L. - Pench Area	112	13.93

PART - IV

CHAPTERISATION: A PROFILE

The present work is organised in Five chapters. Chapter I presents a comprehensive picture of the literature on organisational effectiveness and transformational leadership. Chapter II portrays the five cases of corporate transformation and culture building. Chapter III analyses the (a) perceived actual profile of the transformational leaders; (b) self perceived profile by the transformational leaders; and (c) perceived idealised profile of the chief executive against the backdrop of the five cases in Chapter II. In this chapter attempts have also been made to compare these profiles. This has been done with a view to finding out the degree of homogeneity and the divergence. Chapter IV examines the process of organisational transformation, culture building and the management of change. Finally, Chapter V presents the summary, conclusions, and recommendations.

NOTES

- (a) While reviewing the literature on corporate success and effectiveness, we have included only those studies where the selected variables have been studied as indices of effectiveness (whether they are at level 1, 2, or 3).
Those studies where effectiveness can be deduced by inference, i.e. studies where authors have not intended to examine effectiveness, have been excluded. For example, although P. Singh's (137) study on Leadership styles has been classified by Khandwalla (73) as index of effectiveness, we have nevertheless excluded this study from our survey. This is based on the fact that the objective of the said study was limited to the examination of prevalent leadership styles in Indian organisations, and not extended beyond that to gauge organisational effectiveness. In other words, the studies examining casual variables, where no attempt has been made by the author to establish linkage with organisational effectiveness, have been excluded. Such an approach has been deliberately adopted. Otherwise almost every piece of OB research would qualify for inclusion in the review!
- (b) Superordinate goals have been discussed under both IIA and IIB.
- (c) Data collection for cultural positioning was done in two phases with a gap of five months between the two. This strategy was adopted in order to eliminate the halo effect of the success syndrome.
- (d) Since the primary focus of this study has been on the generation of the profile of the transformational leader, it was considered essential to identify organisations where transformation took place after the take over of the chief executive. One of the primary indices of organisational transformation, we believe, is the overwhelming shift in organisational culture. Hence, data on culture shift was considered to be extremely critical in studying the profile of transformational leaders.
- (e) For inventory of qualities see Appendix - BI.

APPENDIX-A

Data on Capacity Utilisation and Business Volume in the five selected companies.

<i>Name of the company</i>	<i>Year</i>	<i>Turnover</i>	
I MMTC	1982-83	1205.1	
	1986-87	2781.9	
II IFFCO-Phulpur	<i>Year</i>	<i>Capacity Utilisation</i>	
	1983-84	65.20 per cent	
	1986-87	97.39 per cent	
III PENCH-WCL	<i>Year</i>	<i>Productivity</i>	<i>Production*</i>
	1984-85	0.61	22.60
	1986-87	0.82	27.02
IV TISCO	<i>Year</i>	<i>Capacity Utilisation</i>	
	1969-70	89 per cent	
	1974-75	100 per cent	
	1987-88	110 per cent	
V NFL	<i>Year</i>	<i>Capacity Utilisation</i>	
	1985-86	71.4 per cent	
	1987-88	89.4 per cent	

* Production figures are cited in the case of WCL Pench because the concept of capacity utilisation is not relevant in the mining industry. We have given O.M.S. (Productivity) figures also because it is one of the most critical criteria of efficiency in the mining sector.

APPENDIX-B1**THE PERCEIVED LEADERSHIP PROFILE QUESTIONNAIRE**

The behaviour style of the Chief Executive contributes significantly to the employees' motivation and their commitment to the organisational goal. Besides, it also plays a vital role in organisation building, growth and preponderant leadership qualities of your chief executive. Below are listed some of the qualities. Based on your experience kindly tick (✓) the seven dominant qualities which you think are present in your chief executive.

<i>My Chief Executive</i>	<i>Kindly tick below</i>
1. Demonstrates an empowering attitude, i.e. makes people feel that they are worthwhile and important for the organisation	
2. Is a good team builder, capable of generating positive group feelings among the members	
3. Is a good boundary manager—environment such as government politicians, heads of other organisations and other departments	
4. Not afraid of taking risks to achieve results	
5. Does not lose his balance in the face of calamities	
6. Is a good planner	
7. Evokes a sense of confidence and trust by his behaviour	
8. Gives people complete freedom to decide, evolve plans and strategies at work	
9. Is quite open and receptive to new ideas from people	
10. Is accessible to any one who wants to see him	
11. Is innovative and creative	
12. Is interested in the welfare and well being of the people working in the organisation	
13. Is clear about the mission, purpose and goal of the organisation	
14. Gives adequate responsibility for the job performance	
15. Has care and concern for individuals' work as well as their personal problems	
16. Very particular about the speed and quality of work done	
17. Values and appreciates good work	
18. Encourages the total development and growth of people	
19. Provides clear instructions of what to do and what not to do	
20. Is intellectually of a high calibre	
21. Protects and supports people when there is need	
22. Treats organisational members like his brothers	
23. Technically very sound and knowledgeable	
24. Does not hesitate to point out and even scold, when mistakes are committed by the people	
25. Not only tolerates mistakes while achieving results, but also protects people if necessary	
26. Believes that real learning and growth take place when people explore and in the process also make mistakes	
27. Consults relevant people before taking decisions concerning them and their department	
28. Believes in consensus building before taking a decision	
29. Considers genuine mistakes at work as a part of the learning process, but does not tolerate repeated mistakes due to carelessness	
30. Is totally logical and data based and does not believe in relating on the level of feeling and emotions	
31. Generally adheres to organisational rules, procedures and regulations	

APPENDIX B2

THE DESIRED LEADERSHIP PROFILE QUESTIONNAIRE

The behaviour style of the chief executive contributes significantly to his leadership effectiveness, organisation building, and subordinates motivation and their commitment to work. Below are listed some of the commonly adopted behavioural qualities by the chief executives in the Indian organisations. In this study we are interested to generate the profile of an ideal chief executive. Based on your need and value framework, kindly tick ✓ the dominant seven qualities which you desire to see in the profile of your executive.

I want to have a Chief Executive who:

Kindly tick below

For the inventory of the qualities kindly see Appendix B-1

APPENDIX B3

SELF PERCEIVED LEADERSHIP PROFILE QUESTIONNAIRE

The Leadership style of the Chief Executive contributes significantly to the employees motivation and their commitment to the organisational goal. Besides, it also plays a vital role in organisation building, growth and performance. In this study we are interested to find out your prominent leadership qualities. Below are listed some of the qualities. Kindly tick the ten dominant qualities which you normally adopt while dealing with people.

I am a person who:

Kindly tick below

For the inventory of the qualities kindly see Appendix B1.

APPENDIX - C

ORGANISATIONAL CULTURE INSTRUMENT - PHASE I

Listed below are 16 dimensions of organisational culture each on a 7-point scale — 1 representing one end of the dimension and 7 representing the opposite end of that dimension. The mid-point is 4 indicating a moderate amount of the dimension.

We are interested to find out the cultural positioning of your organisation in the pre-take-over period of your present chief executive. Kindly evaluate on all the cultural dimensions and indicate their positioning by ticking (✓) the appropriate number (Kindly see the Culture Instrument on the following page).

ORGANISATIONAL CULTURE INSTRUMENT - PHASE II

About five months back we requested you to evaluate the cultural positioning of your organisation in the pre-take over period of your present chief executive. Now, we have come to you again for evaluating the existing culture of your organisation on a seven-point scale — 1 representing one end of the dimension and 7 representing the opposite end of that dimension. Kindly evaluate all the cultural parameters and indicate the positioning by ticking (✓) the appropriate number (Kindly see the Culture Instrument below).

ORGANISATION CULTURE INSTRUMENT

1.	Communication Information Flow: a. Vertical b. Horizontal	Restricted flow			Moderate			Free flow
		1	2	3	4	5	6	7
2.	Target setting process	1	2	3	4	5	6	7
		Non-participative			Moderate			Participative
3.	Team work	1	2	3	4	5	6	7
		Low			Moderate			High
4.	Role clarity	1	2	3	4	5	6	7
		Low			Moderate			High
5.	Rewards	1	2	3	4	5	6	7
		Non-task linked			Moderate			Task linked
6.	Decision-making process	1	2	3	4	5	6	7
		Centralised			Moderate			Decentralised
7.	Motivational Commitment	1	2	3	4	5	6	7
		Low			Moderate			High
8.	Industrial Relations	1	2	3	4	5	6	7
		Poor			Moderate			Excellent
9.	Innovation/ creativity	1	2	3	4	5	6	7
		Low			Moderate			High
10.	Rules/ Regulations	1	2	3	4	5	6	7
		Rules focussed			Moderate			Results focussed
11.	Risk	Risk avoider			Moderate			Risk taker
		1	2	3	4	5	6	7
12.	Problem-Solving	Slow			Moderate			Quick

Leadership Style:

13. Conservative-Dynamic	Conservative/Traditional			Moderate			Dynamic
14. Easy going-firm	1	2	3	4	5	6	7
	Easy going			Moderate			Firm
15. Concern for task Low-High	1	2	3	4	5	6	7
	Low concern for task			Moderate			High concern for task
16. Concern for people Low-High	1	2	3	4	5	6	7
	Low concern for people			Moderate			High concern for people
	1	2	3	4	5	6	7

The same questionnaire format was administered in Phase I as well as Phase II.

APPENDIX D

QUESTIONNAIRE ON BACKGROUND INFORMATION

Background Information (Please encircle the appropriate alternative)

- A. Age
- B. Your Company belongs to the
 1. Public Sector
 2. Private Sector
 3. Cooperative Sector
- C. Where did you (mostly) spend the first 15 years of your life?
In a (i) City; (ii) Town; (iii) Village
- D. Kindly evaluate the behaviour of each of your parents on the following scale where 1 indicates very liberal; 4 indicates moderate, 7 indicates very strict and other numbers in between:

Mother

Very liberal 1 2 3 4 5 6 7 Very Strict

Father

Very liberal 1 2 3 4 5 6 7 Very Strict
- E. Your position in the managerial hierarchy
 - (a) Top management level
 - (b) Middle management level
 - (c) Lower management level

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Corporate Transformation: Indian Experiments

*Veda vibhinnah, smritayah vibhinnah
 Nasau Munir yasya matam na bhinna
 Dharmasya tattvam nihitam guhayam
 Mahajano yena gatah sa pantah*
 (Yaksha-Yudisthira Sambada, Mahabharata)

About what to do and what not to do, the Vedas say many different things; the smritis themselves are not unanimous on this matter; the essence of Dharma has itself, thus, become a subject of great debate; in such a situation the best course of action for a human being is to follow the path shown by great people.

In Chapter I, the major focus was on examining the linkages between leadership style, corporate success and organisation building. In the entire discussion, the role of the chief executive has emerged as the most critical in shaping and evolving a vibrant organisation. In this chapter, we present five live cases demonstrating the role of the chief executive in corporate success transformation and organisation building. Each case illustrates a distinctive aspect of corporate transformation and organisation building. The common thread running through all of them, however, is the centrality of the leadership role for catalysing corporate growth and success and achieving perestroika.

The MMTC case — building a new church — focuses on the process of converting a bureaucratic monolith into a vibrant trading organisation. The IFFCO Phulpur case — From Pandemonium to Peace — examines, *inter alia*, the role of power equalisation for achieving industrial peace and harmony. The case on NFL — Quest for Excellence — deals with the theme of achieving excellence through energising the spirit of enquiry, exploration and experimentation. As against these, both the WCL, Pench Area case (From solo to folk) and the TISCO case — Man at the Centre — highlight the role of the Karta and the power of familial culture in evolving a healthy organisation.

All these cases have been organised to present the:

- (a) era prior to the take-over by the chief executive and the perestroika brought in thereafter;

- (b) organisational strategies and action plans evolved in the process of organisational revitalisation;
- (c) process of culture building and management of change; and
- (d) leadership profile of the transformational leader in each organisation.

MINERALS AND METALS TRADING CORPORATION: BUILDING A NEW CHURCH

INTRODUCTION

The MMTC case reminds us of the story of “Building a New Church”. The story is set in a European village—may be a few hundred years ago when the church played a very crucial role in the social life of the typical village community. The church we are referring to was a very old structure, and one day it partly collapsed, making it dangerous for further religious and social congregation. This also, by the way, brought an end to the regular social and religious activities of the village. As a consequence, the village experienced a serious breakdown in the norms of social behaviour and an erosion of moral values over a period of time. This made the villagers quite uncomfortable and disturbed. One day, the village elders got together and discussed these problems at length. They concluded that the only way to repair the social fabric was through building a new church and for this purpose the village elders made the following resolutions:

- (a) a new church must be built;
- (b) it must be on the same spot as the old church; and
- (c) the new church must be built without completely destroying the old one

Here we must tell you, the new church was never built! However, the story of organisation building in MMTC has been quite different. S V S Raghavan, the Chairman, did build a new church in MMTC by converting a bureaucratic monolith into a vibrant commercial organisation.

The present case centres around the dynamics and process of building a ‘new church’. It starts with a brief profile of MMTC. Subsequently the case has been organised into three parts. Part I focuses on highlighting the actions taken for the revitalisation of the company; Part II deals with the process of culture building and the management of change; and Part III examines the leadership and value profile of Raghavan. For the purpose of this case, data were collected from 149 respondents. The sample mix is presented in Table 1.

MMTC: A Profile

The Minerals and Metals Trading Corporation is today one of the vibrant public sector organisations in the country. Over the years, there has been a remarkable metamorphosis — from just a sluggish bureaucratic canalising

Table 1: Respondents Profile

<i>Respondents</i>	<i>Number</i>	<i>Percentage</i>
Top management	20	13.42
Middle management	89	59.73
Lower management	40	26.85

agency to an entrepreneurial and dynamic enterprise. A look at the statistics of growth brings forth this fact in crystal clear terms. The turnover which was worth Rs. 1,205 crores in 1982-83, has more than doubled to Rs. 3,001 crores worth in 1985-86 [(a)] (Annexure-I). More importantly, on its own steam, MMTC ventured into several unconventional and uncharted areas like trading in non-canalised goods, where it competed headlong with giant private sector companies at the global level. All this has been achieved by the very same people who had been with MMTC since its inception in 1963. This, in a nutshell, is the story of how people who were neck-deep in a non-business culture have suddenly transformed themselves into dynamic traders. The catalyst in converting this lazy and slumbering giant into an energetic and resonant enterprise has been none other than S V S Raghavan, the Chairman of MMTC. A perusal of the highlights of MMTC's activities and its achievements clearly demonstrates that it commands an enviable position in the country today. In fact, it would perhaps be difficult to find a parallel to this company in terms of scale of achievements made within such a short span of time. Some of the highlights of the company's achievements are:

- (a) In 1985-86, the company achieved a turnover of Rs. 3,001 crores, a peak in its 23 years of existence, as against only Rs. 1,205 crores of turnover in 1982-83 (Annexure-II). Such a growth has been really phenomenal, viewed specially in the context of falling imports. Depicting this trend, the graph (Annexure II) shows that the rise in exports has been much higher than the fall in imports. This has contributed significantly to the growth of MMTC's total turnover, thus helping it make a real 'U' turn.
- (b) MMTC, in 1986-87, earned a record profit of Rs. 27.3 crores which has been the highest in the history of its functioning. As compared to this, the profit of MMTC in 1982-83 was merely Rs. 17.1 crores (Annexure III).
- (c) On the export front, the 1984-87 period has been phenomenal — exports jumping from Rs. 289 crores worth in 1982-83 to Rs. 712 crores in 1986-87 (Annexure II, Annexure IV). It indicates a steep rise in exports of non-canalised items—the figures shooting from a paltry Rs. 1 crore worth in 1982-83 to Rs. 319 crores worth in 1986-87. The achievement in the export of iron ore is especially unique, in that exports touched a new high in 1986-87—it rose to 18.02 million tonnes from a mere 12.20 million tonnes in 1982-83.

- (d) The big private sector trading houses in India have comparatively shown much lower achievement in exports. A comparison of MMTC's export performance with that of international giants like Mitsubishi and Mitsui reveals yet another landmark. While exports today constitute 21 per cent of the total turnover of MMTC, it is only 15 per cent in the case of Mitsubishi, and 16 per cent in the case Mitsui (MMTC's bulletin for internal circulation).
- (e) On the cultural dimensions, MMTC, in the last four years (1982-83 1986-87), witnessed an unprecedented scale of shift. In the pre-1983 era, on all the cultural parameters, the average score on a seven-point scale was less *than three*; in fact, on many dimensions even less *than two*. Today, on all cultural dimensions, the average score is more *than six*. Such scores point towards an enormous cultural change in MMTC, the values of on all the dimensions being significant at $P \leq 0.05$ (Table 1).
- (f) Today, the company's export basket constitutes as many as 40 different items, reaching 25 countries (Report of Press conference organised by MMTC in April 1987). This reflects the enormous range of diversification, both at the product and the destination levels (Annexure V).
- (g) The company took another striking strategic decision to move into non-canalised business, which has clearly given a distinctive image of a true trading organisation. Today, its import package covers items ranging from PVC, stainless steel to rough diamonds and emeralds for the domestic consumers.
- (h) The other unique feature of performance is that MMTC has been financing nearly 50 per cent of its imports through its own foreign exchange earnings, thus reducing the dependence on the government to the minimum (Annexure VI).
- (i) The performance of MMTC is even more significant when it is viewed in the context of the prevailing recession in the world trade.

The enormity of the success of MMTC, however, can be comprehended only when one examines its performance, cultural ethos, and style of corporate functioning in its historical perspective. In order to gain an insight into the meteoric success and enormous culture shift in MMTC, information regarding organisational culture and ethos, management processes, systems, structure and strategies was gathered through structured instruments from 149 executives; and in-depth interviews and informal interactions with 50 executives from different levels of the managerial hierarchy. The major focus in the interviews has been to explore the style of MMTC's functioning, in the pre-and-post-take-off stage. Discussions in this regard, firstly focus briefly on the phases of MMTC's growth in the last 24 years and, secondly explore the pre-take off situation. The latter has been broadly organised into six categories—organisational identity, trade strategy, structure, organisation systems, consumers' satisfaction and corporate culture, climate and ethos.

MMTC was carved out of the State Trading Corporation in 1963 to handle the metals/ores business. It was born as a canalising agency dealing with

canalised imports of non-ferrous metals and exports of mineral ores. The 20 years of the functioning of MMTC can broadly be classified into three phases: In the sixties, MMTC was operating primarily as an agency implementing various governmental directives on imports and exports. It looked after canalised imports of vital metals (copper, aluminium, zinc, lead, tin, nickel, platinum, mercury and stainless steel), industrial raw materials (asbestos fibre, acid fluorspar and antimony grade) and the export of iron ore. In the seventies, the company was directed to import finished fertilisers (urea, MOP and DAP) and fertiliser raw materials like sulphur and rock phosphate for domestic fertiliser products. In the eighties, however, especially after 1983, MMTC broke new ground and acquired a new direction and a distinctive identity as a trading organisation. The growth phases experienced by MMTC and the directionality it adopted over the years will be further exemplified in the following pages.

Organisational Identity

“MMTC’s vision and its role was limited to only implementing the governmental directives and importing/exporting goods primarily according to instructions issued from time to time by the government. Its identity was more than of a government department, rather than that of a trading organisation” (Director). “The opportunity to generate valuable foreign exchange was lost because the company could not play its role effectively. It was considered to be an inefficient buyer, buying at higher prices, incapable of effectively negotiating in the international market. Many times, MMTC used to be held to ransom by the cartels, which used to jack up prices of goods when MMTC was buying in bulk. Instead of being an effective instrument influencing the government’s foreign trade policy and implementing it, MMTC shrank to a mere extension of a government department, preponderantly playing the role of an implementation agency” (General Manager). “The root cause of all this was traced to the fact that MMTC did not have any influence over decisions on what to buy, when to buy, and from whom to buy. The identity of MMTC was confined to only being a canalising company. It was felt that if the company was to flourish and make a significant contribution to government trade policies and programmes, there was an urgent need to carve a niche for itself, failing which its role would perhaps further diminish (Chairman).

Trade Strategy

In the absence of a clear identity, MMTC could neither evolve clear corporate goals nor a definite managerial strategy by which to achieve the set goals. All the activities and action plans were short-sighted with over-emphasis on procedures rather than performance. “MMTC was drifting. The organisation had no long-term views of either imports or exports. No attempts were made to develop long-term sources of supply. Adequate consideration was not given to develop the export market for long-term sustenance” (Group General Manager).

The style of MMTC was reactive since the organisation never attempted to exercise influence over the decisional process in the government. Consequently, its trade used to swing up and down according to the demands of the government. It could not succeed in utilising its bulk buying power as a leverage to negotiate prices in its favour in the international market. A senior official (Director) gave the example of how the decision to import fertilisers depended upon the arrival of the monsoons. Whenever the monsoons started, there used to be frantic directives to MMTC to buy fertilisers immediately. Simultaneously, there would be publicity in the media about the governmental decisions. The net result of this was an immediate price hike by the international cartels leaving no room at all for bargaining. MMTC had no option but to buy since it was a situation of urgency. This short-sighted, reactive style resulted in the loss of valuable foreign exchange. All this used to happen despite the fact that 60 per cent of the world's fertiliser is bought by India. This pattern recurred in the import of non-ferrous metals as well.

The canalised export trade also suffered. In fact, in MMTC there was no concept of marketing. "People abroad had no clue about the quality of our goods, nor did we have much credibility in international markets. Competitor's export strategies were not studied, their infrastructure and style of marketing were not looked into at all. The approach in setting prices was very cautious. For instance, in selling iron ore to Japan, Australia usually reached the market first and set a particular price, followed by Brazil. India never ventured out first, but was ready to 'accept' whatever prices were set by these competitors, since it fulfilled the time-honoured government principle of 'precedent'. The company did not make efforts even to explore the possibilities of developing other mineral products for export" (Chairman).

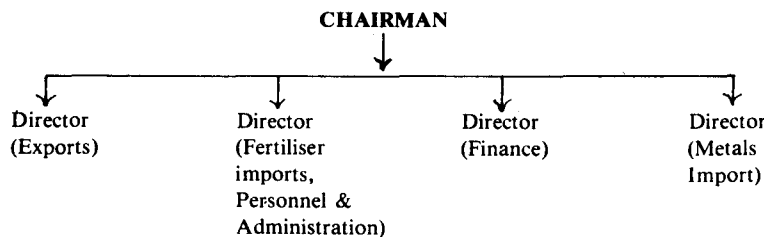
MMTC did not take serious note of the inadequacy of the available infrastructure (ports and railways) on which it was heavily dependent. Although the deficiencies in infrastructure were preventing the company from fulfilling the export potential, no action was taken to rectify this [(b)]. As such, many times constraints and snags appeared. For example, the amount of iron ore which could be lifted from a port was limited by the depth of the port (which affected the size of the ship which could dock at the harbour). The sizes of ships available were relatively smaller, thus necessitating a larger number of trips to ship a particular quantity. The net result was higher freight rates. Compared to this, Brazilian ships could carry in one trip the amount an Indian ship could carry in five trips (Director, General Manager).

Structure

"The organisational structure which was functional in nature was inappropriate with the environmental demands and challenges. It was too rigid, monolithic, and hierarchical for an organisation which had to respond fast to the dynamic and internationally complex environment. The structure was designed with a greater focus on imports rather than exports" (Chairman). The activities were broadly classified into import and export

categories, and were being looked after by separate sets of individuals. Such an arrangement did not help MMTC in linking export possibilities with its imports. “Import people seldom made efforts to find out what could be exported to countries from where MMTC used to import. Exports, thus, became the sole headache of the export division” (General Manager). Figure 1 shows the top level organisational chart, depicting the broad corporate activity classification and role responsibility in 1982.

Figure 1: Top Level Organisation Structure in 1982



Talking of the 1982 structure of MMTC, 90 per cent (45) of the people interviewed at various levels expressed the view that there was over-centralisation of power. “Earlier, the board and the Chairman used to interfere in the day-to-day functioning of the company. Sufficient time was not spent on policy-level interventions and management of the interface with the government and other co-ordinating agencies” (General Manager).

Organisational Systems

There were no information systems—neither about MMTC nor about consumers or competitors, and no market analysis at all. This was in total contrast to the Japanese trading houses, which had a highly efficient system of collecting national and international information [(c)]. The feeling was that a company operating in a dynamic environment needs to be supported by information. “not as history and not through a spy system”, as the Chairman had put it. This was diagnosed by the top management team as a serious weakness, leading to undesirable consequences, both for trade and for efficient organisational functioning. “The hardware support for communications across the vast MMTC network was highly outdated, further blocking communication” (General Manager).

On the people front, both the performance appraisal and promotion systems were in pretty poor shape. Performance appraisal had degenerated into “confidential report” writing, focusing more on fault finding rather than highlighting and encouraging achievements. Promotion was based on the governmental golden rule—seniority. Whether one worked or not, “each employee was destined to crawl up the ladder through sheer passage of time”, as a directly-recruited Joint Divisional Manager expressed. Things were equally dismal on the training and human resource development front—efforts in this area were very poor, over the ten year period before 1983. An indicator of this was the training budget, which over the ten year period from 1973 to 1983 was a pittance at Rs. 30 lakhs.

Consumers' Satisfaction

The inefficiency of managerial systems and processes was felt particularly by the domestic clients. There was no systematic coordination, and consumers got the worst part of the deal. The procedure of issuing monthly sale notes was dependent upon the announcement of prices every month. "The process of issuing the notes from the head office to regional offices used to take so long, that by the time it reached the customer, it was the end of the month before he could buy the required goods. This system led to consequences like black marketeering. There was terrific dissatisfaction among the consumers. They were treated as "allottees", not "clients". The REP licence premium which also ran high was a source of disgruntlement. As a result, the domestic customers were clamouring for decanalisation" (Director).

Corporate Culture, Climate, and Ethos

According to an Executive Director: "In the early eighties, the organisational rhythm and culture was primarily geared to conventional kinds of business, totally dependent upon the government. There was nothing like pro-active organisational strategy. The organisation was operating like a typical government department".

All the interviewed managers agreed that the typical culture of MMTC was bureaucratic, in the sense that emphasis was on the note-and-file culture. One general manager expressed that "the emphasis was more on adherence to procedure rather than to performance. MMTC was characterised by (a) over dependence on organisational hierarchy for decisions; (b) heavy orientation towards rules for all behaviour; (c) no rewards and appreciation for new experimentations and novelties; (d) extra premium for conformism; and (e) no place for deviants and innovators". One of the Divisional Managers felt that the "top people (in the pre-1983 era) never asked searching questions and never thought of new possibilities".

People who had earlier interacted with MMTC as clients [(d)] made the following comments: "Draft for approval", "paper under consideration," "We will examine it" was the typical style of functioning. Besides they also commented: "Earlier the company was stagnant, sitting pretty". According to an employee who has been with the company since its inception (Joint Divisional Manager): "There used to be too much of bureaucracy (here) earlier, too much focus on 'do things right' rather than do right things'. MMTC had no clear goal and no strategy. Priorities of corporate action were absent and hence everything was important".

"Practices that encourage free flow of ideas from all parts of the organisation (what-if meetings, and brain-storming sessions) were absent. Systematic forums for dialogue about what was happening, what should happen and where we were lacking were non-existent" (Director). "Investment in individual growth and development through education and training was not appreciated and recognised", (Divisional Manager). "The company was suffering from lack of common vision which all the organisational members could articulate and share" (General Manager).

When a retiring director was requested by the new Chairman (Raghavan) to continue on extension basis, his response was: “I want to go with a good name I have survived so far .. I wish you well ... the Government will not allow you to do much here ... I want to get out”.

“People within this company did not know what was happening here—even the top management. The future was uncertain. The average manager would look to the top for future plans, but found no answer” (Joint Divisional Manager). “We were all stagnating. Nobody was getting promotions or increments. Employees’ wage agreements were pending” (Divisional Manager). “No recruitments were made at the manager’s level. If we met other people we were suspect” (General Manager). There was no surety that the senior managers would support the decision taken by managers at lower levels. The feeling was that the initiative was not in the manager’s hands. Therefore, the question was: ‘decision-making at what cost’? (Joint Divisional Manager). The Chairman of the company used to be bogged down by governmental rules and regulations (General Manager), and used to interfere in day-to-day affairs (Divisional Manager).

“The whole atmosphere was gloomy when I came in. The table was full of files. Anonymous allegations were rampant. The morale of the people was low. My god! it was a cesspool of politics. All kinds of accusations used to be brought up to me” (Chairman). Many of the interviewed executives, (25) expressed that in 1983 the morale of the people was low.

“Communication was totally absent. In fact, lack of communication was considered to add to the power of the individual. People used to latch on to files. They never used to tell others what they were doing. That was the way people used to gain importance. Horrible kind of excessive dependency on oneself unfortunately was conceived to be one’s strength” (Group General Manager). Apparently even the people at the senior-most level used to keep themselves to themselves as if their power would vanish if they came out of their cloistered rooms. As one manager (Divisional Manager) put it: “The work culture was such that people hardly met each other and preferred to communicate more through notes and files. The style was totally rule and procedure bound, invariably devoid of task and purpose”. An index of this was the fact that all kinds of files used to be “put up” to the Chairman for a decision. As Raghavan noted: “In one file, I remember counting eighteen signatures, not one word was added by any of the officers who signed it. The note was put up by the lower-most fellow, and every one had initialled it, nothing else. Final initial was supposed to be made by the Chairman. In other words, the Chairman used to okay the judgment of the lowest-level fellow”. When things went wrong, the style was to find out who started the whole thing (the bottom-most person), and penalise him. Paper-pushing, sitting on files, expecting ‘kickbacks’ was the culture, according to a middle level manager (Divisional Manager). What hit Raghavan most was the low morale, the apathy, the indifference which people carried with them.

By the early eighties, the average MMTC employee was a middle-aged man. It was found that most of them would retire within the next five years (findings based on Manpower Planning Report). For 20 years, there had been no

infusion of new blood in the managerial ranks. The bulk of them were promotees which led to a culture of in breeding and an inward-looking attitude, as a Director had put it. Most of them had moved over from STC when MMTC was created. A cadre analysis indicated that 40 per cent of the managers were undergraduates, which is an euphemism, since many of them were either only matriculates or not even matriculates.

The pre-1983 cultural scenario of MMTC has been examined in greater detail through Tables 1 and 2.

Table 1 presents the overall cultural scenario in MMTC during the pre-Raghavan era. An examination of this table clearly brings out the poor quality of cultural ethos, the values of mean being less than *three* on all the cultural parameters except in the case of industrial relations where it has been found to be more than three (3.35) on a seven-point scale. Further analysis of this table indicates that out of sixteen cultural dimensions chosen for the study, the mean values have been even less than two in eleven cases. However, the poorest cultural ethos has been in the area of rules and regulations, followed by risk-taking and problem solving, their respective percentages being 1.25, 1.43, and 1.53. The findings in Table 1 indicate that in the pre-Raghavan period the culture has been perceived to be extremely poor on the selected dimensions.

PART - I

THE ERA OF REVITALISATION

The series of actions which the Chairman of MMTC initiated highlight the success story of the company to date — a multi-pronged effort to simultaneously make an impact on the identified dimensions. The actions taken have been organised around Identity, Strategy, Structure, Systems, Consumer Satisfaction, and Corporate Culture, Climate and Ethos. Though they are highly inter-related and interdependent, they are presented here separately for conceptual clarity, and thus overlaps in presentation have been unavoidable. Changes in corporate ethos are partly a spin-off from the changes in the other areas mentioned above.

Identity

When Raghavan took over as the Chairman, MMTC was devoid of a corporate vision and goal. It was realised that in the absence of goal clarity, corporate efforts were bound to be diffused. Therefore, on various forums and in meetings, the Chairman invariably used to raise the question, ‘what business are we in?’ To clarify this question, the findings of the Tandon Committee Report on STC and STOs was discussed at length, by MMTC officials [(e)]. After considerable debate on this issue, the MMTC management came out with the statement of corporate mission—“We are no longer a mere canalising agency. We are a vibrant, dynamic trading house”.

In the first annual report (1983-84, p.3) brought out after Raghavan joined, the Chairman's speech clearly stated the direction MMTC would take: "India's *per capita* natural resource is low as compared to other countries. Hence, there is a compelling need for us to become a trading nation. Opening up new markets for our small-scale entrepreneurs and making the world population aware of the excellence of not only our manufacturers, but also handicrafts, generating the much needed foreign exchange, bridging our trade gap, and in general, making both the sophisticated and needy of the world aware that India can efficiently cater to their needs, will be the challenging task before MMTC in the years to come". With a view to percolating the objectives and philosophy of MMTC down the line, the document of objectives and philosophy (1983-84, p.1) was released as a guideline for everybody (Annexure IX).

The clarification of the broad philosophy and objectives served as a guideline for MMTC as it strived to attain these objectives in concrete terms. This brought a sea-change in the corporate profile, activities and services, and investment activities of MMTC, especially from 1984 to 1987 (Annexure X).

Overall Corporate Strategy

The strategies in MMTC were developed in line with its new identity as a trading organisation, namely, to be a catalyst for the Indian economy; to use bulk import leverage for exports, and directly to reduce the outflow of valuable foreign exchange without causing imbalance of FX inflow [(f)]. It was visualised that in due course, MMTC must become a catalyst in the creation of the Indian trade policy (Chairman). In order to achieve these goals, it was felt that MMTC must have the power to decide what to buy, where to buy, and how to buy. With a view to achieving these goals, the following strategies recommended by IIMA study team were adopted:

- (a) Substantial trading on their own account at their own risk;
- (b) Develop new products and markets for export; and
- (c) Develop supply base and infrastructure.

Besides, MMTC also made efforts to find out the strategies of the Japanese trading companies—diversification and integration of manufacturing, transportation, financing, and trading ventures oriented to be competitive [(g)]. The overall strategies adopted by MMTC have been divided into (a) canalised, and (b) non-canalised trade groups.

(a) Canalised Trade:

(i) *Canalised Imports:* The major import item, namely, fertiliser and fertiliser raw materials, was an area where India used to lose heavily, owing to certain government action which constrained MMTC from buying at lowest rates. There was a need to change the purchase strategy, namely, avoid open announcements of how much to buy (within any specified time period), so that MMTC could purchase without being held to ransom by the international

cartels, like Phoschem and Canpotex. The first step in this direction was to persuade the government to give MMTC greater autonomy in planning its import procurement. To achieve this, data and statistics of consumption over the past five years and projected domestic production over the next five years were collected. Based on this, MMTC went to the Committee of Secretaries for approval to plan and contract every year, without going for clearance from the government. In order to bring down the prices of fertilisers, MMTC arrived at a collaborative arrangement with China (the other largest international fertiliser buyer) to buy at the same prices. This helped both the countries beat the fertiliser cartels.

MMTC also entered into long-term supply contracts with international fertiliser firms for bulk imports which gave MMTC a price advantage. 50 per cent of the fertiliser was bought in this way, while the balance was based on on-the-spot purchases when the prices went down. Organisational level relationships were developed with various companies which paid a rich dividend, and helped in influencing international fertiliser prices (Annexure VII). Similarly, with a view to gaining price advantage in non-ferrous metals, 60 per cent was bought through long-term contract, 30 per cent from traders, and the remaining 10 per cent from spot markets. (This was done with the permission of the DGTDC Committee).

(ii) *Canalised Exports*: The strategy adopted by MMTC in canalised exports was organic, aiming to achieve organisational goals through various innovative deals. It was task-focused and consumer satisfaction-centred, rather than being bound by rules and regulations. It geared up to beat the competition through coordination with other agencies and supply source development. Though the bulk of the canalised exports are made up of iron ore, manganese ore, chrome ore, coal, and bauxite in terms of the total magnitude, iron ore occupies the lion's share. In 1986-87, out of a total sum of Rs. 387.24 crores worth of canalised exports, iron ore exports alone accounted for Rs. 360 crores, the percentage being 92.96. Considering the significant place occupied by iron ore exports, MMTC decided to take a long range view of this commodity. As a result, it adopted a strategy of aggressive competition, and towards this end it struck many innovative deals—long-term contracts with guaranteed off take of fixed amounts every year, and deals where the concerned party invested in infrastructure development in exchange for iron ore. The available markets for iron ore were identified as Japan, China, and Korea, both from the view point of demand and geographical proximity.

India's exports of iron ore to Japan had dropped from over 19 million tonnes in 1973 to 14 million tonnes in 1983, with Brazil and Australia having grabbed the rest of the market between them. In fact, Japan had come to consider India only as a marginal supplier of iron ore. Such a situation came about because India, in its desire to play safe, adopted a strategy of being more a follower than a leader in price negotiation with Japan. As mentioned earlier, the leadership position used to be acquired by either the Australians or the Brazilians. In order to expand the export activity in the post-1983 era, MMTC adopted a series of active and innovative marketing strategies:

- (i) MMTC took over the leadership role of price negotiation with the Japanese steel mills many times, which perforce Brazil and Australia had to follow;
- (ii) The Japanese mills were persuaded by MMTC to divide their iron ore purchases equally (30 per cent each) among India, Australia, and Brazil;
- (iii) South Korea was persuaded to increase its buying of iron ore from India. Its purchases have increased from 1 million tonnes per annum to 3 million tonnes per annum in the post-83 era.

MMTC adopted another unique and novel corporate strategy—it assumed the responsibility of helping in the upgradation of railway and port facilities, the vital agencies for efficiency and speed in exports. MMTC struck a unique deal with Hyundai, a steel company in South Korea, and with British Steel. According to these deals, Hyundai will invest \$180 million in deepening the Paradeep Port and take iron ore in lieu of payment of \$6 million every year. British Steel will supply rails worth Rs. 230 crores. Both these deals have been enormously advantageous in that they guarantee the offtake of iron ore and also help in building the infrastructure needed for exports.

While talking about the marketing strategy, the Chairman had this to say: “We sold to the Japanese not only iron ore, but sincerity and frankness. The success of MMTC lay in its policy of increasing exports to Japan through persuasion and assuming a leadership role rather than through offering price advantage”.

Long-term contracts with the Japanese steel mills were finalised ahead of the competitors which guaranteed MMTC a minimum offtake of 3 million tonnes *per annum* for ten years. This has stood MMTC in good stead. As a result of this strategy, although the Japanese steel industry was facing recession and other competitors were doing reduced business, MMTC was doing very well.

Co-ordination with other agencies: This was another important strategy which the MMTC worked upon in order to boost exports. Since much of MMTC’s speed in achieving the targets depended upon other agencies, it took active interest in co-ordinating with them. MMTC ventured into the port expansion and handling facilities in a big way in Vizag and Madras to enable larger ships to enter the ports, carry more ore at a time and, in this way, reduce freight charges. A unique feature of this arrangement was that MMTC went into this venture with its own funds. The Vizag and Madras outer harbours have been expanded to accommodate 150,000 DWT vessels.

Supply Source Development: With a view to ensuring continuous supply from domestic sources, MMTC ventured into supply source development. For this, it advanced money to modernise old iron ore mines in Goa, and invested Rs. 4 crores in Andhra Pradesh Mining Corporation (APMC) to modernise and develop the barytes mines. In exchange, MMTC became the sole selling agent for APMC, and also got a share of 24 per cent in equity. Another achievement of MMTC was to persuade eight Reddy families, who owned 40 per cent of the barytes mines in Andhra Pradesh, into recanalisation of barytes. This achievement by MMTC was unique keeping in view the fact

that barytes was canalised, decanalised and partially canalised several times over an eight year period in the pre-83 era. This used to happen because of the political and money power of these Reddy families.

(b) Non-canalised Trade

With a view to balancing the inflow - outflow of foreign exchange, a strong thrust was given by MMTC to the export of non-canalised goods. Details of the various deals struck by the company in the past two years have been presented in Annexure XI. This was also a long-term strategy to help reduce the vulnerability which the company had experienced historically by virtue of its over dependence on canalised trade. The efforts of MMTC in the area of non-canalised trade have focussed upon general trade (diamonds, gems and jewellery), engineering goods, and Kudremukh iron ore concentrates. MMTC also ventured into the import of a number of non-canalised goods, such as PVC resins, rough diamonds and emeralds.

(i) General Trade in Diamonds, Gems and Jewellery: Export of cut and polished diamonds forms the single largest block of non-canalised exports of MMTC. MMTC's achievements in the export of cut and polished diamonds (and other gems, notably emeralds) have been highly impressive, having shot up by 100 per cent in three years - from Rs. 4 million worth turnover in 1983 to Rs. 320 million worth in 1987 [(h)]. MMTC has successfully played the role of a catalyst in this business. Its efforts have helped open the world market to the small craftsmen numbering 500,000 all over India. Today, India is the biggest exporter of cut and polished diamonds of the less than one-carat variety, which can be cut only by hand and not by machines. This is a skill which emerged out of the tradition of royal families in India. As part of its holistic style of doing business, MMTC also helped in the import of rough diamonds on its own account and risk for supply to cutters at lower prices. This was achieved by avoiding international cartels and buying directly from the producers in Australia and Angola.

MMTC has provided stiff competition to de Beers company, which controls 80 per cent to 90 per cent of the world's production and 45 per cent of the world's sale of rough diamonds. In order to expand the diamond trade, MMTC succeeded in opening a diamond bourse (some kind of a stock exchange) in Bombay, a place where diamonds are bought and sold. This was yet another achievement, considering that *for the last 15 years, the government has been unable to get the diamond merchants to open one*. This got all the concerned parties—customs, bank, and the airlines office—to sit at the same place. Buyers come, value the diamonds and deals are struck on the spot. Everyday, transactions worth Rs. 12 crores are conducted. This has opened avenues for purchase and sale by smaller exporters from overseas who otherwise had no access to international markets. The aim has been to try and divert as much of the diamond business as possible from Antwerp to India. (Antwerp has traditionally been the international centre for the diamond trade). In 1984-85, MMTC promoted the setting up of 100 per cent export-oriented cutting and polishing units for diamonds, one each in Bombay, Navsari, and Surat.

Along with the efforts made in the export of cut and polished diamonds, MMTC also ventured into the export of cut and polished emeralds and other gems. Similarly, efforts to import rough emeralds directly from their sources of origin have yielded positive results. A 100 per cent export-oriented unit for cutting and polishing emeralds was set up in Jaipur in 1984-85. From 1985-86, the entire marketable production of Sandwana emeralds has been procured by MMTC through the Minerals Marketing Corporation of Zimbabwe; in 1986-87, emeralds have also been procured from Zambia. Yet another important venture beginning to show results is the 100 per-cent export-oriented gold jewellery venture. Hundred per cent export-oriented gold jewellery complexes, one each at SEEPZ (Bombay) and Jhandewallan (New Delhi), were initiated by MMTC. In the jewellery scheme, the government gives the MMTC a tonne of gold which they are to sell at international prices to gold jewellers. The latter, in turn, convert the gold into jewellery and sell it at international prices.

(ii) *Kudremukh Iron Ore Concentrate*: The revival of Kudremukh, the Rs. 800-crore company with 7.50 million tonnes capacity, was another great milestone for MMTC [(i)]. These mines were developed in collaboration with Iran which was to be the major buyer of the iron ore concentrate. In 1984, the Secretary's Committee which reviewed the performance of Kudremukh recommended that the company be closed down owing to lack of orders. MMTC took up this case and made efforts to market the product in Japan. However, although the ferrous content of the Kudremukh ore is high (68 per cent), the other constituents are such that they increase the cost of processing. This consideration made it a difficult commodity to sell. After a lot of persuasion from MMTC, the Japanese agreed to try. MMTC helped Kudremukh sell 1.5 million tonnes in 1985-86, and 2.8 million tonnes in 1986-87. The Japanese steel mills have agreed to buy 2.5 million tonnes per annum for another ten years. The story of Kudremukh is an apt reflection of the basic philosophy of the company of being a powerful instrument in promoting the growth of the Indian economy.

A strong marketing orientation was introduced, both in canalised and in non-canalised exports. The hitherto reactive "wait-and-watch" style, when faced with international competition, quickly gave way to a proactive, "go-getter" style. A massive advertising campaign was also taken up by MMTC to register its distinct identity as a dynamic trading organisation (See Annexure XII for some of the distinctive advertisement copies) in the minds of the customers, outside domestic supply sources and the domestic end-users.

From the foregoing analysis, one can draw the following conclusions about the corporate strategy evolved and adopted over the past few years by the MMTC:

- MMTC's corporate strategy has been one of search and quest for new ideas, new meaning and new avenues;
- It incorporated a long-term perspective in its trading activities;
- It has been assertive and aggressive, making efforts to emerge as a leader in international trade;

It believes in diversification and expansion of activities;

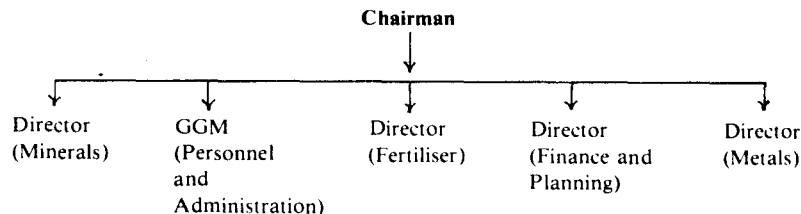
It is characterised by a holistic perspective, in the sense that it has examined both the forward and backward linkages of its activities, with a view to meaningfully integrating them and, in turn, increasing the efficiency of its operations;

The technical aspects of corporate strategy have been coupled with efforts to build personal relationships and rapport as a process to influence the clientele system.

Organisational Structure

The existing organisational structure (See Figure 1) was reorganised to facilitate the organisational strategy in 1983. The earlier structure was functional in nature, being grouped according to the type of activity—exports, fertiliser imports, metal imports, and finance. Figure 2 depicts the new organisational design and role arrangements.

Figure 2: MMTC's Top Level Structure in 1983



In the new design, product groupings, such as fertiliser, minerals, metals, along with finance and planning, were made, each of the first three being responsible for both imports and exports, as well as domestic procurement. The rationale was to develop specialisation in particular products in order to use import leverage for exports. One of the earliest additions was the corporate planning group. Besides, a project cell was also added to each group. In 1984-85, an engineering cell was included under finance to help boost exports of engineering goods. A shipping and transport services cell was added under the finance and planning group in 1984-85 to help coordinate as well as develop the required transport systems.

The geographical structure was changed subsequently (See Figures 3 and 4).

In the new structure, four geographical regionwise groups were made. The regional offices and godowns were to report to a Group General Manager (GGM) who reported directly to the Chairman. Each region was, in turn, responsible for rendering the required assistance to all the trade groups that needed it in that region, rather than catering exclusively to the people who dealt more with a particular product as was the earlier style. (For a detailed picture of the MMTC structure as of today see Annexure XIII).

The present structure has been designed around product groups (divisional structure) with extensive common services and infrastructure of offices to serve them. This arrangement was evolved by the MMTC with a view to

Figure 3: Geographical Structure of MMTC in 1982

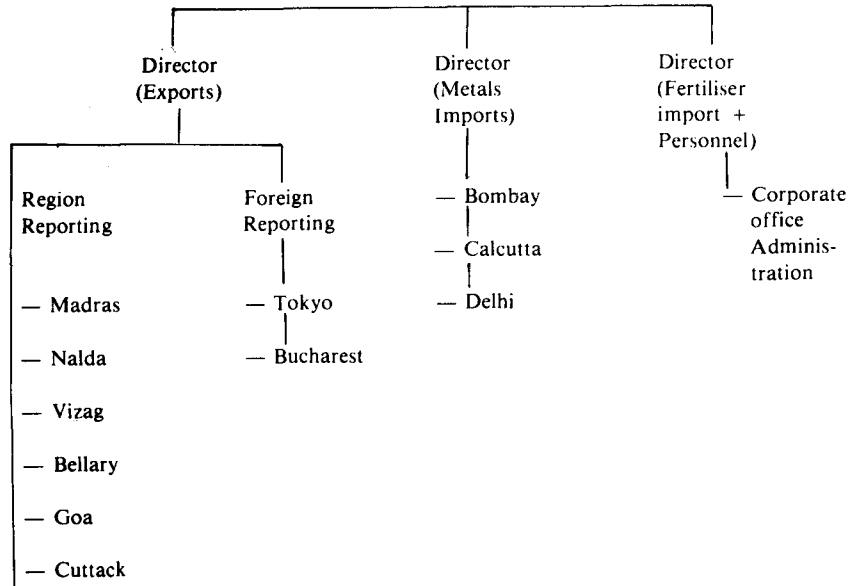
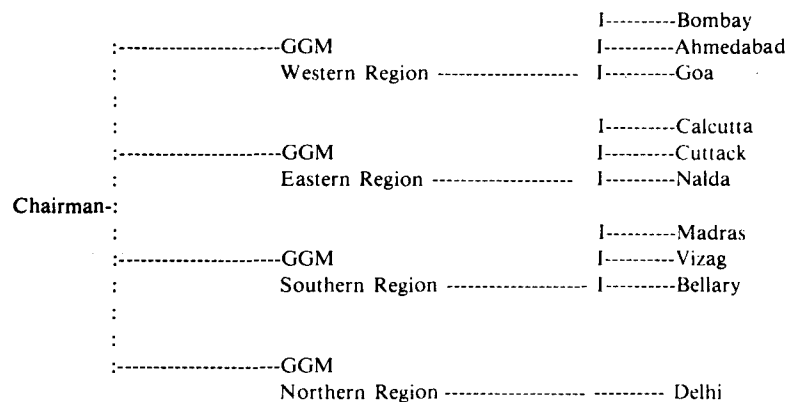


Figure 4: Geographical Structure of MMTC in 1983



responding fast to the environmental demands, complexities, and challenges. Needless to say, a divisional form of organisational structure is superior, compared to the functional form of structure, since it has the inherent capability to be more responsive to environmental demands. This is extremely vital in international trading which is characterised by a lot of uncertainties, dynamic changes, and complexities.

While discussing the changes made in the structure, the Chairman said that hardware (physical structure) changes were supplemented by a lot of software (systems) backing in the new organisational arrangements. The major thrust

was on decentralisation and delegation. This was achieved by sharply defining the role responsibilities—the Chairman focused primarily on the three Ps (Planning, Personnel, and Public Relations), while the directors were expected to concentrate totally on trade. Similarly, in each of the four regions, the GGM was like a mini-chairman focusing on the three Ps, whereas the regional manager exclusively looked after trade. Unlike in the past, the board of the company now confined its role exclusively to making policy-level interventions—policy examination and guidelines for implementation. The prerogative of administration of the enterprise was delegated to the management of the company. Thus, the board stopped interfering in the day-to-day management of the organisation.

Systems

A number of steps were taken to streamline the management systems. The old telecommunication system was discarded. The corporate office was linked to the regional offices through hot lines via satellite channels. Internal communication within offices was improved by introducing advanced telecommunication systems. A number of electronic telex machines were also installed to expand communication and ensure easy accessibility. As a result, today important developments are broadcast to MMTC offices in every nook and corner of India, instantaneously.

Market research was given more emphasis. Data and statistics collection on performance, studying competitors' strategies, news on the latest trends, etc., are constantly analysed and disseminated by the economic and market research cell.

The infrastructural support has been expanded tremendously through the creation of a network of national level (30 regional and sub-regional offices) and international level offices (see Annexure XI V). Computer systems were introduced in a number of functional areas—accounts, personnel and trade information—to improve the quality and speed of information and data processing.

Performance appraisal and promotion systems, the two sore areas on the human relations front, were revamped. The performance appraisal system has been upgraded from mere confidential reports writing (CR) to include further assessment in order to reduce subjectivity. A committee of Group General Managers assesses the CRs of the executives, a procedure which is followed annually. The format has been converted to good, very good, and outstanding, thus deleting negative assessments. The purpose of the appraisal is to identify the most outstanding executives for the purpose of vertical growth. The "Fliers" list is further screened by the executive committee and then published to find out reactions and elicit debate. Anyone is free to challenge the list and represent against it. The promotion policies were changed to link them with merit and consistent performance, rather than limiting promotions based on available vacancies alone. This was done to inculcate a culture of equity, justice and fairness. One of the General Managers felt that this system had a tremendous impact on the performance of people.

Efforts were also made to get the best possible compensation package for the employees well within the BPE rules. A performance incentive award scheme and the profit-sharing bonus were introduced to further encourage and improve performance. Everyone, from the chaprasi to the senior general manager, is eligible for benefit from both the schemes.

The appraisal, promotion, and reward systems all gave the continuous message to the people that performance is valued and rewarded in MMTC, and that achievements of the organisation would also benefit the individuals. All our interviews (50 executives) indicated that people felt that they were well rewarded. Excellent individuals were projected as “high-fliers”, while at the same time “team functioning” was given more emphasis through the group incentive systems.

Accounting and budgetary systems were introduced to (a) help link authority and accountability, and (b) provide immediate and continuous feedback on performance.

The accounts manual was restructured to reflect every activity of the company in financial terms—a summary statement of what the company was doing at a particular time. A new accounting system was worked out where account heads, budget heads, and information heads were displayed in such a way that there was no need to further reclassify to get information. For example, if one wants to know the quantity of copper sold, its price, whether at a profit or loss, the account heads themselves reflect this. All pertinent information is regularly fed into a computer to facilitate easy accessibility. A two-page statement highlighting the financial performance of the company is brought out and circulated every fortnight (Director).

Profit, cost, and service centres were introduced, the latter two helping the former in achieving its trade targets. Both of these are responsible for achieving the objectives of cost, qualitative targets and level of service to the profit centres. Each director, each region, each department has a budget which is formulated one year in advance. The various trade groups are accountable for the targets to be achieved—in terms of turnover of import, exports, and domestic trade, profits, operating costs and long-term plans and investments. The annual budgetary exercise is normally started nine months ahead. Broad objectives set up by the planning group are shared, and discussions take place within each trade group and the associated service groups at the various communication meetings. Besides corporate personnel, these meetings are attended by representatives from each region. By September, the objectives are defined. Apart from the trade targets, recruitment, promotions, and increment issues are also discussed.

The trade groups prepare their detailed plans which the regional groups translate into costs. There is a process of continuous dialogue with the corporate planning group and the budgetary group. A consensus is reached between the trading groups and cost/service groups on the level of services expected and the cost of providing them. By December, the draft budget is ready. After the national budget is presented on 28 February, the consequent changes in customs duty, excise duty, etc., are incorporated and

the budget (objectives, goals, and targets) is finalised by the divisional heads by 15 March and presented to the Board. By 1 April, it is printed and distributed. Accountability is in-built since everyone knows not only what is expected of him, but has also been party to the process after passing through the phase of sorting out the snarls and snags. The Chairman exercises control on trade by perusing the weekly turnover schedule (Chairman, Director, and General Manager).

Domestic Consumers

Customer service was streamlined by establishing consumer service cells, at corporate and regional levels, to give prompt attention to customer complaints and provide them guidance. The registration for supply and issue of sale notes was decentralised. The earlier practice of monthly issue of sale notes was changed to annual issue in order to facilitate better planning. Thus, for instance, for procurement of iron ore, it was decided that once every year the private sector mine owners may negotiate and settle the prices which are valid for that particular year.

Another change was brought about in the area of import clearance, especially on steel (to check whether there is a need to import or not). MMTC took the initiative to reorganise and coordinate this. Every tenth day, there is a meeting to screen the 50-60 applications received every month for permission to import. Clear guidelines are given. To further help the customers, the distribution network has been strengthened (see Annexure - XIV). Inventory planning has also been done to achieve a high level off-the-shelf service to customers. As a result, delays have been minimised and end-user satisfaction has increased.

In consonance with the stated objectives of acting as agents and representatives for domestic producers, MMTC has assisted Hindustan Zinc Ltd: it took over 12,000 tonnes of zinc from HZL for distribution through the corporation's sales outlets. Hindustan Copper was also helped in a similar manner. MMTC has recently come to an agreement with Rajasthan State Mines and Minerals to market its rock phosphate in India.

PART - II

A CORPORATE CULTURE BUILDING

The clear statement of identity and goals, the changed strategy and systems helped in many ways to re-orient the company towards an ethos more suited to the nature of its business. The primary focus was on building the organisation and the people. In addition, a number of other measures were taken to energise the company, to create an ethos which could facilitate the channelling of individual energies to create synergy (Chairman). The actions taken for building the corporate ethos in MMTC (and the outcomes of these measures) can broadly be grouped under:

1. From role ambiguity to role clarity
2. Impersonal to personal touch
3. Fault-finding to supportive culture
4. Doing things right to doing the right things
5. Centralisation to decentralisation
6. Blocked communication to free flow of communication
7. Secrecy to openness
8. Anonymity to public identity
9. Distancing to a sense of belonging
10. Inward to outward looking orientation
11. Human beings: liabilities to assets
12. Indifference to appreciation
13. Government department to trading house
14. Stagnation to innovation

1. From Role Ambiguity to Role Clarity

Clarification of organisational identity helped MMTC tremendously in sharply defining the roles and responsibilities of its members. As a middle-level executive (Joint Divisional Manager) had put it: "Now we know where we are going". Raghavan's first policy statement when he joined was that there will be "centralised policy-making and decentralised administration". The board was to take only policy decisions (on publicity, purchase, sales, product policies), as opposed to the earlier tendency to interfere in operational matters. The Chairman said that this was done to curb the earlier practice of bringing even minor issues of day-to-day operations to the board level. The Chairman delegated downwards all the authority vested in him, except for the three Ps — planning, personnel, and public relations — while being accountable for all actions himself. In the opinion of many of the interviewed people (30), he is a good boundary manager. "He is prepared to talk to the minister and to half-a-dozen other important people" (Joint Divisional Manager); "one knows that he will backup whatever you do" (General Manager); "can knock any door and get anything done" (Director).

The directors are expected and allowed to concentrate on trade. As two of the directors expressed: "He asked us to concentrate on trade"; "He has created a congenial environment for directors so that they can focus on trade". This was a drastic change from the earlier situation when the Chairman used to interfere in day-to-day matters and was bogged down by rules and regulations. In fact, Raghavan played a highly supportive role: "Use me extensively, tell me what I can do for you" has been his message to the people (Senior General Manager). This clarity made an impact on the involvement of the people. As a general manager expressed: "Chairman clarifies what is expected of me, what is in his mind. Involvement is much more now because of this clarity".

The Group General Manager of each region is expected to act like a mini-Chairman concentrating on the three Ps. The regional manager is expected to focus primarily on trade. The personnel and finance groups were given

the identity of service functions. The personnel department was asked to look to the needs of each person. The finance department was told that its task is to mirror the progress made by the company, so that people receive feedback in order to re-orient performance towards organisational goals. It was emphasised that people at the corporate office would be known and judged by the co-operation extended to the regional offices. (Chairman, and all the four directors).

2. From Impersonal to Personal Touch

A distinct move was initiated to change from a note-and-file culture to a style of mutual interaction. At the formal level, a number of committees were constituted to take various types of decisions and in this way, get the people to “air and share” views as well as take decisions together. People were encouraged to meet, thrash out and discuss, and then make the notings and maintain files more as a matter of record.

Committees were set up to perform most of the activities. There are purchase and sales committees (lower, higher and directors’ level), and committees for selection, screening of CRs and subsequent promotions and transfers. There is a management committee and an executive committee. The former meets once in two months and matters neither routine nor policy related are discussed. Its members are the Chairman, executive directors and managers up to GGM level. The aim is to share objectives, feedback, and follow-up actions. The latter committee (comprising the executive directors and the Chairman) meet once in two months, and discuss the policy issues. The committees at the board level can be called at short notice by virtue of their composition. At the lower levels, task forces are created and each task force is expected to accomplish the set tasks by the given deadlines.

Almost all the interviewed people (45) described the emphasis put on team functioning. The results were in the positive direction as illustrated by the following: “Now people do consult each other more often. Earlier, I would tend to be stiff necked, not bothered with others’ problems, stick to my own territory” (Divisional Manager); “Note-and-file culture is there, and we cannot do away with it, but we don’t just send files, we go personally to check and get the work done. Today, things move. They are more positive. The “Babu” culture of the organisation has changed”. (Joint Divisional Manager). “There is a minimum of note work now”. (Deputy Divisional Manager) “We now resort to discussions. The nature of work forces us to be quick. While the earlier style was one of ‘we will examine it’. Now, the attitude is “yes, tell me, this is the way I can help you” (General Manager). “SVS involves people in work through open-house meetings and communication meetings” (Divisional Manager). One of the directors further expressed: “The whole company has risen to the occasion as one man”.

3. From Fault-finding to Supportive Culture

This culture was inculcated through a changed attitude of the top, from fault-finding to encouragement and support. When a mistake is committed, the

usual response from the top is that “we have made a mistake”. In the earlier situation, more time was spent on finding out “who committed the mistake and why?” Those responsible for making mistakes were “fixed”; this had generated an attitude of playing safe. The changed environment encouraged people to stick their necks out, explore, experiment, and take risks” (Director).

The following opinions amply illustrate the change in this area: “Pushing through of cases and taking responsibility has really increased”. One of the general managers said: “Raghavan says, ‘Go ahead, take a decision, the responsibility is mine’. He tells us how to do something, rather than how not to do something; does not do fault-finding”... “does not punish or wield the stick” (Divisional Manager). “Has a lot of faith in the officers” (Senior General Manager). “We can go about our business knowing we have his support and, therefore, are more willing to take risks. Earlier, there was a feeling that if I succeed I get no pat, but if I fail, I am penalised... tolerance of mistakes is high, and therefore, risk taking is greater” (Group General Manager).

4. From Doing Things Right to Doing Right Things

On accomplishing tasks, it was made obvious in various ways that achievement was valued, recognised and rewarded. Simultaneously, treating rules and regulations as ends in themselves devoid of task and purpose was discouraged and de-emphasised. The latter message became obvious through the supportive culture which encouraged innovation and experimentation. The cultural shift in direction of doing right things can be judged by the following quotes:

“Mr. Raghavan encourages people who have innovative minds” (Joint Divisional Manager).

“The moment you mention ideas to SVS, he gives a go-ahead signal. We are enthusiastic to sort out problems which come in the way of change because he is supportive” (Senior General Manager).

“Sometimes he gives decisions in open meetings even if there are financial implications” (General Manager).

“He does not bother with details at the communication meetings. Have you achieved your target? Are you happy with it? Can I help you in any way? are the typical features of his style” (Senior General Manager). All these illustrate clearly the result-focus, rather than rule-focus in MMTC.

5. From Centralisation to Decentralisation

This shift was achieved through delegation of authority down the line as opposed to power centering at the top. Each level of the executive cadre is given a certain amount of financial powers in decision-making. Three-tier sales and purchase committees have been created. Decision-making on small contracts is delegated downwards, while decision-making on large contract is retained at the top. Even at this level, normally the top considers the recommendations from the lower levels. Each director now trades with

reference to the budget and is not required to seek concurrence on trade decisions from the Chairman (Director). No papers are “put up” to the Chairman. Committees at the board level can be called at short notice — only the concerned directors and the finance director are required to be present. Today, the Chairman does not sit on the sales and purchase committees, unless requested by the particular director. The decisions made by the committees are accepted as final. This has been one of the important factors contributing to a sense of participation. An indicator of how this flowed from the top is the comment made by a senior executive (General Manager) regarding the chairman’s behaviour at meetings. “He never imposes his view. ‘This is my view, but the committee has to decide’ is his normal reaction”.

Joint consultative council meetings between the union representatives and the senior managers further reinforced feelings of participation at the lower levels. No decision affecting either staff or executives is taken without duly consulting the representatives.

“There is greater decentralisation of power” (Joint Divisional Manager).

“There has been a thrust on delegation of powers down the line” (Divisional Manager).

“Delegate down is his motto” (Senior General Manager).

6. From Blocked Communication to Free Flow of Communication

In Raghavan’s opinion, the earlier style of secrecy had to be discouraged if the company were to adjust to future demands. The company’s achievements depend vitally on quick and easy flow of communication. This was attempted in different ways—through the monthly open house sessions addressed by the Chairman, held by rotation in Delhi, Madras, and Bombay. All officers are eligible to attend these meetings and any one can ask any question. SVS cited the instance of how, in the first open-house in 1983, the first one hour was spent in listening to allegations and complaints. The next forty-five minutes were spent by the Chairman in sharing his views. Speaking about the open-house held four years later, in August 1987, he said: “Out of the allotted one-and-a-half hours, only five minutes were spent on allegations, and the rest of the time was devoted to discussing how to take the company forward”.

Many times very good ideas have been picked up at these meetings and implemented, according to many of the interviewed people (25). Joint consultative council meetings are held between the union representatives and the senior managers to discuss and sort out issues which arise from time to time. Communication meetings are held among all the senior managers once every 2-3 months. The regional managers are expected to meet their officers and discuss problems and, if required, bring them up at these meetings. The open-door policy has also been utilised effectively by a number of people, according to 40 of the interviewed executives. “Even on very personal issues we just walk in and speak to the Chairman” (Deputy Divisional Manager). “Lots of people are going to see him” (Assistant Divisional Manager). Daily news bulletins are issued from the corporate office as well. The above

approach had significant bearing on the psychology of people. This is clear from the following opinions expressed by the executives:

“The level of awareness about what we are doing has gone up within the company” (Joint Divisional Manager).

“Today we interact with the Chairman without fear or favour; we even oppose him” (General Manager).

“There is perfect communication from top to bottom” (General Manager).

“The open-house helps remove false notions. He (Raghavan) keeps us informed about all things. He tells us we are ambassadors of MMTC” (Senior General Manager).

“Communication has improved and this is beneficial to the company” (Divisional Manager).

“The message is clear—that the top management is accessible. This started with Raghavan and has now moved down the line” (Joint Divisional Manager).

“People are involved in work through open-house meetings and communication meetings” (Senior General Manager).

“In the open-house, there is free exchange of views, and sharing of ideas and suggestions for improvement” (Deputy Divisional Manager).

7. From Secrecy to Openness

Once the various forums for discussion (and airing of opinions and clarification of information) were constituted, sharing became a legitimised process. As such, secretiveness and rumour-mongering automatically disappeared. This was further reinforced by a strategy to reduce the mutual allegations and registration of CBI cases. Now, whenever the chief executive is faced with allegations made by one individual against another, his typical style is to call the concerned person/persons and say: “Mr. X says so and so things about you. Would you like to clarify”? In this way, “story-telling and tale-carrying” have become things of the past. The problem of anonymous letters regarding corruption and nepotism of various executives was tackled in a novel way which further introduced an air of openness. The Chairman got such letters displayed on the notice board. First, the letters about himself were displayed, followed by letters about the directors and other senior managers (with their permission). In a D.O. letter addressed to Abid Hussain, the then Commerce Secretary, the MMTC Chairman, said: “I must mention here that I have placed a copy of the complaint against me as also my comments as contained above on the notice board in our office, which is a practice started by me, for the information of all”. (cited by *Business Standard* dated 17.9.1984).

The open culture was further supplemented by publishing a number of personnel policies as also openly publishing the “high fliers” list. In this way, power by omission and negative power of people was reduced.

“On personnel policies, everyone is clear about what they can get. There is no favouritism and no one suffers” (Deputy Divisional Manager). “Good suggestions come to the open-house. Any suggestions given in the open-house are examined and used” (Group General Manager). Very minor things are raised (at the open-house) sometimes, which are good for the organisation. Sometimes, ADMs have given bright ideas” (General Manager). “Chairman picks up important points at these meetings” (Senior General Manager).

“Once and for all viewpoints on various issues are explained in the open-house. Before this (pre-1983), we had to gather information about other areas, in a way interfering with others” (Joint Divisional Manager).

“SVS is high on information-sharing. He is quite open and goes out of his way” (Assistant Divisional Manager). “His life is an open-book. Nothing is hidden; he does not even lock up his suitcase when he comes back from abroad” (Joint Divisional Manager).

8. From Anonymity to Public Identity

The obscurity in which MMTC functioned has now changed, and it has become a well-known company. The calculated advertisements in the media were designed to help project MMTC as a unique organisation. This not only benefited trade, but also gave the employees an enhanced image. Some of the interviewed people (10) shared how, when in the outside world one is introduced as an MMTC man, it enhances one's self-image, fills one with a sense of pride; makes one feel good to belong to that company.

“I see all the public relations and feel good to be part of this company” (Assistant Divisional Manager). “People are proud of MMTC.... out of comparison with other managers and companies...” (Deputy Divisional Manager) “People want to listen to you, find out what we are doing” (Senior General Manager). “When I joined MMTC in 1980, it had no image. It was mistaken for STC. Today, there is no confusion” (Director).

9. From Distancing to Sense of Belonging

The earlier culture characterised by a collection of individuals cut off from each other, nursing mutual suspicion, distrust and fear was replaced by a sense of belonging. The general supportive culture, the group rewards system, the frequent meetings, the system of sharing information through the open-house, the image building, all contributed to a sense of belonging, and identifying with one's own company.

The above approach had a significant bearing on the psychology of people. This is clear from the following opinions expressed by the MMTC executives:

“Every one has access to the Chairman—he may or may not find a solution, but he listens” (Divisional Manager).

“I can meet the Chairman any time”. (Divisional Manager) “I am for the company, the company is for me” (Joint Divisional Manager). “I am very proud to be a part of this Company” (Joint Divisional Manager). “It is a good place to work now” (Assistant Divisional Manager). “I feel totally part of it. If anything goes wrong, I feel a sense of loss. Feel pride when

anyone talks of our trade” (General Manager). “Earlier, there was a fear complex. There was an officer-staff difference, but now it is not there. Personal contracts have grown. We have come nearer” (Joint Divisional Manager). There is a personal touch. One general manager gave the following example: “One fine day, I received birthday wishes sent with Raghavan’s signature. It makes you feel elevated. If it was xeroxed, it would not have mattered. Since he had signed it, it made a difference to me”. “He knows all officers by name. Overall he knows 1,000 fellows by name” (Director).

10. From Inward to Outward Looking

The earlier orientation of in-breeding was controlled by introducing fresh blood into the system. Campus recruitments were made and officers were recruited directly at ADM level. Some people were also recruited at higher levels. An element of newness was brought in from the outside world in terms of knowledge, skills, opinions and ideas. An IIMA study team was sent by MMTC to study the style and functioning of Mitsubishi and Mitsui. The above description clearly indicates that the company made necessary efforts to find out what is happening in the outside corporate world by studying the business strategies of other companies as well as attracting fresh professionals.

11. Human beings: From Liabilities to Assets

Upgradation and training of human beings were made a part of the MMTC culture. Three years after Raghavan took over as Chairman, almost all the officers were exposed to some training course or the other, in India or abroad. In this way, a general appreciation of the need for change was given to all the officers. The training budget in 1983-84 alone was Rs. 30 lakhs, the equivalent of the amount spent on training over ten years previously. In fact, 45 per cent of the managers and 67 per cent of the staff were sent for training in that year. Reputed institutes like the Administrative Staff College of India, and the IIMs were involved in consultancy and training assignments.

It was felt that a lot of learning in conducting trade negotiations and clinching deals could be had from direct experience and observation. Therefore, different people from different levels were sent abroad, contrary to the previous scenario where only a few chosen, senior persons could go abroad. Sometimes, a group of junior-level people used to accompany a senior executive so that they could learn the trade by watching and listening. Overall, this gave a sense of worthwhileness to people, since they were being developed and groomed. “People were given a sense of dignity” (Divisional Manager)

12. From Indifference to Appreciation

The earlier culture of indifference and apathy was changed into a culture of appreciation of work done. Most of the people (45), expressed positive feelings— a sense of satisfaction and belonging to MMTC. It is a reflection of the appreciation showed by the company. According to one executive: “Mr. Raghavan walks around, appreciates people who are doing hard work.

He appreciates work which has been done" (Joint Divisional Manager).

"My work is recognised personally. I have satisfaction" (Joint Divisional Manager). "Feel more encouraged now because there is greater trust and respect" (Senior General Manager). "He motivates people by encouraging them for the good they have done. He openly praises people. Also, gives incentives like foreign tours" (Divisional Manager).

"There is job satisfaction in my work" (General Manager).

"This is a good place to work now" (Assistant Divisional Manager).

13. From Government Department to Trading House

In the pre-83 era, the predominant culture was one of "allottees", "distributors" and "brokerage". The style of trading by which one could innovate, take risk, and diversify activities was lacking in MMTC. It acted primarily as an agency, implementing governmental directives with no corporate strategy and business policy. The post-83 era introduced a culture of non-canalised trade which could help the company to expand and diversify its activities right from the import of rough diamonds to the export of gold jewellery. To facilitate the trading culture, MMTC evolved a style of data-based activity, risk-taking, opportunity-seeking, marketing orientation, free and easy communication, result-orientation, team functioning and a sense of belonging. The above mentioned cultural shift made MMTC a robust and vibrant trading house in the national and international arena.

14. From Stagnation to Innovation

Once people got the message that the top is receptive, once the decision-making prerogative percolated downwards, innovations started flowing. Ideas used to emerge at various forums, be it the open-house or the communication meetings. "The Chairman picks up useful ideas at these meetings" (General Manager). "He listens; therefore, we feel the urge to express ourselves, share our ideas" "The communication meetings and open-house motivate us to think. Because he is upgrading the company, even I feel I have a responsibility. Besides, my ideas will be listened to" (Assistant Divisional Manager). Raghavan also mentioned that many people used to casually walk in and give some bright ideas.

All these shifts in culture had a powerful impact on the motivation and morale of the people. Almost all the interviewed people (except one) said that the morale of the people in MMTC had really improved. A number of factors were cited for this image of MMTC: decentralisation, communication and open-house meetings, recognition, welfare, charisma of Raghavan, foreign tours, money and perks. Whatever be the reason, the fact remains that some kind of a spark was ignited in the people of MMTC.

The magnitude of the cultural shift during the post 1983-era is presented in Tables 1 and 2.

Table 1 presents a comparative picture of the cultural scenario of MMTC in the pre-and post-1983 era. An analysis of this table reveals a significant positive cultural shift. On all the cultural parameters, the mean values are

Table 1: Overall Culture Mean

n = 100

Culture Dimensions	Before		After		T* Value
	Mean	SD	Mean	SD	
Communication and Information flow: (A. Vertical, B. Horizontal)—Restricted	1.75	.69	6.66	.53	47.86
Free flow					
Target setting process: Non-participative—Participative	2.10	.60	6.29	.85	43.14
Teamwork - Low - High	1.77	.70	6.38	.89	39.66
Role Clarity - Low - High	1.91	.65	6.17	.94	35.67
Reward - Performance linkage - Nontask - Task linkage	2.55	.60	5.72	.76	27.44
Decision-making process — Centralised-Decentralised	1.09	.27	6.94	.23	155.61
Motivation and commitment - Low - High	1.62	.73	6.57	.74	35.85
Industrial relations - Poor - Excellent	3.35	.84	6.05	.80	30.23
Innovation/creativity - Low - High	1.82	.62	6.55	.63	47.13
Rules/Regulations - Rule focused - Result focused	1.25	.47	6.81	.39	69.90
Risk-taking - Risk avoidance - Risk taking	1.34	.57	6.76	.47	56.73
Problem-solving - Slow - Quick	1.53	.65	6.73	.46	32.81
Conservative - Dynamic	1.78	.57	6.55	.53	48.01
Easy going-Firm	2.31	.96	6.24	.96	22.41
Concern for people - Low - High	2.06	.92	6.43	.80	27.45
Concern for task - Low - High	1.75	1.34	6.55	1.14	20.00

Low mean score indicates the poor quality of organisational ethos, Contrary to this, high mean score reflects the high quality of cultural ethos within a range of 1 to 7.

* T value to be significant at $p \leq 0.05$ should be ≥ 1.98 .

more than six on a seven-point scale. However, this is not so in the case of reward-performance linkage. This is the only exception where mean value is found to be less than six (5.72).

An examination of the table across managerial hierarchy (table 2) presents a more or less similar picture. In all the categories of management, the mean values are found to be more than six. This is not so in the case of performance-reward linkage and role clarity. These are the two areas where the mean values are less than six. However, considering the rank value of the scale (seven point), they are fairly high. The comparison of the mean values between the pre-and post-1983 era reveals a great deal of cultural metamorphosis on each and every dimension, the 't' value being significant at $P \leq 0.05$.

Table 2: Culture mean and standard deviation values across managerial hierarchy

Culture Dimensions	N = 19 Top					N = 51 Middle					N = 32 Lower				
	Before		After		T* Value	Before		After		T* Value	Before		After		T* Value
	Mean	SD	Mean	SD		Mean	SD	Mean	SD		Mean	SD	Mean	SD	
Communication and Information flow: (A. Vertical, B. Horizontal)— Restricted - Freeflow	1.79	.54	6.80	.42	29.24	1.86	.72	6.59	.54	31.84	1.53	.68	6.70	.68	26.87
Target setting process - Non-participative - Participative	2.05	.40	6.16	.60	24.26	2.16	.61	6.31	1.07	28.37	2.03	.67	6.33	.55	23.84
Team work - Low - High	1.68	.67	6.47	.61	18.41	1.82	.68	6.29	1.08	26.85	1.73	.78	6.47	.63	22.69
Role Clarity - Low - High	1.90	.66	6.16	.69	14.98	1.98	.62	6.31	.65	28.90	1.00	.71	5.93	1.39	16.37
Reward - Performance linkage - Nontask - Task linkage	2.53	.61	5.53	.70	10.88	2.53	.64	5.80	.83	18.47	2.68	.50	5.70	.70	18.40
Decision-making process - Centralised - Decentralised	1.11	.32	6.95	.23	67.97	1.12	.33	6.96	.20	99.78	1.00	.86	6.98	1.31	05.19
Motivation and commitment - Low - High	1.47	.84	6.68	.58	16.25	1.71	.73	6.45	.83	23.31	1.57	.68	6.70	.65	22.97
Industrial Relations - Poor - Excellent	3.53	.61	6.21	.85	24.58	3.24	.89	5.92	.80	20.23	3.43	.90	6.17	.79	14.75
Innovation/creativity - Low - High	1.90	.57	6.53	.51	21.14	1.00	.72	6.63	.56	29.67	1.00	.48	6.43	.50	33.33

Table 2 contd.

Culture Dimensions	N = 19 Top					N = 51 Middle					N = 32 Lower				
	Before		After		T Value	Before		After		T Value	Before		After		T Value
	Mean	SD	Mean	SD		Mean	SD	Mean	SD		Mean	SD	Mean	SD	
Rules/regulations - Rule focused - Result focused	1.16	.37	6.92	.32	38.27	1.31	.55	6.77	.43	43.19	1.20	.41	6.83	.38	46.14
Risk taking - Risk avoidance - Risk taking	1.21	.54	6.95	.23	34.09	1.45	.64	6.69	.55	34.96	1.23	.43	6.77	.43	36.99
Problem-solving - Slow - Quick	1.32	.48	6.90	.32	35.12	1.63	.69	6.69	.47	35.83	1.50	.68	6.70	.53	26.78
Conservative - Dynamic	1.84	.60	6.63	.50	22.75	1.75	.56	6.53	.58	33.38	1.00	.61	6.53	.51	25.55
Easy going - Firm	1.95	.62	6.26	.65	16.26	2.37	1.00	6.24	1.03	14.87	2.43	1.04	6.23	1.04	10.95
Concern for people - Low - High	2.05	.62	6.26	.65	16.93	2.14	1.13	6.37	.94	15.39	1.93	.64	6.63	.56	25.18
Concern for task - Low - High	1.95	1.43	6.37	1.21	7.38	1.92	1.59	6.43	1.36	11.29	1.33	.55	6.87	.43	39.85
*T Value to be significant at P ≤0.05 should be ≥2.10					*T Value to be significant at P ≤0.05 should ≥2.01					*T Value to be significant at P ≤0.05 should be ≥2.04					

In order to explore whether the perceived cultural change has been similar or dissimilar in the different categories of management — top, middle, and lower — the mean and 't' values are presented in table 2 across the different levels of management. This table demonstrates an enormous cultural shift during the post-1983 period on all the cultural parameters. This phenomenon has been found to be common in all the categories of management. All the values of 't' in the case of Top (before-after), Middle (before-after), and Lower (before-after) are noticed to be significant, since they are more than 2.10 in the group of Top, higher than 2.01 in the case of the Middle and greater than 2.04 in the case of Lower management categories.

From the foregoing analysis one can draw the following conclusions:

- (i) There has been a real cultural metamorphosis in MMTC during the post-1983 era. Such a cultural swing has been observed across all the dimensions chosen for the present study; and
- (ii) Cultural scrutiny across managerial hierarchy presents a similar trend. In other words, there is perceptual similarity regarding cultural change in all the categories of management.

At this stage, while going through the detailed exposition of the metamorphosis of MMTC, one may be tempted to ask: (1) how could it materialise in such a short span of time? (2) what were the dominant processes of change and style of leadership used in achieving it? (3) what were the underlying philosophical and value underpinnings of the strategies and actions regarding management of change and the role of leadership styles in achieving corporate success and turn around? Part - II B examines the process of change with emphasis on the value and philosophical dimensions underlying the change process in MMTC. Part - III deals with the chief executive's (a) leadership, and (b) value profile and style.

IIB. MANAGEMENT OF CHANGE

Based on the discussions and interviews, our attempt has been to identify certain dominant modes of the change process in MMTC. The discussion is thus not elaborate since our idea is not to present a comprehensive theoretical framework of the change process *per se*. We have, therefore, confined to highlighting only those unique processes which have been operating distinctively in MMTC. These dimensions have been presented separately for conceptual clarity although they are inter-related.

The following broad trends (Table 3) with reference to the process of change adopted in MMTC were evident in the data.

From Table 6, one can say that all these were the dominant modes of the change process since more than 60 per cent people perceived the above mentioned processes operating in the company. However, a separate process-wise analysis indicates that the most dominant feature of the change process was the sincerity of the chief executive and the process of *kutumbisation* and modelling behaviour (90 per cent), followed by participation and consultation (82 per cent). The least perceived mode was third party help. However, even

Table 3: Strategies for Managing Change

n = 50

Mode Utilised	Number of responses	Percentage	Rank
—Sincerity of top man	45	90	1
—Modelling behaviour	45	90	1
— <i>Kutumbisation</i>	45	90	1
—Participation and Consultation	41	82	2
—Empowering	40	80	3
—Continuous reaffirmation and reinforcement	40	80	3
—Collectivisation and team work	40	80	3
—Non threatening	35	70	4
—Novelty coupled with continuity	35	70	4
—Educational strategy	32	64	5
—Third party help for new ideas and meaning	30	60	6

this has featured prominently, since 60 per cent (around two-thirds of the sample) perceived it. Another interesting conclusion which one can draw on the basis of the above data is that more or less all the dominant change-facilitating processes have been utilised.

Describing the change process, more than 80 per cent people felt that the direction of change was evolved collectively by all, the chief executive acting as a catalyst. Executives did not get the feeling that change was imposed. This was possible because the change could bring new meaning to people, which they accepted primarily because of the sincerity of the top person, *kutumbisation* and modelling behaviour. This may be gauged from some of the comments received. An executive mentioned that when SVS joined MMTC, he did not bring a single man along with him (Divisional Manager). "He is like an open-book. He hides nothing" (Director). "He gives you the feeling that he is a clean man. What he does is for the company and not for himself; you feel he has concern for the company" (Assistant Divisional Manager). "He treats MMTC members as the members of his own family" (Director 2, GM 6, DM 8, JDM 12).

Change was whole heartedly accepted by the MMTC people since they found that not only will it improve the performance of the company, but will also open new vistas for personal and career growth. Many people quoted Raghavan's conviction. "The growth of employees is linked with the growth of the organisation". Thus, the process of change was perceived as one of empowering people, enhancing their growth and status. Consultation and participation generated a sense of involvement and importance among people. Another dominant feature was the style of "Let us sit together (as a family) and decide what can be best for the organisation". This brought a culture of team work, *kutumbisation* and collectivisation. All the above process together contributed enormously to bring down anxiety and uncertainty and

in this way helped reduce resistance to change. This aspect of management of change is very critical, and the failure rates (in introducing change) are invariably linked more with the level of anxiety and uncertainty people experience rather than the quality of change. The MMTC management used all the probable strategies — *kutumbisation*, sincerity, open culture, participation, empowering, etc., to work on the psychology of people, so that change does not generate any feeling of painful disruption and anxiety.

Yet another dominant feature of change in MMTC was third party help coupled with educational strategy. Findings of all the past review reports—Tandon Committee, Alexander Committee, and IIMA committee on the functioning of STOs, as well the IIMA study on Mitsubishi and Mitsui—were extensively discussed and debated threadbare with a spirit of inquiry and questioning. Third party help further reinforced the ideas and the direction which the company was planning to adopt. People have the freedom to disagree with the Chairman, which many times they use. “It is possible because Raghavan does not behave like a big boss” (General Manager). “Meetings and brain-storming sessions are devoid of a sense of hierarchy and authority” (Director).

Credibility Building

As the chief executive, Raghavan felt that credibility gets established “when you practice what you preach”. To do something in a company it is crucial that the leader’s credibility is established. This was done in a number of ways:

- (a) “I did not bring in a single new person with me from outside—Very few of the new recruits in MMTC are South Indians”.
- (b) “I never expect from people what I do not do myself”.
- (c) He worked hard to get three of the directors from within the company itself. As one director put it, “he gets full commitment from us because we never thought we could become directors here”.

The process of change within the company was also supported by management of the boundary—stake-holders, ministry, and the board. All the interviewed executives spoke very highly of the role played by Raghavan as a boundary manager. In his interview, he explained: “It is important for a chief executive to insulate the company from constant interference from outside”. “There has not been a single day when I have not gone to Udyog Bhawan and to the Finance Ministry on important issues, policy level matters, etc, where the concurrence of the ministry is required”. “I discuss informally in advance, ask them what is your reaction....?”. He prefers that bureaucrats and the ministry know about MMTC through him, rather than through newspapers. Therefore, he shares information with the relevant people. “This is what I am doing, what do you feel?” — in order to keep them informed as well as explain the rationale for decisions, actions etc.

From the above value statements one can draw the following conclusion regarding the value dispositions of Raghavan:

- Raghavan appears to be very high on care and concern for the feelings and emotions of individuals

- He demonstrates high value for openness and trust in human nature
- He values human dignity highly
- He believes strongly in the psychological power of motivation
- On participativeness, team work and collectivisation, he seems to be fairly high
- He is a person who believes in “simple living and high thinking”
- He demonstrates immense faith and trust in human potentiality
- He believes in exploring new ideas, experimentation, and innovation.

PART - III

LEADERSHIP STYLE AND VALUE PROFILE

(a) Perceived Leadership Profile of Raghavan (by followers)

No study on corporate success can be complete without examining the leadership profile of the chief executive. It is the leadership profile which provides meaning to the process of change and culture building, and channellises individual energies for the achievement of organisational purpose and mission. In this perspective, we, therefore, now propose to examine the leadership profile of Raghavan as perceived by the executives of MMTC.

Table 4 presents the frequency distribution and the ranks of the overall responses. An analysis of this table demonstrates the preponderance of empowering attitude (rk 1), good boundary management (rk 2), risk taking capability (rk3), care and concern for the individual's work as well as his personal problems (rk 4), and the clarity of organisational mission, purpose and goal (rk 5).

Table 4: Leadership Profile of Raghavan

n = 149

<i>Leadership components</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Demonstrates an empowering attitude i.e. makes people feel that they are worthwhile and important for the organisation	111	74.49	1
Is a good boundary manager - environment, such as government, politicians, heads of other organisations and departments.	110	73.80	2
Not afraid of taking risks to achieve results	110	73.80	2
Has care and concern for the individual's work as well as his personal problems	102	68.50	3
Is clear about the mission, purpose and goal of the organisation	94	63.10	4
Is a good planner	71	47.70	5
Does not lose his balance in the face of calamities	66	44.30	6
Evokes a sense of confidence and trust by his behaviour	64	43.00	7
Is a good team builder capable of creating positive group feelings among members	58	38.90	8

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Table 4 contd.

<i>Leadership components</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Gives people complete freedom to decide, evolve plans and strategies at work	52	34.90	9
Is innovative and creative	46	30.90	10
Is quite open and receptive	42	28.20	11
Is accessible to any one who wants to see him	38	25.50	12
Very particular about the speed and quality of work done	32	21.50	13
Is interested in the welfare and well being of the people working in the organisation	21	14.10	14
Protects and supports the people when necessary	15	10.10	15
Gives adequate responsibility for job performance	12	8.10	16
Is intellectually of a high calibre	11	7.40	17
Values and appreciates good work	9	6.00	18
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	5	3.40	19
Treats organisational members like his brothers	4	2.70	20
Provides clear instructions of what to do and what not to do	3	2.00	21
Not only tolerates mistakes while achieving results, but also protects people, if necessary	3	2.00	21
Believes that real learning and growth take place when people explore and in the process also make mistakes	3	2.00	21
Encourages the total development and growth of people	2	1.30	22
Consults relevant people before taking decisions concerning them and their departments	1	0.70	23
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	1	0.70	23
Technically very sound and knowledgeable	-	-	24
Does not hesitate to point out, and even scold, when mistakes are committed by the people on the job	-	-	24
Believes in consensus building before taking a decision	-	-	24
Generally adheres to organisational rules, procedures and regulations	-	-	24

With a view to finding out whether there is perceptual similarity or divergence about the leadership profile of Raghavan across managerial hierarchy, frequency distributions, their percentages and ranks are presented in Table 5. An examination of this table reveals that in the top management category, the five preponderant perceived leadership qualities are: (a)

Table 5: Leadership Profile of Raghavan across managerial hierarchy

<i>Leadership components</i>	<i>Top n = 20</i>			<i>Medium n = 89</i>			<i>Lower n = 40</i>		
	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Demonstrates an empowering attitude i.e. makes people feel that they are worthwhile and important for the organisation	14	70.00	2	66	74.15	3	31	77.50	1
Is a good team builder capable of generating positive group feelings among the members	9	45.00	7	31	34.83	9	18	45.00	7
Is a good boundary manager - environment such as government, politicians, heads of other organisations and departments	12	60.00	4	74	83.14	1	24	60.00	4
Not afraid of taking risks to achieve results	13	65.00	3	71	79.7	2	26	65.00	2
Does not lose his balance in the face of calamities	7	35.00	9	44	49.43	6	15	37.50	8
Is a good planner	11	55.00	5	41	46.06	7	19	47.50	6
Evokes a sense of confidence and trust by his behaviour	8	40.00	8	30	33.70	10	26	65.00	2
Gives people complete freedom to decide, evolve plans and strategies at work	2	10.00	13	38	42.69	8	12	30.00	10

Table 5 contd.

Leadership components	Top n = 20			Medium n = 89			Lower n = 40		
	Frequency	Percentage	Rank	Frequency	Percentage	Rank	Frequency	Percentage	Rank
Is quite open and receptive to new ideas from people	10	50.00	6	22	24.71	12	10	25.00	12
Is accessible to any one who wants to see him	6	30.00	10	21	23.59	13	11	27.50	11
Is innovative and creative	11	55.00	5	22	24.71	12	13	32.50	9
Is interested in the welfare and well being of the people working in the organisation	3	15.00	12	13	14.60	14	5	12.50	14
Is clear about the mission, purpose and goal of the organisation	14	70.00	2	55	61.79	5	25	62.50	3
Gives adequate responsibility for the job performance	5	25.00	11	5	5.61	17	2	5.00	16
Has care and concern for the individuals' work as well as his personal problems	18	90.00	1	63	70.78	4	21	52.50	5
Very particular about the speed and quality of work done	1	5.00	14	24	26.96	11	7	17.50	13
Values and appreciates good work	3	15.00	12	3	3.37	18	3	7.50	15

Table 5 contd.

Leadership components	Top n = 20			Medium n = 89			Lower n = 40		
	Frequency	Percentage	Rank	Frequency	Percentage	Rank	Frequency	Percentage	Rank
Encourages the total development and growth of people	-	-	15	-	-	21	2	5.00	16
Provides clear instructions of what to do and what not to do	1	5.00	14	1	1.12	20	1	2.50	17
Is intellectually of high calibre	2	10.00	13	8	8.98	16	1	2.50	17
Protects and supports people when they need	1	5.00	14	9	10.11	15	5	12.50	14
Treats organisational members like his brothers	1	5.00	14	3	3.37	18	-	-	18
Technically very sound and knowledgeable	-	-	15	-	-	21	-	-	17
Does not hesitate to point out and even scold when mistakes are committed by the people	-	-	15	-	-	21	-	-	18
Not only tolerates mistakes while achieving results, but also protects people if necessary	1	5.00	14	2	2.24	19	-	-	18

Table 5 (Contd.)

Leadership components	Top n = 20			Medium n = 89			Lower n = 40		
	Frequency	Percentage	Rank	Frequency	Percentage	Rank	Frequency	Percentage	Rank
Believes that real learning and growth take place when people explore and in the process also make mistakes	-	-	15	1	1.12	20	2	5.00	16
Consults relevant people before taking decisions concerning them and their department	-	-	15	-	-	21	1	2.50	17
Believes in consensus building before taking a decision	-	-	15	-	-	21	-	-	18
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	-	-	15	-	-	21	-	-	18
Is totally logical and data based and does not believe in relating or the level of feelings and emotions	-	-	15	-	-	21	5	12.50	14
Generally adheres to organisational rules, procedures and regulations	-	-	15	-	-	21	-	-	18

capability to demonstrate care and concern, (b) empowering attitude, (c) clarity of mission, goal, and purpose, (d) risk-taking capability, and (e) good boundary management. In the middle management group, they are: (a) good boundary management, (b) risk-taking capability, (c) empowering attitude, (d) demonstrating care and concern, and (e) clarity of mission, goal, and purpose. In the lower management category, however, the dominant qualities are found to be : (a) empowering attitude, (b) capability to take risk, (c) evoking confidence and trust; (d) clarity of mission, goal, and purpose, (e) good boundary management, and (f) capability to demonstrate care and concern. Further analysis of this table demonstrates that these five qualities are more or less common in all three categories of management with varying degree of importance.

To explore the phenomenon of similarity and divergence, the rank order coefficient of correlations across managerial hierarchy is presented in Table 6. An analysis of this table brings out a significant perceptual similarity about the leadership profile of Raghavan between the top-middle; top-lower; and middle-lower categories of management, the values of rho being 0.91 in the top-middle; 0.81 in the top-lower, and 0.87 in the middle-lower management categories. All these values are significant at $p \leq 0.05$ level.

Table 6: Rank order coefficient of correlations across managerial hierarchy

<i>Groups</i>	<i>n</i> <i>(Pairs of</i> <i>ranks)</i>	<i>df (n-2)</i>	<i>Ed2</i>	<i>rho</i>	<i>Level of sig. of</i> <i>correlation value</i>
Top vs Middle	31	29	443.50	0.91	0.05
Middle vs Lower	31	29	647.50	0.87	0.05
Lower vs Top	31	29	909.50	0.81	0.05

Rho to be significant of $P \leq 0.05$, should be ≥ 0.35 .

From the foregoing discussion one can draw the following conclusions:

1. The most dominant qualities of Raghavan's leadership styles are:
 - (a) empowering attitude
 - (b) good boundary management
 - (c) risk-taking capability
 - (d) care and concern for both work and personal problems of people
 - (e) clarity of organisational mission, purpose, and goal
 - (f) good planner.
2. All these six qualities account for the bulk of Raghavan's (perceived) leadership behaviour and there is a significant perceptual similarity about the leadership profile in all the categories of management: top, middle and lower.

(b) Self-perceived Leadership Profile:

From table 7 it is clear that there is a significant commonality in the leadership profile generated by the followers and that perceived by Raghavan. The value of 'Rho' works out to be 0.91 which is significant at $p \leq 0.05$. Item-wise analysis of this table brings out a more or less similar trend in both the profiles. In both the profiles, 'demonstrating empowering attitude' and 'boundary management skills' are ranked as 1st and 2nd, respectively. In the case of other items, there is only marginal variation. The quality of receptivity and openness which was perceived by Raghavan as 10 has been ranked as 11 in the perceived profile by the followers, again indicating only a very marginal difference.

Table 7: Self Perceived Leadership Profile of Raghavan

<i>Leadership</i>	<i>Perceived by other</i>	<i>Self perceived</i>
Demonstrates an empowering attitude i.e. makes people feel that they are worthwhile and important for the organisation	1	1
Is a good boundary manager - environment, such as government, politicians, heads of other organisations and departments	2	2
Not afraid of taking risks to achieve results	2	4
Has care and concern for people's work as well as their personal problems	3	3
Is clear about the mission, purpose and goal of the organisation	4	6
Is a good planner	5	8
Does not lose his balance in the face of calamities	6	5
Evokes a sense of confidence and trust by his behaviour	7	7
Is a good team builder capable of generating positive group feelings among the members	8	9
Gives people complete freedom to decide, evolve plans and strategies at work	9	11

'Rho' = .91, 'Rho' to be significant at $p \leq 0.05$ should be ≥ 0.35 .

(c) Operative Leadership Style:

Table 8 presents the operative leadership style of Raghavan. An analysis of this table demonstrates that in Raghavan's profile the most preferred style appears as developer, followed by democrat, and benevolent autocrat in that

Table 8: Leadership Styles

<i>Style Dimension</i>	<i>Score</i>	<i>Rank</i>
Deserter	0.00	-
Missionary	0.00	-
Autocrat	0.00	-
Compromiser	0.00	-
Bureaucratic	6.00	4
Developer	40.00	1
Benevolent Autocrat	22.00	3
Democrat	32.00	2

order. These styles are ranked as number 1, 2, and 3, respectively, their respective scores being 40, 32, and 22.

If we try to put together the various qualities of leadership both self-perceived and perceived by others — of Raghavan's profile, the following salient features emerge prominently:

Raghavan is a great organisation and team builder

He has ability to empower people

There appears to be significant clarity in his thoughts and actions

For Raghavan, democratisation and collectivity are important for organisation and culture building

He appears to be a risk-taker and entrepreneurial in his style.

He demonstrates high sensitivity for the feelings and emotions of human beings

He has enormous boundary management skills.

(d) Value Profile of Raghavan

Speaking about the cultural change achieved in MMTC over a short span of 3-4 years, the Chairman attributed it primarily to the people of MMTC, their co-operation and capacity to rise to the occasion. He said: "it is the very same people who have achieved this. The new recruits in the company have been hardly 5 per cent". Raghavan knew how to manage the collective psyche of the company, to empower the people with least anxiety. It is possible to trace his actions in culture-building to his underlying philosophy, beliefs and values. Given below are some of his beliefs and values which he expressed in the course of our discussions with him:

"Irrespective of position in the organisation, every one would like to have a sense of importance".

"All people have a need to express, share and be involved in happenings around them".

"All people are capable of thinking creatively".

"People are basically novelty-seekers".

“Human capacity to innovate and experiment is enormous, provided people see the relevance and meaning in it”.

“People function better when they have enough personal space and autonomy”.

“Sense of belonging flows out of love, care and concern shown by the organisation”.

“Secrecy kills and sharing of information builds”.

“People buy sincerity and spurn manipulation”.

“Organisation must proact in taking care of human needs”.

“The credibility of the leader is extremely important for initiating any action”.

“The chief executive is the model for all actions and behaviour and people tend to follow his footsteps”.

“No human being should be treated like dirt since everyone has his own self esteem”.

“India is one country where people appreciate and admire austerity and simplicity in the lifestyle of the chief executive”.

“I do not need personal loyalty from people. I need organisational loyalty”.

“Exploit the goodness in people, ignore their minus points and gradually they will overcome the latter”

“It is more important to carry all people together... This is what built MMTC”.

“It is not the Chairman who does things, it is the people who do it”

“Sense of feelings is very important, money is not the motivator... I work hard to make them feel proud. Once I have made you proud, you are an MMTC man... You would hesitate to do many (corrupt) things”

“People would like to have a leader whom they can look up to”.

“I have never found a human being who does not want to work”.

An examination of the leadership style data vis-a-vis the espoused values of Raghavan, his managerial actions and the expressed opinions of the interviewed people indicates a high degree of congruence. In other words, Raghavan could succeed in realising his espoused philosophy in managerial actions and also making it percolate down the line.

The dominant qualities, such as empowering and care and concern, reveal a strong personal touch in channelling individual motivation towards organisational achievement. It also reflects the leader's strong humanistic value preference while dealing with organisational problems. Such an approach is likely to lead to an ethos of making people feel that they are worthwhile and important for the organisation; inculcating a sense of human dignity; promoting a culture of mutual support, trust and collaboration, besides generating a familial climate where people learn how to live and work together. Risk-taking capability, clarity of organisational purpose, goal, and mission, coupled with effective planning and boundary management, clearly bring out a strong entrepreneurial fervour in the leadership style of Raghavan. This is a much needed, but sorely lacking dimension in the public sector

organisations today, where executives predominantly play the role of maintenance managers and are devoid of a spirit of new experimentations, search for new meaning and alternatives.

NOTES

- (a) In 1986-87, the total turnover demonstrated a marginal decline (from Rs. 3001 crores) and touched approximately Rs. 2800 crores. This was primarily due to change in the governmental policy with reference to fertiliser import owing to a glut in the domestic fertiliser market (caused by rising domestic production). For highlights of performance of MMTC from '83-87, see Annexure I.
- (b) In Annual Reports 1978-79 to 1981-82, the Directors' Reports highlight these constraints posed by the infrastructural deficiencies.
- (c) One of the findings of the IIMA (Indian Institute of Management, Ahmedabad) study, commissioned by MMTC, relates to the working of successful Japanese trading houses.
- (d) These people are now with MMTC.
- (e) The job of Raghavan to persuade the government and the Board to accept the corporate mission of MMTC was slightly easier, since similar recommendations were made by the Tandon Committee while examining the role of STO's (State Trading Organisations) including MMTC.
- (f) In 1983, a decision was taken by the MMTC management to earn as much free FX as possible by increasing exports.
- (g) The IIMA study team was sponsored by the MMTC to find out the strategies of Japanese trading organisations.
- (h) Table showing the worth of cut and polished diamonds exported by MMTC 1983-87.

	(Rs. Crores)				
Year	1983	1984	1985	1986	1987
Value of cut and polished diamond exported	. 0.4	. 4.1	. 14.9	. 19.2	. 32.0

- (i). In lauding the efforts of Raghavan regarding Kudremukh, one director said: "Whatever Raghavan could do for Kudremukh, on that basis alone, he should be asked by the government to continue for another 10 years as Chairman of MMTC". According to him: "It was a gigantic and impossible task which only a person like Raghavan could achieve. I consider him the Lee Iacocca of India".

ANNEXURE I: A DETAILED PRESENTATION OF THE TURNOVER: 1983 TO 1987

<i>Nature of Trade & Commoditywise break-up</i>	<i>1983</i>		<i>1984</i>		<i>1985</i>		<i>1986</i>		<i>1987</i>	
	<i>Quantity</i>	<i>Value</i>	<i>Quantity</i>	<i>Value</i>	<i>Quantity</i>	<i>Value</i>	<i>Quantity</i>	<i>Value</i>	<i>Quantity</i>	<i>Value</i>
I. EXPORTS										
Iron Ore (C)	12,205	259.5	12,522	245.9	15,375	304.8	16,398	335.8	18,023	362.9
Iron Ore (NC)	—	—	—	—	—	—	1 521	21.6	3,084	46.7
Concentrates										
Manganese Ore (C)	476	16.8	405	14.6	646	25.9	521	21.1	269	10.8
Coal (C)	92	4.8	30	1.4	50	3.0	156	9.0	143	9.4
Chrome Ore (C)	112	6.5	127	8.0	273	22.2	223	22.5	78	7.9
Barytes (NC)	8	0.5	4	0.3	78	2.9	115	4.3	21	1.0
Diamonds (NC)	—	0.4	—	4.1	—	14.9	—	19.1	—	31.9
cut and polished										
Others*	—	0.2	—	0.2	—	2.4	—	189.2	—	241.1
Total Exports		288.7		274.5		376.1		622.6		711.7

II. IMPORTS

1. Non-Ferrous Metals

Copper (C)	60	180.9	41	157.8	49	187.3	73	277.3	52	215.6
Zinc (C)	52	90.6	54	107.4	54	141.5	49	119.1	49	129.3
Lead (C)	45	46.2	32	31.0	36	38.8	42	48.0	36	49.5
Tin (C)	2	45.2	2	49.6	2	64.6	2	62.4	3	52.0
Nickel (C)	4	38.2	5	42.5	13	111.8	6	70.0	5	60.9
Aluminium (C)	19	36.9	20	37.1	47	102.3	31	67.9	58	136.3
Antimony metal (C)	—	1.4	—	1.5	1	3.9	1	5.8	—	4.4
Others**	—	7.1	—	6.2	—	6.9	—	9.8	—	13.5

446.5	433.1	657.1	660.3	661.5

2. Steel (C)	—	—	—	—	—	—	466	195.5	818	358.7
3. Stainless Steel (NC)	5	13.2	3	6.6	4	8.8	1	3.4	—	1.9
4. Fertilizers										
Sulphur (C)	876	121.0	995	125.4	1,265	234.4	1,099	248.0	1,151	239.7
Rockphosphate (C)	1,421	81.5	1,447	86.0	1,690	118.4	1,833	130.5	1,998	144.6
Urea (C)	734	99.9	1,278	165.0	3,710	746.9	2,829	523.7	2,166	273.8
DAP (C)	141	27.1	393	88.2	1,779	408.9	1,750	374.3	607	142.4
MOP (C)	1,074	71.4	993	73.8	1,420	136.2	1,490	153.9	1,469	134.0
SOP (C)	10	1.7	10	1.9	32	6.8	—	—	16	3.4
Others***	—	—	—	—	—	8.1	—	0.1	—	—

402.6	540.3	1659.7	1430.5	937.9

5. Industrial Raw Materials										
Asbestos (C)	61	35.6	70	41.0	70	41.0	85	46.2	91	42.2
Fluorspar (C)	8	1.1	15	2.2	23	3.6	27	4.1	21	3.1
Others +	—	—	—	—	—	3.5	—	0.1	—	0.1
		36.7		43.2		48.1		50.4		45.4
6. Diamonds/Gold/ Emeralds										
	—	7.8	—	7.9	—	15.6	—	21.3	—	26.8
7. Coal/Soda Ash										
	—	—	—	—	—	—	93	5.7	95	5.2
Total Imports		906.8		1031.1		2389.3		2367.1		2037.4
III. DOMESTIC										
Iron Ore	1,184	7.0	616	3.9	1,039	7.1	1,014	7.7	1,060	8.0
Manganese Ore	286	2.5	178	2.1	204	2.7	201	3.0	174	2.5
Others + +	—	0.1	—	0.1	—	0.1	—	0.1	—	22.3
Total Domestic		9.6		6.1		9.9		10.8		32.8
TOTAL TURNOVER		1205.1		1311.7		2775.3		3000.5		2781.9

* Bauxite (C), Engg. goods (NC), Agro Marine products (NC), General Trade (NC); for further details of items refer to Annexure-V.

** Palladium (Tr. Qz.) (C) and Platinum (Tr. Qz.) (C)

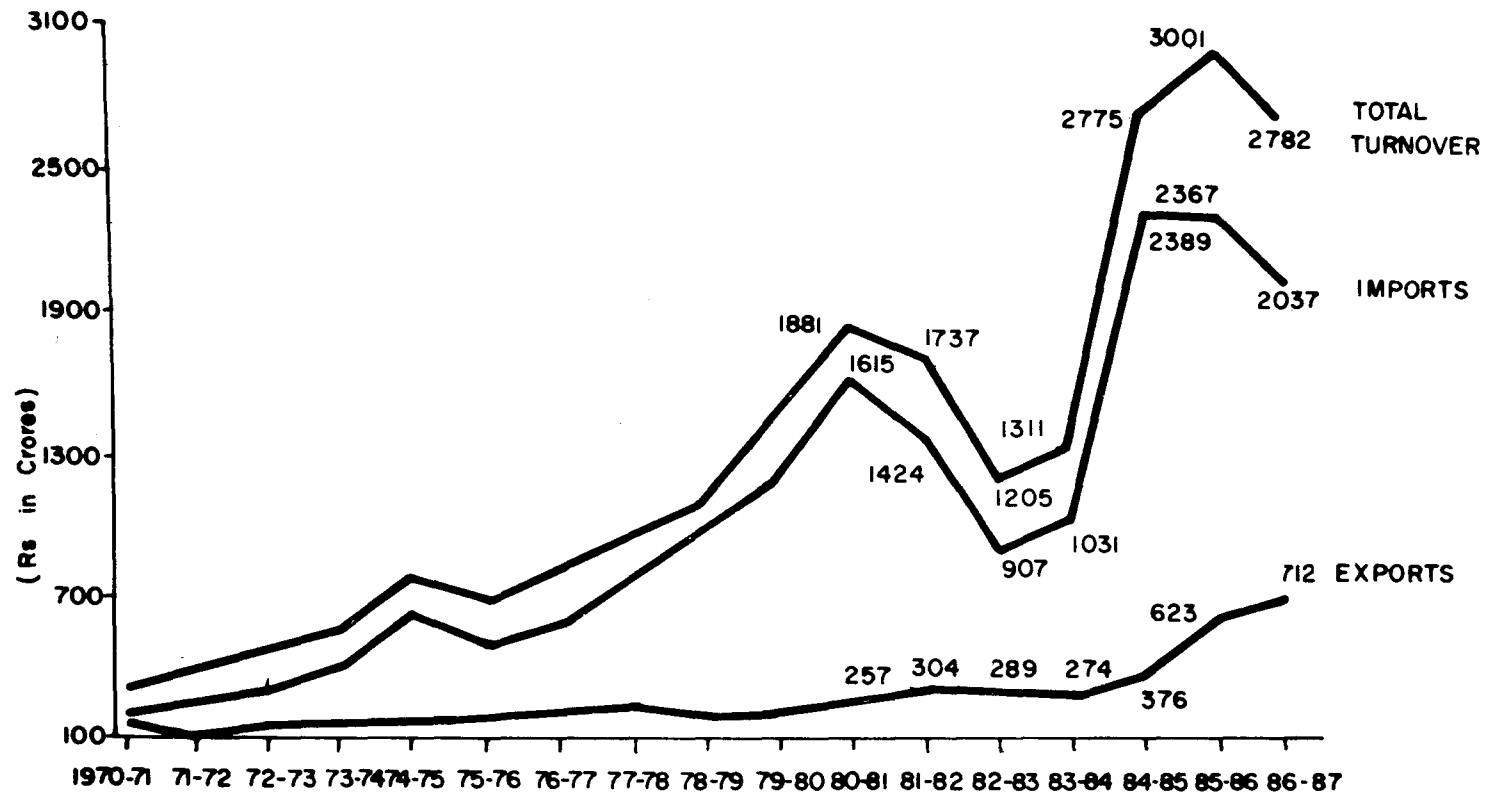
*** Calcium Cynamide (C)

+ Molyoxide (C)

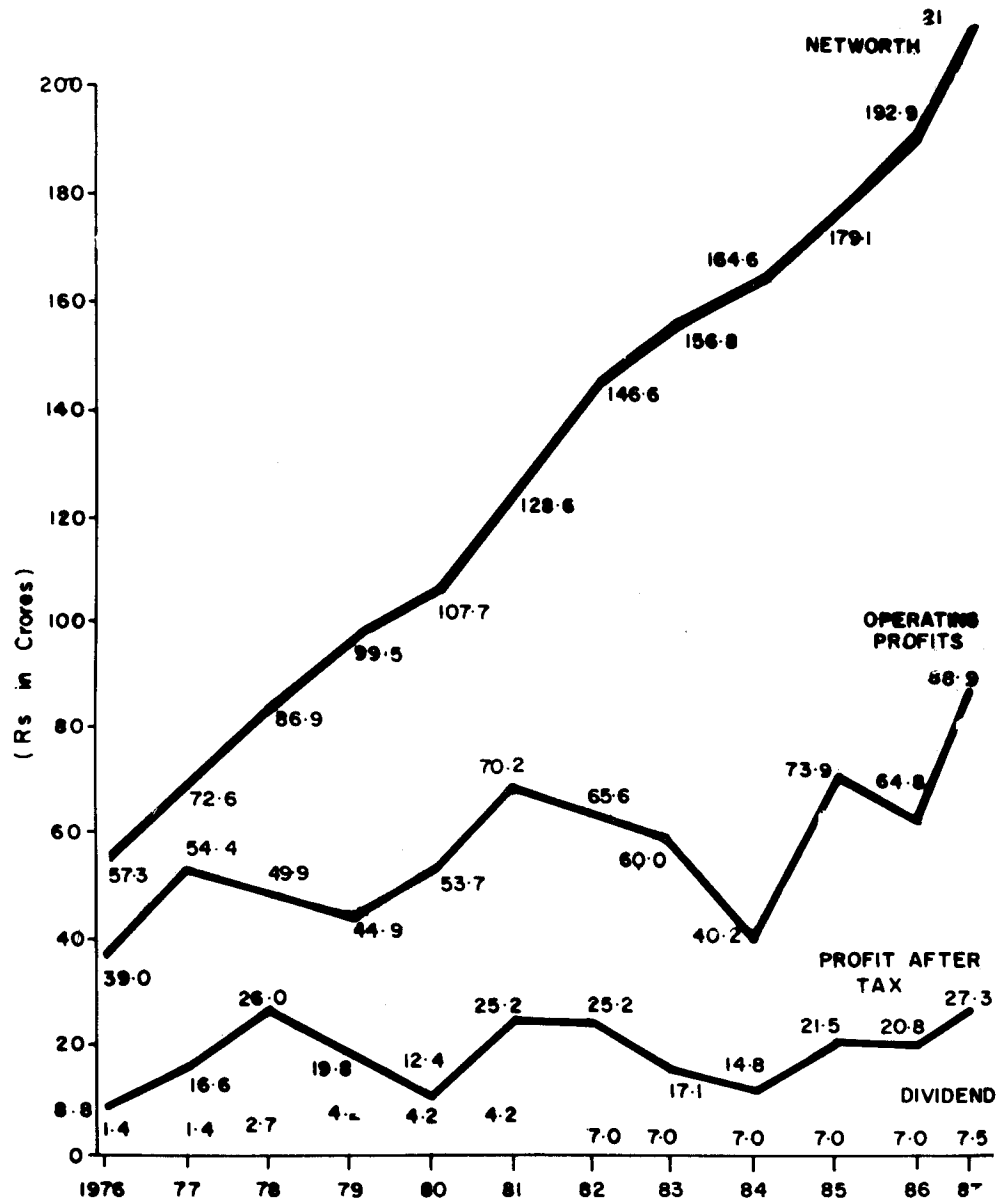
+ + includes Explosives, Copper, Zinc, Rockphosphate

Source: MMTC Annual Report 1986-87.

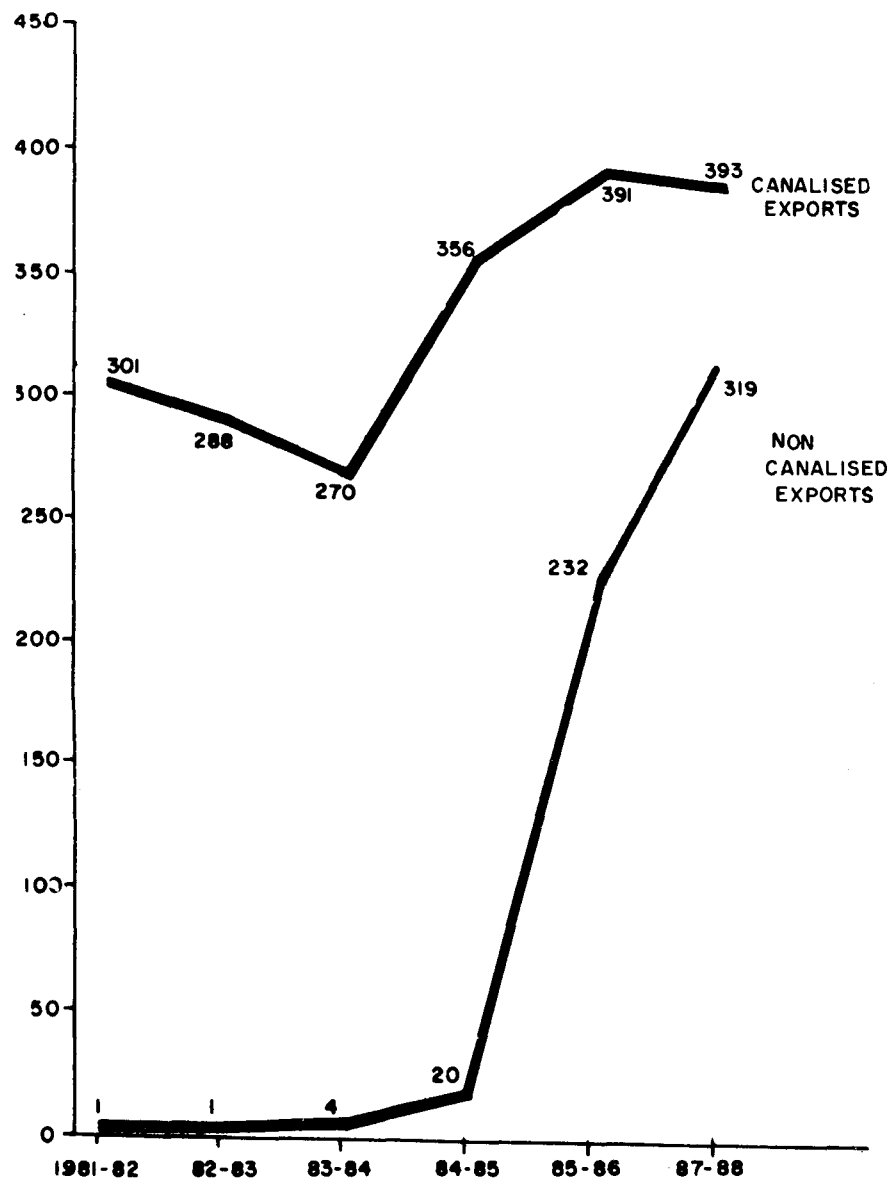
ANNEXURE II: GRAPHICAL REPRESENTATION OF TURNOVER FROM 1970-71 TO 1986-87



ANNEXURE III: FINANCIAL PERFORMANCE OF MMTC 1976-87



ANNEXURE IV: EXPORT GROWTH 1982-83 TO 1987-88 (Rs. in crores)

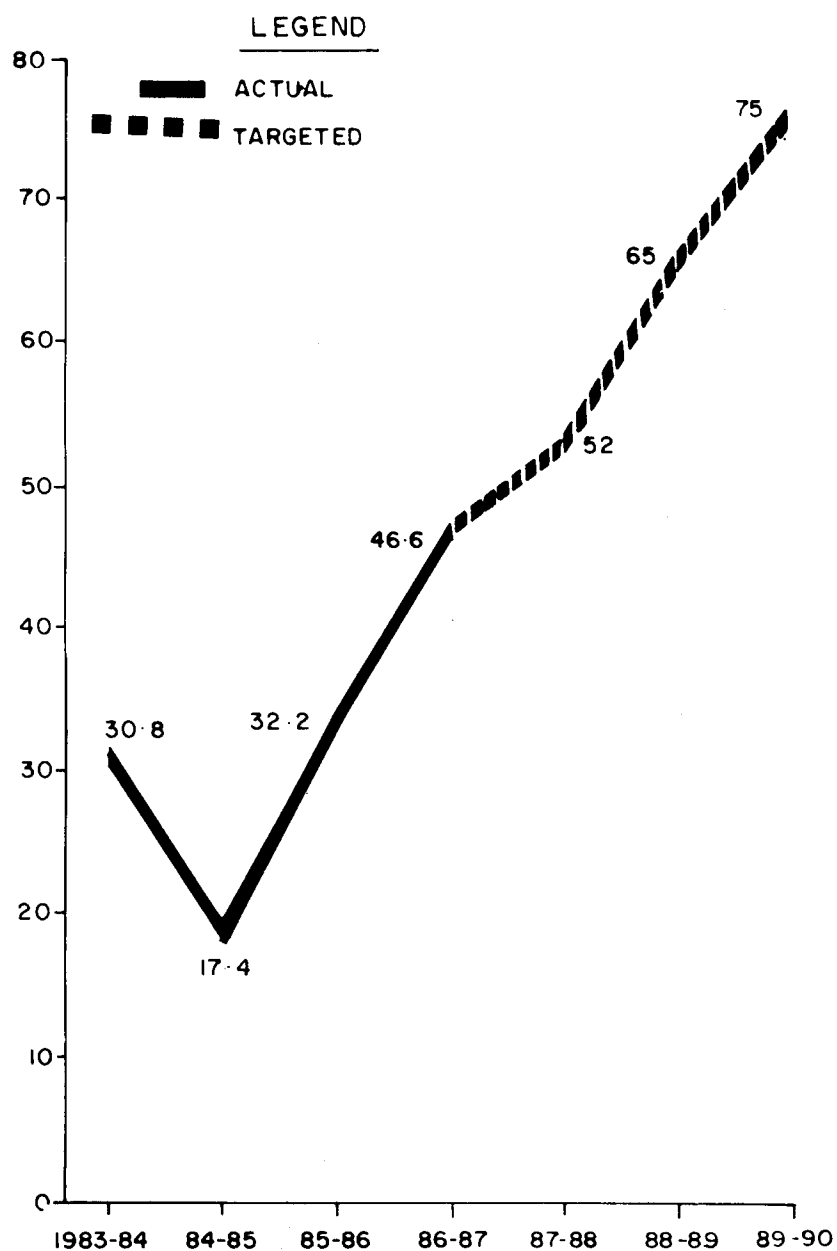


ANNEXURE V : IMPORT-EXPORT PORTFOLIO

CANALISED	1982-83	1986-87
IMPORTS	Asbestos Fertilisers Flourspar Non-ferrous metals Steel	Asbestos Fertilisers Flourspar Non-ferrous metals Steel
EXPORTS	Iron ore Chrome ore Manganese ore Coal Barytes	Iron ore Chrome ore Manganese ore Coal Bauxite
NON-CANALISED		
IMPORTS	Diamonds Mercury	Diamonds/Emeralds Mercury PVC resin Stainless steel
EXPORTS	Diamonds	Barytes Cashew, groundnut C.I. Fittings Diamonds/Emeralds Jute, soap Sewing machines Graphite electrodes PVC fabricated Cotton Naphtha Coffee, shrimps Rice, wheat Shellac, skin leather Tobacco Tractors, boot uppers Niger seeds Black pepper Minor minerals Electronic items Projects civil, railway Earth moving equipment Soya and others Tea machinery, utensils Mushrooms Xerox copier Iron ore concentrates PVC tubes Hand Gloves, carpets Chemical T.V. radio kits

Source: Annual Report 1982-83, 1986-87

ANNEXURE VI: FREE FOREIGN EXCHANGE INFLOW FROM EXPORTS AS % OF FREE FOREIGN EXCHANGE OUTFLOW ON IMPORTS



ANNEXURE VII : WORLD PRESS REPORTS ON MMTC

Urea : “Market shocked by Helm’s low price to India... brings further pessimism.” British Sulphur Corporation TIX — Jan. 27, 1986.

“India was... recently instrumental in setting a new low price of the Middle East.” Fertilizer Data Services, Nov. 1985.

“Shrewd purchasing by MMTC appears to have covered India’s requirements through to the end of the first quarter 1986.” Fertilizer Data Services, Dec. 1985.

“Urea prices are dropping further as evidenced... purchases by India’s MMTC last week at prices that represent new world lows.” Green Markets, Jan. 27, 1986.

“MMTC has effectively set the world price. Where contract prices are concerned MMTC was again the leader... by setting the cheapest price.” Green Markets, March 25, 1985.

“MMTC has been able to capitalise on reduced general demand on the Sulphur market.” British Sulphur Corp. — “Sulphur,” July/August 1986.

Source: Report of Press Conference organised by MMTC in April, 1987.

**ANNEXURE VIII : APPRECIATION OF MMTC's COOPERATION BY
INDUSTRY**

“MMTC's assistance and cooperation in regard to quick finalisation of demands and timely importation of steel is highly appreciated”.

D S Gupta, O.S.D. (Steel),
Ministry of Transport, Dept. of Railways

“Only with spontaneous response, help, co-operation, assistance and prompt service from the MMTC, we were able to procure 7800 MT of imported steel in a record time of 6 months. The contribution made by the MMTC towards completing the time bound project will be ever remembered by us.”

Brig. M A A Raja, Chief, Engineer,
Chief Engineers (P) Rly. Factory,
Secunderabad

MMTC, the present canalising agent, has been doing a commendable job. They have organised themselves in a proper manner and have been rendering very useful, gainful and timely services to the industries as a canalising agent.

N K Menon, Secretary
Organisation of Indian Engineering Industry
Calcutta

The Managing Director of THAISARCO has complimented MMTC in its success in buying tin at prices considerably below the market price having a difference of US \$ 150 between the market price and MMTC's purchase price

R L Narayan, Counsellor & DPR to ESCAP
Embassy of India, Bangkok

“We appreciate MMTC's efforts to break cartel and resist steep price increase”.

Indian Elec. & Electronics
Manufacturer's Association

Source: Report of Press Conference organised by MMTC in April, 1987.

ANNEXURE IX : OBJECTIVES AND PHILOSOPHY OF MMTC*

Objectives and Philosophy:

To acquire on the basis of excellence of performance a position of leadership in the trading community in India and a dominant position in the international market place.

To undertake and carry on a growing export trade on profitable terms, at our own account and risk, of new items, to new and diverse markets and, towards that, help develop and expand the supply base and infrastructure facilities and a catalyst.

To undertake imports of goods in such a manner as to get them at optimum price and at right time while ensuring stable sources of supply.

To play an important role in bringing about a favourable balance of payments position for the country by increased exports, counter trade, link deals and multi-country trading.

To be an instrument of the trade policy of India and to lead the country's efforts to become a trading nation.

To strengthen and widen import, transport and distribution bases, to make available imported goods on a continuous basis, at convenient places for the end users at fair prices and on fair and reasonable terms.

To achieve a strong financial position, sufficient to ensure the growth, financial independence and viability of operations.

To ensure reasonable return of funds used for trade and on resources invested by the shareholders.

To evolve a responsive style of management to ensure excellent working conditions and job satisfaction to employees, wages commensurate with performance, career advancement and goodwill amongst all employees and respect for the individual.

To maintain an entrepreneurial environment which will enable to attract and hold the highest calibre of achievement-oriented personnel.

To ensure continuous development of human resources best suited for international trade by evolving firm objectives and clear policies, to give adequate freedom and flexibility for individuals to perform with initiative and resourcefulness.

To evolve and practise sound commercial policies to build confidence in the minds of customers, associates and society at large.

To be ever conscious of increasing social role to ensure that benefits of trade flow to weaker sections and eliminate exploitation by middlemen in all fields of trade activity.

To manage the affairs in a way that would give its employees and shareholders a sense of pride and belonging to the organisation.

Source: Annual Report 1983-84.

ANNEXURE X: EVOLVING CORPORATE PROFILE, ACTIVITIES, SERVICES AND INVESTMENT 1983-84 TO 1986-87

Corporate Profile Year 1986-87

MMTC is continually endeavouring to equip itself to play a greater role in building the nation's economy. More than being a catalyst of economic growth or an agent of change, MMTC aims at breaking new grounds, introducing new concepts in import-export trade, opening world markets to small-scale entrepreneurs ... measures that will brighten the nation's prospects in international trade.

Activities and Services

- Exports of primary and manufactured products, projects.
- Imports of industrial commodities like ferrous, non-ferrous metals, chemicals, minerals.
- Third country trading and counter trade.
- Acting as agents and representatives for domestic producers.
- Domestic trade in bulk raw materials
- Providing trade services—insurance, shipping, financing, transportation and warehousing to Indian exporters.
- Investments in joint ventures in mining, transportation, manufacturing and trading activities.

Investment Activities

Providing new impetus to trading activities, and ensuring long-term benefits to the economy are the twin objectives of MMTC's investment strategy. Its investments are aimed at developing domestic and international trading, mining and manufacturing, transportation, warehousing, shipping and management of ports. In addition, it also covers a large domestic engineering and manufacturing base.

Year 1984-85

MMTC will use its buying leverage for promoting exports of Indian goods. It will also expand, on its own and through its associate and subsidiary corporations, into areas of source development, technology transfer, creation of infrastructure, organising and managing of resources, both within India and abroad. All this will lead MMTC into new markets, new products, new modes and means of trade.

- Commodity imports
- Exports of primary and manufactured products
- Third country trading and counter-trade
- Acting as agents and representatives for domestic producers
- Bulk trade of raw material
- Providing trade services—insurance, shipping, transportation, and warehousing to Indian exporters.
- Participating in joint ventures and investing in mining, manufacturing and trading activities in related business

MMTC's investment strategy is designed towards strengthening its trading activities and its general trade and towards conservation of India's resources. Today, MMTC is a part of the large Indian public sector group whose activities cover domestic and international trading, mining and manufacturing in minerals and metals, transporting, warehousing, shipping and managing ports. This group is supported by a large domestic engineering and manufacturing base.

Year 1985-86

MMTC today is India's largest trading company and sees itself as more than one of India's trading arms—as a catalyst of economic growth, creator of resource and an instrument that will shape India's Foreign Trade Policy.

- Exports of primary and manufactured products, projects
- Imports of industrial commodities like ferrous, non-ferrous, metals, chemicals, minerals
- Third country trading and counter-trade
- Acting as agents and representatives for domestic producers

MMTC's investment strategy is designed towards strengthening its trading activities and towards conservation of India's resources. It is part of the large Indian public sector whose activities cover domestic and international

90 Transformational Leadership

Annexure-X contd.

Corporate Profile

Year 1983-84

As the nation's economy expands, so does MMTC's role. Today, it is on the threshold of developing itself into a truly international trading organisation. The new Corporate logo symbolises this desire on the part of the Corporation to grow from a canalising agency to an international business organisation, expanding its activities in such areas as resources development, transfer of new technologies and organising business ventures in India and abroad: all activities oriented towards fulfilling the large expectations of the nation from MMTC.

Activities and Services

- Domestic trade in bulk raw materials
- Providing trade services-insurance, shipping, financing, transportation and warehousing to Indian exporters

To acquire on the basis of excellence of performance, a position of leadership in the trading community in India and a dominant position in the international market-place.

To undertake and carry on a growing export trade on profitable terms, at our own account and risk, of new items, to new and diverse markets and towards that end help develop and expand the supply base and infrastructure facilities as a catalyst.

To undertake imports of goods in such a manner as to get them at optimum price and at right time while ensuring stable sources of supply.

To play an important role in bringing about a favourable balance of payments position for the country by increased exports, counter trade, link deals and multi-country trading.

To be an instrument of the trade policy of India and to lead the country's efforts to become a trading nation.

To strengthen and widen import, transport and distribution bases, to make available imported goods on a continuous basis, at convenient places for the end users at fair prices and on fair and reasonable terms.

To achieve a strong financial position, sufficient to ensure the growth, financial independence and viability of operations.

To ensure reasonable return on funds used for trade and on resources invested by the shareholders.

Investment Activities

trading, mining and manufacturing, transportation, warehousing, shipping and managing of ports. This is supported by a large domestic engineering and manufacturing base.

To evolve a responsive style of management to ensure excellent working conditions and job satisfaction to employees, wages commensurate with performance, career advancement and goodwill amongst all employees and respect for the individual.

To maintain an entrepreneurial environment which will enable to attract and hold the highest calibre of achievement-oriented personnel.

To ensure continuous development of human resources best suited for international trade by evolving firm objectives and clear policies, to give adequate freedom and flexibility for individuals to perform with initiative and resourcefulness.

To evolve and practice sound commercial policies to build confidence in the minds of customers, associates and society at large.

To be ever conscious of increasing social-role to ensure that benefits of trade flow to weaker sections and eliminate exploitation by middlemen in all fields of trade activity.

To manage the affairs in a way that would give its employees and shareholders a sense of pride and belonging to the organisation.

Source : MMTC Annual reports 1983-84 to 1986-87

ANNEXURE XI: DEALS STRUCK IN THE NON-CANALISED GOODS AREA

1986-87 (A) *Minerals*

1. Kudremukh Iron ore concentrates to Japan : Rs. 42.85 crores

(B) *Metals Group*

1. Deemed Exports (IBRD tenders in India) : Rs. 11.22 crores
2. 3-way deal involving export of 82,000 tonnes of wheat against the import of 12,000 tonnes of zinc for a third country was concluded with N. Korea.
3. Exports: Iron ore concentrate, marine products, jute goods, soyabean meal, photocopiers, etc. Rs. 66.0 crores
4. Counter trade done by metals group: Exported earth moving equipment, tractors, sewing machines, 3-wheelers, bicycle parts, mopeds, tea, machinery, diesel engines, zerox copiers, TV/Radio kits, machine tools, hot shot cameras, engineering items and agro-marine products, etc.

(C) *Fertiliser Group*

1. Actual counter trade exports worth \$ 76.83 m. were made (including a carryover from the previous year). Items like naphtha, tobacco, cotton, coffee, rice, cashew and cardomom.
2. Soyameal was exported to Bulgaria, Libya and Iran.
3. Export order for 50,000 tonnes of wheat to Jordan 82,000 tonnes of wheat to DPRK.
4. Project exports
(Road construction project Jordan \$ 100 m.
HMT mechanical trg. centre project, Malaysia \$ 12 m.
5. Third country trade—Two consignments of urea purchased from Trinidad and Tobago values at US \$ 3.48 m. resold overseas.

Legend: Includes

1. Country trade
2. Third Country trade
3. Exports of new products in N.C. area
4. Deemed Exports

1985-86 (A) *Minerals group*

1. Iron ore concentrate (a) Japan (1.5 mt.)
(b) Yugoslavia (5000.000 t.)
2. A number of minor minerals to Japan, Kuwait, Singapore, Australia and non-canalised mineral products.
3. Graphite electrodes to Bulgaria.

Annexure-XI contd.

(B) Metals Group

1. Deemed exports of aluminium conductors under world bank credit from SEB, Rs. 19.0 crores worth order,
2. Counter trade
 - (a) Export of Iron ore concentrates (to Yugoslavia) petroleum products, engineering goods against import of steel products.
 - (b) Export of engineering products like tractors, sewing machines, against import of asbestos to Zimbabwe.

(C) Fertiliser Group

1. Counter trade
 - (a) Deal with Jordan for supply of earth moving equipment by BEML, against import of rock phosphate.
 - (b) Long-term agreement with Bulgaria for supply of soyameal against import of urea.
 - (c) Commitments from suppliers of fertiliser to buy Rs. 110.0 crores worth goods against our import of fertiliser— ranging from earthmoving equipment, oilseed extractions, agromarine products, petrochemicals and petroleum products.
 - (d) Tobacco to UK, rice to Dubai and Saudi Arabia, cotton to UK and Japan, and ferro manganese to Qatar against imports of urea.
2. Wheat exports (150,000 t) to Jordan and N. Korea.

1984-85 **(A) Minerals Group**

- (a) Exports of over Rs. 11 million worth of graphite electrodes to Romania*

(B) Metals Group

- (a) Exports worth Rs. 4.2 million
- (b) Counter trade deal for Rs. 3.5 crores with Zimbabwe for exports of tractors, sewing machines against import of asbestos.
- (c) IBRD tenders for supply of aluminium conductors
- (d) Link deals with Zambia for import of copper rods against export of engineering goods.

* Realised partly in 1984-85 and partly in 1985-86.

ANNEXURE XII-(a)

"Yes, I want to export, but..."

I have no experience

MMTC's goodwill, bargaining power and over 25 years of experience will work for you in about 65 countries around the globe, locating markets for your products. Plus, you have the benefit of MMTC's innovative strategies like Counter Trade.

I have no resources

MMTC will help you get financial incentives, assist in procuring imported raw materials at competitive prices and offer all the guidance you need-absolutely free.

I have no technology

MMTC will help you to acquire the technology you need for value-added exports. And more: MMTC can import the technology and in deserving cases, even finance the transfer.

I have no facilities

MMTC will take care of all your procedural formalities. Explore the global markets. Display your goods in trade fairs in different countries-putting you in direct contact with prospective buyers.

I have no market know-how

MMTC will advise you on the right strategies. And market your products at internationally competitive prices-even absorb foreign exchange fluctuations.

I have no..."

Well, MMTC thinks you can still have the world

Exports-a committed national priority. And a major area of thrust at MMTC. India's Rs.3000 crore, top flight trading company. Whose presence is increasingly being felt in every continent, in every significant market in the world-both developed and developing.

In 1985-86, MMTC's export earnings exceeded Rs.620 crore- an increase of as much as 65.5% over the previous year. Significantly, a 10-fold growth was achieved in non-traditional exports-covering an incredibly diverse range of products-tractors, earthmoving equipment and engineering goods, petroleum products, gems, and jewellery, brassware, photocopiers, foodgrains, sandal soap, computer software and a multitude more.

Claim your share in the world market. Start by mailing this coupon along with your company profile and let us know in what way we could be of help to you.

Company's Name:.....

Products Manufactured:.....

Official's Name:.....

Write to:

S.V.Ramani
Divisional Manager
Corporate Planning
The Minerals and Metals Trading
Corporation of India Limited

Notably, more than 80% of MMTC's non-traditional exports have come from the small and medium-scale manufacturers, like you. People who have been exposed to the world market for the first time, by MMTC.

What's more, all this costs you virtually nothing because MMTC looks at it as a social responsibility and an opportunity of taking India to the world. This New Year, gift yourself MMTC's Comprehensive Export Assistance Package.



MMTC

The Minerals and Metals Trading Corporation of India Limited

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Telephone:3318593

Telex: 65034, 65158, 62498

ANNEXURE XII-(b)

The good earth

*A treasure-trove of natural resources,
metal deposits and mineral wealth.*

But not all the lands have all the riches.

*Some have an abundance of iron ore,
some have copper, diamond and more.*

*Some have a surplus of potash, phos-
phorus or manganese, while some others
rely on imports for all these.*

*And yet, a nation needs them all, for
industry to grow, agriculture to flourish.*

*It takes a high degree of professional
expertise and a deep understanding of
different market needs, to link surplus
reserves with specific demands.*

Which is what MMTC does.

*The Minerals and Metals Trading Cor-
poration of India Limited.*

*An international trading company that
links India with over 65 countries of the
world.*

*Through export and import of a wide
range of minerals and metals-with a turn-
over exceeding Rs.1,300 crores.*

*Armed with two decades of experience
and a team of more than 3,500 devoted
people who are alive to their changing-
and more challenging-role in the future.*

*An awareness reinforced by a new thrust
and reflected in this new corporate sym-
bol-an expression of MMTC's global ex-
pertise in trading in a wealth embedded
in the bowels of the earth.*



MMTC

The Minerals and Metals Trading Corporation of India Ltd.

Express Building, Bahadurshah Zafar Marg, New Delhi 110 002.

ANNEXURE XII-(c)

CHANGE IS PERMANENT

Change is the essence of growth, an edict of management.

And, in today's world, the choice before an organisation is not between 'change' and 'no change', but between managing the change and being managed by events.

Change, when consciously imposed from within, opens up new opportunities, new avenues of growth. Paradoxically, the process of change is, and has to be, permanent.

This is the philosophy behind the changing role of MMTC- from a mere canalising agency to an international trading house.

Change, to MMTC, has meant putting its expertise in bulk buying and selling to larger purposes of national growth.

Like opening up global markets for India's small scale entrepreneurs

Opting new strategies like Third country trading, Three-way trade, Joint ventures both in India and abroad, Equity participation abroad in sources of raw materials as well as in basic inputs.

Entering the arena of non-canalised items- ranging from importing PVC resins and mercury to exporting diamonds and graphite electrodes.

Improving customer service by decentralising operations, streamlining

the distribution system and setting up Customer Service cells.

Reorienting the organisation to meet new challenges- through long-range planning, computerisation, systems reappraisal and organisational restructuring.

And this change already reflects in MMTC's performance. Non-canalised exports registered a fourfold increase in the first half of 1984-85, while the year's turnover is poised for a threefold rise. A record quantity of fertilisers was imported, at the right time, resulting in an all-time high foodgrain production and substantial savings in foreign exchange. Long-term contracts worth millions of dollars have been concluded for iron ore exports. For the first time, a counter-trade deal has been finalised with Zimbabwe for importing Asbestos against the export of engineering goods- an important step towards diversification and growth.

All this has led to increased employment opportunities which now exceed half a million and generated a new industrial and economic prosperity.

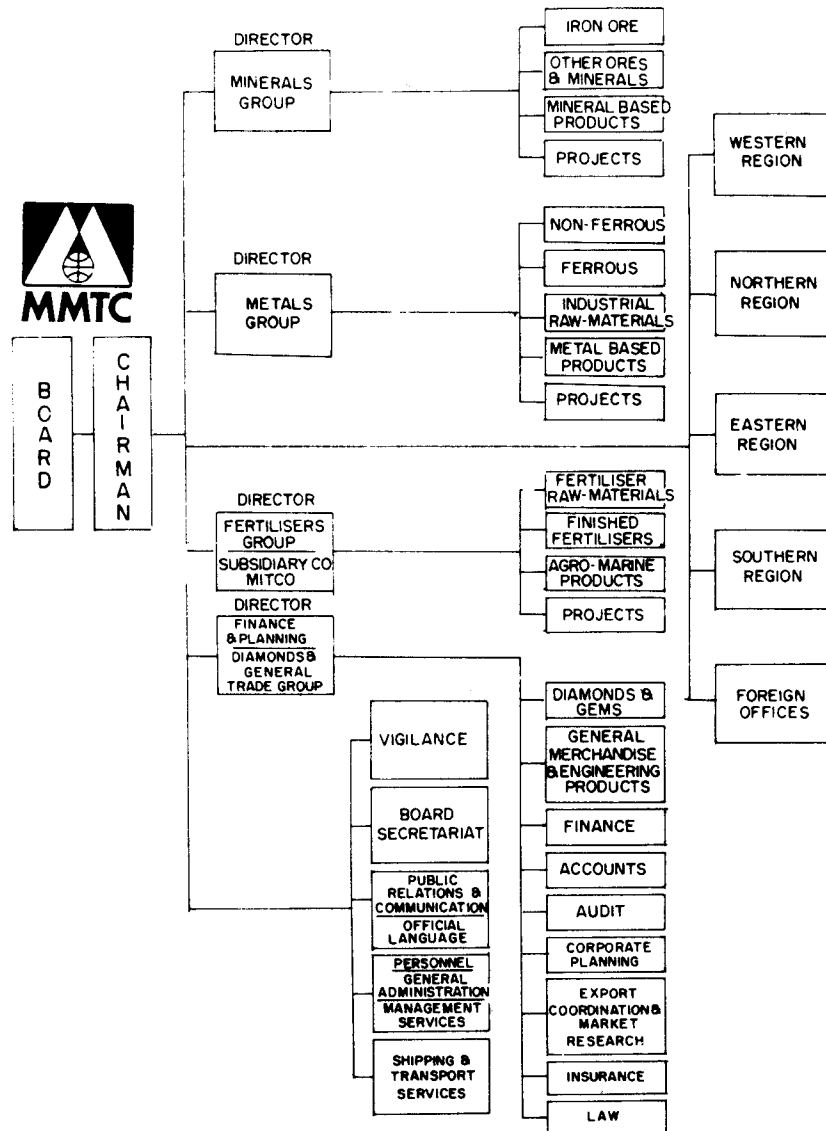
Yes, change is permanent. A philosophy chiselled in the minds of everyone at MMTC, the cornerstone of its success.



The Minerals and Metals Trading Corporation of India Limited

Express Building Bahadurshah Zafar Marg, New Delhi 100 002.

**ANNEXURE XIII: ORGANISATIONAL STRUCTURE OF MMTC —
1986-87**



ANNEXURE XIV: INTERNATIONAL, REGIONAL AND SUBREGIONAL OFFICE NETWORK

<i>1978-79</i>	<i>1979-80</i>	<i>1980-81</i>	<i>1981-82</i>	<i>1982-83</i>	<i>1983-84</i>
R.O Visakha- patnam Goa Bombay Cuttack Nalda Calcutta Haldia Madras	R.O Visakha- patnam Goa Bombay Cuttack Nalda Calcutta Haldia Madras	R.O Visakha- patnam Goa Bombay Cuttack Nalda Calcutta Haldia Bellary Madras	R.O Visakha- patnam Goa Bombay Cuttack Nalda Calcutta Haldia Bellary Delhi Madras	R.O Visakha- patnam Goa Bombay Cuttack Nalda Calcutta Haldia Bellary Madras	Visakha- patnam Goa Bombay Cuttack Nalda Calcutta Delhi Madras

International Network (1986-87)

<i>No. of offices 1</i>	<i>No. of offices 1</i>	<i>No. of offices 1</i>	<i>No. of offices 1</i>	<i>No. of offices 1</i>	<i>No. of offices 1</i>
Tokyo	Tokyo	Tokyo	Tokyo	Tokyo Bucharest	Tokyo Bucharest

<i>R.O</i>	<i>1984-85 Sub. R.O</i>	<i>R.O</i>	<i>1985-86 Sub. R.O</i>	<i>R.O</i>	<i>1986-87 Sub. R.O.</i>
Visakha- patnam Goa Bombay (1) Cuttack Barbil Madras Calcutta Delhi	Ludhiana Yamunapura Kanpur Jaipur (2) Moradabad Parwanoo Bombay (2) Kandla Ahmedabad Bellary Bangalore Secunderabad Cochin Ranchi Bhopal Haldia	Visakha- patnam Goa Bombay (1) Cuttack Nalda Madras Calcutta Delhi	Ludhiana Yamunapura Kanpur Jaipur (2) Moradabad Bombay (Diamonds Divison) Secunderabad Ahmedabad Bellary Bangalore Cochin Haldia Ranchi Bhopal Surat	Visakha- patnam Goa Bombay Cuttack Nalda Madras Calcutta Delhi	Moradabad Parwanoo Ahmedabad Bellary Bangalore Secunderabad Cochin Haldia Ranchi Bhopal Delhi Surat Belekeri Tirupati Ludhiana Yamunagar Kanpur Jaipur Patna (Mitco)

<i>No. of offices 2</i>	<i>No. of offices 2</i>	<i>No. of offices 4</i>
Tokyo Bucharest	Tokyo Bucharest	Tokyo Bucharest Amman Seol

WCL PENCH AREA—SOLO TO FOLK**(Sangachadhvam Samvadhadvam)***

The process of revival of the PENCH Area symbolises the popular folk tale regarding the old farmer and his four warring sons. The sons were at loggerheads and were bent upon annihilating each other. The father was very upset and concerned about their behaviour and decided to somehow change it. One day he called all the four sons together. He gave each one a stick and asked them to break the same— all the four sons could do this easily. After each son broke the stick, the father then produced a bundle of sticks and asked each one to break the bundle, which none of them could do. The father used this example to teach a fundamental life principle of the power of collectivity and unity— United we stand, divided we fall— to his sons. The present case highlights the importance of unity and collectivity in the transformation of PENCH area.

This case has been divided into three parts: Initially a profile is presented which focuses on highlighting the achievements of PENCH Area in the post-take over period of Sinha. Part I deals with problem identification and the actions evolved for the revival of the PENCH Area; Part II focuses on culture building efforts, whereas Part III examines the leadership and value profile of Sinha. For the purpose of this case study, data were collected from 112 respondents. Table 1 presents the sample profile.

Table 1: Respondents Profile

<i>Respondents</i>	<i>Number</i>	<i>Percentage</i>
Top management	16	14.30
Middle management	56	50.00
Lower management	40	35.70
	112 [(a)]	100.00

* “Meet together; Talk together; May your minds comprehend alike; Common be your action and achievement; common be your thoughts and intentions; Common be the wishes of your hearts— so there may be thorough union among you”— *Source: Rigveda.*

WCL, Pench Area: A Profile

‘Pench’ is the name of one of the areas (divisions) under Western Coalfields Ltd, which is a subsidiary of Coal India Ltd. The name is derived from the river Pench, which meanders through the hilly Satpura Valley in Chhindwara district of Madhya Pradesh. The coal mines in this area have a long and chequered history, having been owned by a number of private companies until 1975, when all private mines were nationalised and brought under the umbrella of Coal India Ltd. [(b)].

An examination of the performance of this area in 1986-87 throws up a number of remarkable achievements;

- (a) Appendix I indicates that there has been a steep rise in coal production from 19.30 lakh tonnes in 1984-85 to 27.02 lakh tonnes in 1986-87. This has been the highest ever production in Pench since nationalisation;
- (b) The area registered a quantum jump in productivity levels (measured through O.M.S.—output per manshift) from 0.61 in 1984-85 to 0.82 in 1986-87 (Appendix I)
- (c) Comparison of the losses in 1984-85 with the figure in 1986-87 shows a remarkable loss reduction of 903.37 lakh tonnes from 1706.22 lakhs to 802.85 lakhs. The per tonne loss came down from Rs. 92.72 to Rs. 30.81
- (d) In 1987, the ratio of fatal accidents per million tonnes of coal output is found to be very low (1.44), as compared to 3.37 in 1984, reflecting the excellent safety measures (Appendix II).
- (e) Pench area received the *Sarvottam Kshetra Puruskar* (Best Area Award) of WCL in 1986 as a recognition of its overall best performance on all fronts. It also received the majority of the prizes during the annual safety week organised by WCL in 1986.
- (f) One of the greatest achievements of Pench lies in bringing together unions of all hues (AITUC, Rashtriya Colliery Mazdoor Sangh—INTUC, BMS, HMS, CITU) on a common platform to take collective action for the benefit of Pench Area.
- (g) On organisational culture parameters, there has been a significant shift. In 1987, the values of culture mean scores (for details, see Table 2) are found to be more than on 6.35 on a seven-point scale across all the culture components, compared to the mean value scores of less than 2.50 against most of the culture elements in the pre-1985 era.

This profile of Pench is in sharp contrast to the situation which prevailed in the pre-1985 period, when a decision was taken to close down four mines, having repercussion on 2500 workers. This was to be followed by closure of other mines also in a phased manner

The pre-85 profile is presented below:

- (a) During the pre ‘85-era, production ranged between 17.52 lakh tonnes and 22.41 lakh tonnes (Appendix I);
- (b) The productivity levels hovered around 0.53 to 0.59 (Appendix I);

- (c) An examination of the profit/loss figures (Appendix I) indicates that the losses have been heavy—the area having accumulated losses of Rs. 91.54 crores since nationalisation.
- (d) The 1984-85 scenario was clouded by a turbulent labour situation. There was an all pervading fear psychosis among the people.
- (e) The organisational culture was quite gloomy and depressing. The mean value scores were less than 2.50 on a seven-point scale across most of the culture parameters (Table 2).

The pre-and post-'85 scenario is diagrammatically presented through figure I.

Based on the accumulated losses as well as the fact that Pench was a dying area with no cream reserves [(c)], Coal India took a decision to close down four of the most unprofitable mines—Bhamori, Newton Chickli, East Dongar Chickli, and North Chandamatta in October 1984. The proposed closure meant that 2,500 workers would be rendered immediately surplus and would have to be transferred. This created a state of panic among the workers, union leaders and local people. Pressure was brought on the Energy Ministry from various quarters to reverse the decision to close the mines. It was in these circumstances that Pankaj Sinha was asked to take over as the Chief General Manager, Pench Area, on May 5, 1985. The extraordinary profile of Pench described above coincides with his tenure as the Chief General Manager. What happened in this period and how was a doomed area revived? The present case deals with the revival strategy used at Pench.

PART I

PROBLEM IDENTIFICATION AND STEPS TAKEN

Sinha immediately initiated the task of re-examining the problem of Pench area from various angles. He personally visited most of the mines in order to gather first-hand information on the situation. "I used to speak to people from different disciplines, unions, technical and supervisory staff, to get knowledge about Pench area—it was some sort of data collection. The key men in coal industry are the overman, mining sardar, and other technical supervisors, [(d)] and that is why I wanted to have their views. They gave me a lot of information about coal deposits". "I next spoke to the timber gangs. Wherever I visited, I asked '*Chalo bhai bolo tumhara kya difficulty hai*'? (come on brothers, express your problems). Loaders also were asked to share their problems. Then I spoke to different groups of managers for 2-3 hours over tea, snacks etc., to find out their opinions". Sinha also had meetings with the sub-area managers where he used to invite ideas on how to improve production and revive Pench. Then he called various unions, their presidents, secretaries and other office-bearers and sought their co-operation in improving the performance of Pench Area. Next, he visited the union offices individually and had extensive discussions.

"He had a fresh look at the mines and felt there is some scope for improvement. Even in losing mines, analysis was done to check which portions have potential and which are completely depleted. In one mine, after

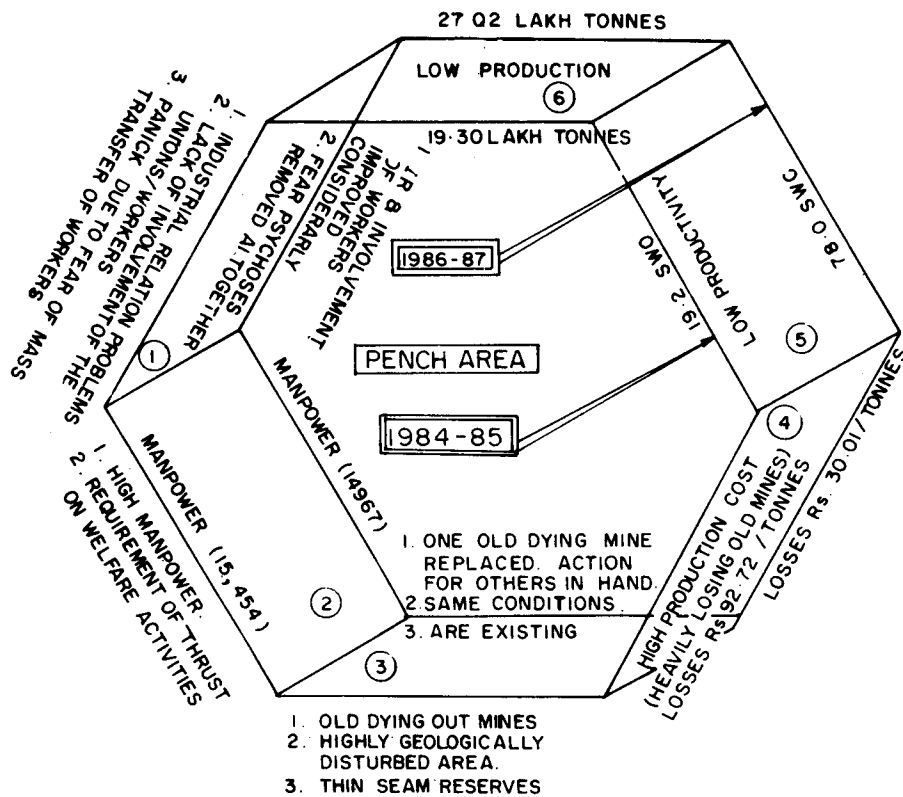


Figure - 1 Profile of Pench

thorough checking, we realised that there is no further scope in one particular area and therefore that portion was closed” (Dy. Chief Survey Officer).

“He went to each unit and discussed with the supervisory level (mining sardar and overman). He also called the union leaders and discussed with them. Many ideas and suggestions came out at these discussions. 5-6 meetings were held per unit. In addition, the total plans in different mines were studied and he reached the conclusion that there is scope for revival” (Manager 5).

“I got all of them (union leaders) together and told them: ‘look if we have to survive, then we have to do so and so things together; we have to make some sacrifices but ultimately, I assure you, our people will be benefited.’ Initially we had joint union meetings continuously for 6-7 days, then I had meetings with each union separately. I always say ‘I will not be here for long period. If you want to take advantage of my presence here, then go ahead. You have to be actively involved if anything has to happen here’ (Chief General Manager).

Information was also gathered regarding the non-work aspects —Sinha organised a series of dinners in the sub areas for the executives and their wives. “There he never talked about production, but asked about other kinds of problems, for instance, repair of bungalows, water, educational and medical facilities. In this way, many of the problems of people were collected in an informal environment” (Dy. General Manager).

Apart from technical and managerial problems, Sinha also noticed a critical human problem—“there was a vast distancing among the unions, management, and workers” (Manager). “There was no trust between the management and union; unions had no faith in the management. Officers were not concerned about human problems. They were indifferent and helpless because they were not getting the support which must be there from the top. As you well know, support from the top is a must for success in the Indian system” (Manager-10).

This kind of data collection went on for one-and-a-half months. Based on information gathered from various discussions, personal knowledge, as well as previous plans, Sinha next prepared a note on the economics of Pench area and sent it to the Chairman, WCL, and Chairman, Coal India. Then he discussed the same with his key managers to generate clarity.

In order to revive Pench area a number of steps were taken. These may be broadly classified under: (A) technical strategy; (B) managerial strategy.

A. TECHNICAL STRATEGY

The following steps were planned to increase production:

- (a) Opening of easy and productive districts: This was planned in seven different places (N Chandametta, Bhamori, Chandametta, Rawanwara, Rawanware Khas, Pench East and Shivpuri, underground (UG) mines) so that quick and perceptible results could be achieved.
- (b) A second strategy was to explore, plan schemes, and expedite activity for small patch deposits in five different places.
- (c) A plan was made to introduce mechanisation in Eklehra colliery.

- (d) Unproductive and uneconomical districts (Newton Chickli 12/13 pits, Newton Chickli 10/11 pits, East Dongar Chickli dip districts) were to be closed and replaced by two productive districts (Ganapati Incline in Newton Chickli and Number 2 seam at East Dongar Chickli colliery).

“I quickly got the go ahead from the corporate office to start the new projects, since the patches were small and it was within the CMD’s powers to give the O K” (Bigger schemes require permission from the CMPDI [(e)]). Quick results were visible, for instance, a quarry which was started in January began producing coal in March (Chief General Manager).

One of the sub-area managers narrated how people in his sub-area (one of the heavily losing sub-areas) used to come up with all kinds of suggestions. “Workers would come and say that there is a patch of coal at so and so spot and ‘let’s quarry it’”. Even a river-bed hardly having 50,000 tonnes of coal was quarried. Although such a small patch is generally not worked upon, CGM gave the permission to do so. Similarly, workers came up with the suggestion that open cast (OC) mining can be done at Vishnupuri until long term mining gets started. This was agreed to as a short-term measure and we got one lakh tonnes of coal from there. Even people from nearby villages (where the workers hailed from) came up and said, ‘Sir, I found coal in my well—you can try there’.

The deputy chief survey officer told us that working on small patches was a good strategy. According to him: “Small patches of 3 million tonnes capacity means nothing in a project sense (from the CMPDI point of view), but means a lot to us because it means 9-10 years more of mining work. While for massive projects, the gestation period is 6-7 years, for small ones, especially open cast, it entails only a few months. CGM told me: “I want easy patches, 5-6 lakh tonnes will do”. Nowhere have mines been opened on such small patches but we have done it, both OC and UG. The productivity we get out of these mines is definitely more than what we have got from the old mines” (Chief Survey Officer).

The senior personnel officer and chief of administration said: “Regarding small patches of coal, he did not go through the formal process of proposal, approval, etc., all of which can be very time-consuming. His style has been to take the full responsibility of getting things approved, and at the same time giving people the go ahead to start work”.

A long-term technical strategy was also worked out to sustain the area’s production at a reasonable level. Potential replacements for the dying mines, such as the Mahadeopuri incline, Gajandoh incline, Harabhata incline, were worked out. Thrust was also given for exploration of the shallow reserves on the eastern part of the Pench Area property. Thus, while the short-term strategy helped to bail Pench out of a difficult situation, the long-term strategy was designed to ensure the survival and continuity of the area.

Besides this, certain actions were taken from the technical angle in order to improve productivity. Dip side districts having roof problems due to high depth and long hauls, which were technically difficult to work from the existing openings, and also were low on productivity levels, were asked to

be stopped gradually. Secondly, the haulage layouts were reorganised so that minimum possible haulages need to be used.

B. MANAGERIAL STRATEGY

The actions taken under managerial strategy are broadly presented below under systems and boundary management.

1. Systems

A number of systems in the areas of manpower, despatch, welfare, safety, and quality control were initiated in order to achieve loss reduction, rise in production and productivity, and better price realisation.

- a) *Manpower*: Rationalisation and gradual deployment of manpower was arranged in all the mines by identifying the surplus manpower and utilising it in the new mines and districts. Surplus manpower was transferred within the sub-area and within the area for gainful utilisation in small patch deposits and other districts.

Given below are some of the other schemes worked out for efficient utilisation of manpower:

- (i) Willing workers were transferred to other areas of their choice in the company. Applications were called for from the willing workers and about 200 persons were sent outside the area.
- (ii) Voluntary retirement of female workers with a package deal of taking on their male dependents was initiated.
- (iii) Old and medically unfit cases were expedited with a package deal of taking their young male dependents. Most of them were asked to opt for employment outside Pench area.
- (iv) Six hundred unutilised surplus female workers were engaged in unconventional work, such as surface tramming, washing and greasing of HEMM, switch room attendants, fan khalasis and peons. An attempt was even made to engage them as tipper drivers.
- (v) The unutilised work force of the Central workshop, Chandametta, and other workshops was immediately geared up for the job of tub manufacture. These tubs are now being supplied to other areas of WCL and even to other subsidiaries of Coal India.

The various schemes to redeploy the work force succeeded only because of the total and complete support of the union leaders and the workers. According to a union leader: "C.G.M. told us that for survival of this area you must make some compromises and sacrifices. Your co-operation is essential". According to the chief general manager: "Transfers and redeployment of workers were done with the help and acceptance of the unions. Earlier, they were highly resistant to this. Today, people travel 12 kms from here by cycle to reach their mines. This has been the sacrifice they have made to keep this area alive. Earlier, they would refuse to do so... they used to demand that houses be built near the mines".

- b) *Work Environment and Systems*: A number of steps were taken to improve the physical conditions and also ensure improvement in O.M.S. The working conditions were substantially improved by remodelling the

ventilation system in the UG mines; providing drinking water at the mine faces; further improving the road conditions; general lighting; and dust suppression by water spraying arrangements.

A sub-area manager described Sinha's first visit to his sub-area thus: "Sinha told the people: 'you must build a play ground at this spot; install a water tap at so and so spot'. This had an immediate impact on the workers because for the first time they found that a Chief Executive was talking not of production but of facilities".

After visiting all the mines, the C.G.M. realised that there was an acute drinking water problem especially in the U.G. mines. Water used to be kept in drums and taken out by dipping a tumbler. Such an arrangement did create enormous caste feelings— "a Muslim drinks from the same drum, so I can't drink out of it; an S.C. (Scheduled Caste) drinks out of it and, therefore, it is unclean." As a result, many people did not touch the water. To avoid this in some of the very deep and long mines, an extra pipeline was laid to supply drinking water, and a push button system was provided. In this way, potential tension caused by caste or religious sentiments was avoided.

To speed up the output, thrust was given for the extension and shifting of haulages as close to the coal-face as possible, so that tub-loading can be done at zero lead, requiring very little walking from the coal-face to the loading point. Rail tracks were extended as close to the coal-face as possible so as to reduce the distances to be trekked by loaders, carrying headloads of coal from the coal face to the tubs. This helped ease the life of the loaders who were not interested in the extra money they earned but wanted some relief from the heavy physical work. This was further enforced by a directive issued by the CGM to the effect that the management will not pay beyond two leads [(f)] unless it is absolutely justified.

Coal tubs having 50 cft coal loading capacity replaced the older 40.50 cft capacity tubs. This automatically helped increase the O.M.S. Thus, instead of loading 3 tubs of 40.50 cft capacity each, 3 tubs having 50 cft capacity were loaded per day by each loader.

- (c) *Coal Quality*: Sinha found that the grading of coal was not done well and as a result the consumers (power houses) were paying only Rs. 157.00 per tonne. The system of joint sampling and analysis at the consumers end was strengthened by sending experienced persons. The coal got upgraded to C-D category, and this resulted in per tonne increase of Rs. 5.00 in sales realisation. To augment coal quality, crushers were installed. For appropriate sizing and improving quality, sufficient pickers were deployed at the required points. Besides this, people were educated about the importance of loading the right quality of coal (Dy. Sales Manager).

- (d) **Despatch System:** Rise in production should be accompanied by rise in timely despatch of coal. Failure on this count results in deterioration of the quality of coal in stock and subsequent loss of Rs. 5.00 per tonne (charged by the corporate office as cost on stock). Maintaining stocks also creates storage problems and is a potential fire hazard. A number of short-term schemes for speeding up coal despatches were worked out thus: Two underutilised railway sidings (at Newton-Chickli, and East Dongar Chickli) were revitalised. The loading capacity of the broad gauge siding at Parasia was increased. The ensuing improvement in despatches is given in Appendix III. This strategy helped in reducing stocks.
- (e) **Power Cost:** Steps were also taken to reduce power costs by eliminating penalty for excess drawal (through reassessment of requirement) and elimination of penalty on account of low power factor through installation of capacitor banks. Cost consciousness and monitoring systems were introduced to ensure minimum wastage of materials, especially POL (which is used in open cast mines), and explosives (used in UG mines). Steep costs (initial as well as maintenance) of timber supports was reduced by replacing them with steel supports, such as pit props, triangular chocks, girder support, roof bolting and arch support.
- (f) **Welfare Systems:** Almost simultaneously, a series of measures were taken to improve welfare systems for the people especially on aspects of standard housing, water supply (tackled through a scheme in co-operation with the State government with an investment of Rs. 11 crores), roads, grants to schools, sports, facilities (stadium at Chandametta, and sports ground at Shivpuri for football; cricket ground at Barkui and Parasia. sports ground at Newton; two more under construction at E. Dongar Chickli and Rawanwara collieries), and the installation of four dish antennae which help cover 50 per cent of the worker population. Pench has conducted three All-India tournaments (football and cricket), two inter-area/inter-colliery football tournaments, wrestling, and other sports activities at various units. A colony committee was constituted with funds to take care of sanitation, house-keeping, lighting and other community requirements.
- (g) **Safety:** Safety has been top priority and its success is amply reflected in the graph (See appendix II). Regular pit safety meetings were held; several refresher courses have been held for workers and supervisory staff. Within the mines, construction of steel supports helped improve safety levels. Emphasis has been laid upon regular and effective inspections. Besides, periodic guidance is given by the safety officer at the pit top to the workers at the beginning of each shift.
- (h) **Participative Management Systems:** This has been one of the first successful cases of introduction of participative management in the coal industry. The informal meetings which were initiated by the CGM were

subsequently formalised into a system of periodic meetings in order to sort out various problems. Joint co-ordination committees [(g)] have been constituted at the area and colliery levels with the aim of inculcating a spirit of cooperation. The members are representatives from the workers' level, having proportional representation across the various party affiliations like INTUC, AITUC, BMS, HMS and CITU [(h)], and an equal number of people from the management category. Maximum representatives are from the INTUC and BMS. There is a *samanvya samithi* each at apex (H.Q.), at the area (Pench) and colliery levels. At the area level, the *samanvaya samithi* (Joint Coordination Committee) discusses only policy matters. C.G.M. gives the production performance every quarter when the meeting is held. Based on the discussions, decisions are taken and implemented. Failure to implement is taken up at the next meeting. The main function of this Joint Co-ordination Committee has been to improve production, productivity, welfare and industrial relations. According to a Dy. Personnel Manager: "We have taken many decisions through this committee. It has become so useful that even on the matter of going on strike, they have agreed to first discuss it with the management. The system has been effectively utilised to take major decisions like transfer of workers across collieries as per requirement, and also for mass transfer within the sub-areas, and the area in certain cases, due to a closure of mines."

- (i) *Grievance Procedure*: A boost has been given by the introduction of three kinds of meetings: (a) weekly meetings at managers level; (b) monthly meetings at sub-area managers level; and (c) every two months at area-level with CGM. All senior officers and representatives of the unions at different levels participate in these meetings with the spirit of settling the grievances (Manager-12, Union Leader-8).

2. *Boundary Management*

By its very nature, the business of coal is fraught with the danger of breeding undesirable elements and illegal activity. The manpower is so vast and the terrain so widespread that maintenance of law and order is a herculean task. The active co-operation of the police, the district collector and magistrate are critical for maintaining law and order. An important boundary dimension requiring a lot of attention and management is that of the head office, by virtue of the fact that any effort to go beyond the *status quo* requires the approval of the H.O. On its part, the railways also affect the performance of the area, since movement of coal stocks out of Pench depends upon the regular movement of wagons, expansion of sidings, extension of tracks, etc. In other words, the entire network of people of these organisations has an impact on the smooth functioning of the entire area.

The Chief General Manager, Pench invested a lot of time and energy, not only to keep the entire network in good order, but also to earn the goodwill of the people in the surrounding areas. "When any help is required from outside, he involves people, and they go out of their way to help us; there

is a lot of willingness to co-operate” (Manager-4). A sales manager cited one instance of how some railway officials who visited the Chief General Manager managed to get things done on a Sunday. Their feeling (according to the sales manager) was that Sinha may not have realised that it was a Sunday, but since he asked the railway officials, they could not say “no” and somehow got things sorted out. A sub-area manager mentioned how, in 1986, a new project was stuck for want of equipment, which depended upon the approval of the H.O. Upon being told about this, the Chief General Manager arranged for a meeting at Pench itself (instead of the H.O. at Nagpur) inviting the director (project) and others from the H.O., and impressed on them the urgency of the requirements of the particular mines. Within a few months, the machines were delivered, and work started.

One of the managers described the experience in handling the law and order situation in Pench in 1985. Twelve unlicensed coal dumps used to operate from Pench area premises itself which resulted, among other things, in theft of coal and goondaism. Normally, such cases are handled by writing to the district administration and this takes its own time. Sinha took the State authorities into confidence. The matter was discussed with the Superintendent of Police, the Collector and District Magistrate, along with some key officers from Pench. A committee was constituted immediately by the Collector, and S.P. Within an hour, arrangements were made to capture all the dumps, before information of the impending raid could leak out. The police seized the coal and handed it over to the company. The coal was sent to the siding, and only after this, the genuineness of the cases was checked out. Immediately a decision was taken that the released coal should be taken out of the district within 24 hours, and that no coal will be allowed to be dumped within a radius of 25 kms. This practice was nearly eliminated, and automatically brought a lot of goodwill from the surrounding areas.

People started inviting Sinha as the chief guest for various functions in the community. “I used this opportunity to tell people what is happening in the coal industry, how they can involve themselves, because their living is dependent on it” (Sinha).

Sinha realised that many long-term plans submitted by Pench area were not cleared by the planning department because it was considered a loss making area. He asked them “why”? and they said: ‘this project will mean a loss of Rs. 20 per tonne’ “I replied: ‘look here, my Newton colliery is losing Rs. 400 per tonne. If I close down Newton and start the new project, it will be beneficial’. In this way, I could get the project cleared. I have almost stopped Newton and have shifted the workers to the new mine.”

Sinha could rekindle the interest of the head office by this type of argument and by the comprehensive schemes which he had worked out. “The earlier orientation was that the directive is coming from the top and must be implemented. They are not Gods, they can be wrong, so it is important to go and discuss. If I am wrong, they must say, I am wrong; if I am correct, they should rectify their reports. That happened. The earlier plans were not bad, but the required efforts to push them through were not being made” (Sub-Area Manager-3, Manager-6, Union Leader-8).

Yet another instance was described by a manager: “A small patch of coal was found in a nearby area. Sinha went there, saw the patch, and directed people to start work immediately. A week later, the problem of ownership of the land came up. The matter was taken to the court by the owners and there was a stay order. Work was stopped for two days, but subsequently the stay was vacated, since WCL, Pench, paid the full compensation to the owners. “Although the State government normally takes one month to fix the compensation amount, and since we had already started the work, we approached the district magistrate and said: ‘we have started the work, because coal is available here’. The district magistrate went out of his way to help, WCL, Pench, by fixing the compensation amount very quickly. This was possible because we had good relations with the district magistrate”.

A good relationship was developed with the government, according to the Personnel Manager. “The other day, one of our men was assaulted by an anti-social element. Within an hour, the police rounded up other such people. Normally the police expects you to go to the station and give the complaint in writing and the entire procedure becomes too time consuming. In this case, they worked on the basis of a single telephone call from us, even came to the hospital and supervised all the arrangements.”

People in the surrounding community like an officer from a bank, a teacher, the S.P. (Superintendent of Police), as well as a businessman, all felt that Sinha went out of his way to cultivate good relations; he had done a lot for the area, and they were ready to strengthen his hands by extending all co-operation to him.

PART II

A. CULTURE BUILDING

The steps taken at the strategy level were further supported and reinforced by efforts put into the shifting the organisational culture in order to make it more conducive to efficient functioning. In this part, we shall first examine the organisational culture positioning in Pench area in the pre- and post-take over period of Sinha. This has been done in order to highlight the magnitude of culture shift. After highlighting the quantum of culture shift, we propose to deal with various dimensions of culture change, and the process and modes adopted in Pench to achieve this culture change.

- (a) *Culture Shift*: Table 2 presents the perceived organisational culture positioning of the Pench area in the pre-and post-take-over period of Sinha. An examination of this table brings out a depressing picture of the culture scenario in the pre-take-over period. The values of mean score across all the culture dimensions were found to be less than 2.50 on a seven-point scale. However, this is not so in the case of role clarity and rules/regulations. In these cases, mean scores work out to be 2.58 and 2.66, respectively. As against these, the values of mean scores in the post-take-over period of Sinha demonstrate a fairly high culture positioning across all the culture dimensions. The values of the mean scores were more than 6.50 in eleven cases, more than 6.40 in three, and more than 6.30 in two cases. A comparative analysis of the pre-and post-take-over

Table 2: Pench Overall Culture means, SD and t Value before and after takeover by Sinha*n* = 77

<i>Dimensions</i>	<i>Before</i>		<i>After</i>		<i>t * value</i>
	<i>Mean</i>	<i>SD</i>	<i>Mean</i>	<i>SD</i>	
1. Communication and information flow: (a. vertical b. horizontal)	2.10	1.44	6.64	0.78	21.29
2. Target setting process	2.18	1.32	6.66	0.60	26.51
3. Team work	2.26	1.29	6.69	0.57	25.33
4. Role clarity	2.58	1.47	6.58	0.66	20.54
5. Rewards	2.42	1.39	6.49	0.75	19.51
6. Decision-making process	2.08	1.31	6.43	0.99	20.90
7. Motivational commitment	2.19	1.40	6.64	0.65	22.07
8. Industrial relations	2.04	1.28	6.60	0.75	23.35
9. Innovation/creativity	2.05	1.35	6.56	0.70	22.83
10. Rules/regulations	2.66	1.54	6.35	0.93	15.39
11. Risk	2.27	1.41	6.57	0.80	21.22
12. Problem-solving	2.47	1.37	6.69	0.67	22.01
13. Conservative-dynamic	2.29	1.41	6.74	0.64	24.40
14. Easy going-firm	2.43	1.53	6.49	0.94	16.56
15. Concern for people—low-high	2.27	1.44	6.53	0.88	19.38
16. Concern for task—low-high	2.38	1.59	6.69	0.57	20.59

* t value to be significant at $p \leq 0.05$, should be ≥ 2.00

scenario thus reveals a significant culture shift in the Pench area. All the values of 't' score are found to be significant at $p \leq 0.05$.

Table 3 demonstrates the perceived culture scenario across managerial hierarchy. This has been done with a view to finding out the extent of perceptual similarity and the divergence among the three groups of managers—top, middle, and lower. This table indicates an enormous perceptual similarity about the culture shift in the Pench area. The values of 't' across all the culture parameters are found to be significant at $p \leq 0.05$. This has been so across all the three managerial groups—top, middle and lower.

(b) *Dimensions of Culture Building*: The culture level changes have been organised around the following themes:

1. From Alienation to Involvement and Commitment
2. From Boss to *Karta*
3. From Fear to Confidence
4. From Power to Responsibility Orientation
5. From Confrontation to Collaboration
6. From Individual to Collective Problem-Solving
7. From Indifferent to Supportive Environment
8. From Inequality to Equality of Ideas
9. From Policing to Autonomy
10. From Procedure to Result
11. From Production to Welfare
12. From Anonymity to Recognition
13. From Division to Unity
14. From Organisation to Community

Table 3: Organisational Culture Positioning in the Pre- and Post-Take-over Period of Sinha Across Managerial Hierarchy

	<i>Top Level (n = 8)</i>					<i>Middle Level (n = 41)</i>					<i>Lower Level (n = 28)</i>				
	<i>Before</i>		<i>After</i>		<i>t value*</i>	<i>Before</i>		<i>After</i>		<i>t value**</i>	<i>Before</i>		<i>After</i>		<i>t value***</i>
	<i>Mean</i>	<i>SD</i>	<i>Mean</i>	<i>SD</i>		<i>Mean</i>	<i>SD</i>	<i>Mean</i>	<i>SD</i>		<i>Mean</i>	<i>SD</i>	<i>Mean</i>	<i>SD</i>	
Communication and information flow: (a. vertical, b. horizontal)	1.25	0.46	6.88	0.35	30.74	2.24	1.41	6.61	0.77	15.42	2.14	1.60	6.60	0.88	11.16
Target setting process	1.25	0.46	6.88	0.35	30.74	2.17	1.34	6.71	0.51	18.93	6.54	1.35	6.54	0.74	14.98
Team work	1.63	1.06	6.88	0.35	14.35	2.34	1.24	6.66	0.58	17.41	2.32	1.42	6.68	0.61	14.93
Role Clarity	2.75	1.28	6.88	0.35	8.00	2.73	1.55	6.59	0.67	13.14	2.32	1.42	6.50	0.69	14.35
Rewards	2.88	1.36	6.88	0.35	7.48	2.44	1.29	6.44	0.81	13.59	2.25	1.56	6.46	0.74	11.78
Decision-making Process	1.13	0.35	6.88	0.35	35.13	2.24	1.26	6.29	1.06	13.57	2.11	1.45	6.50	1.00	12.97
Motivation and Commitment	1.13	0.35	6.75	0.46	21.38	2.41	1.38	6.61	0.67	15.11	2.18	1.49	6.64	0.68	12.73
Industrial Relations	1.38	0.52	6.75	0.46	20.43	2.15	1.30	6.63	0.73	16.71	2.07	1.39	6.50	0.84	12.50
Innovation/Creativity	2.13	0.64	6.75	0.46	17.58	2.66	1.33	6.56	0.63	16.00	2.46	1.53	6.50	0.84	12.65
Rules/Regulations	3.25	1.39	6.50	0.76	8.88	2.71	1.44	6.27	1.03	10.57	2.43	1.71	6.43	0.84	9.23
Risk	2.00	0.93	6.88	0.35	13.91	2.49	1.38	6.56	0.67	14.65	2.04	1.56	6.50	1.04	12.22
Problem-Solving	2.25	0.89	6.75	0.46	11.91	2.66	1.48	6.66	0.62	13.89	2.25	1.32	6.71	0.81	15.00
Conservative-Dynamic	1.63	0.74	6.75	0.46	17.37	2.46	1.50	6.78	0.48	16.91	2.21	1.40	6.68	0.86	13.81
Easy going-Firm	2.00	1.31	6.63	0.52	8.19	2.63	1.58	6.46	1.05	10.37	2.25	1.51	6.50	0.88	11.39
Concern for people— Low-High	1.50	0.54	6.75	0.46	21.00	2.54	1.55	6.63	0.62	13.85	2.11	1.37	6.32	1.22	10.29
Concern for task— Low-High	1.75	1.04	6.50	0.76	8.05	2.56	1.63	6.68	0.57	13.99					

* 't' value to be significant at $p \leq 0.05$, should be ≥ 2.36 .

** 't' value to be significant at $p \leq 0.05$ should be ≥ 2.02 .

*** 't' value to be significant at $p \leq 0.05$ should be ≥ 2.05 .

1. From Alienation to Involvement and Commitment

A high degree of involvement has been generated in the people of Pench after 1985. All the interviewed employees (officers as well as workers) said that earlier the morale was low. There was a feeling that nothing could be done to revive Pench area. All the managers, including the general managers who came to Pench, were eager to complete their tenure and move away. So strong was the belief that officers concentrated their efforts only on the better mines, wanting to maintain the *status quo* (Union Leader-4); officers hesitated to modify or change the plans which existed (Deputy Chief mechanical engineer). “If we are loading 20 wagons from this siding, then we can’t do more than 20 (Deputy Sales Manager) was the feeling, and this reflects the focus on maintaining the *status quo*; “fill a tub and collect money” was the attitude of the loaders, not having any further concern for the place. There was a sense of alienation and apathy—the feeling that nothing can happen here, and that “our plight can get worse” (Worker-10, Union Leader-6, Manager-10).

The first thing which Sinha did, when he joined, was to visit each mine, speak to people and find out their problems. This itself shook up the people since it was the first time a chief executive of the area had visited all the mines, spoken to people about their problems and invited their opinions. When individual found that their alternative ideas were being accepted by the C.G.M., they felt excited, which, in turn, inculcated in them a sense of involvement. Even the workers, especially those from bad mines, got involved when he asked them to begin work on alternative open cast patches. His immediate decisions, as well as his talks, requesting the cooperation of all to save the area brought about a sense of involvement in everybody. Even people from the surrounding areas came to suggest the likely places where coal might be available. C.G.M. narrated that even his own *chaprasi* came up to him and said: “Saab, there is coal at such and such place, you must go and see”.

The decision to go for alternative mining on small patches was actively communicated to the people and they responded in equal measures. They willingly responded to the C.G.M.’s call for cooperation to save the area from closure (Manager-8, Sub-area Manager-2, Union Leader-8, Worker-12).

Over a period of time, the sense of involvement and belonging was further reinforced through the process of information sharing. At every gathering of the managers and workers, Sinha spoke about Coal India and that they are also part of the same organisation. Speaking about the performance of the area, Sinha started saying: “If your area has achieved such and such, it is because of your effort” or “your area has made so and so losses.” This information was given to increase their sense of identification and belonging to the area. One of the assistant managers said: “First the managers were involved through the process of sharing and discussing problems with them, then the union leaders and workers.”

An index of the level of involvement and belonging is the experience of the chief survey officer when he visited Newton, Chickli (one of the worst mines) in 1986. The workers told him with pride: “Sir, we have achieved

our target.” The officer said this was a remarkable change in their attitude and behaviour from the earlier situation.

As production began to rise, greater attention was paid to improve the grading of coal and its despatch. “A little attention from the C.G.M. resulted in a jump in the number of wagons loaded per day from 20 to 60” (Dy. G.M.). One of the trade union leaders attached to the sales department was actively involved to educate loaders on the importance of loading the right quality of coal, the negative effect of loading the wrong grade on the buyer (power house), and also how badly this reflects on the loaders themselves. The scenario has changed dramatically according to one of the sub-area managers: “when union gives us notice of a hunger strike and we question them, they say, ‘Sir, we will do our work, but also strike for our genuine demands.’” Another sub-area manager said: “when workers are not happy with some officer or supervisor, they shout and make noise. They tell me—‘Sir, why are you afraid, we will work for the organisation, and also for our union, we will not leave this mine’. This reflects the growth of a tremendous sense of commitment to the area. The earlier sense of alienation and apathy were thus converted into action, involvement, a sense of commitment and belonging.

2. From Fear Fychosis to Trust and Confidence

The experience of 1984-85 in Pench area left a deep impression on the people. “Not only had the management decided to close down four of the mines in 1985, they even started breaking down the wooden girders which supported the ceiling in the U.G. mines” (Deputy Manager). This left a strong sense of fear in the people. They were afraid of being uprooted and transferred, if not immediately, then in the near future (Manager). There was despondency and despair. The feeling was that the mines are dying and, therefore, nothing can be done here. When Sinha showed the desire to revive the area, visited the mines, and emphasised the need for their cooperation, people accepted the idea whole heartedly. They gave full cooperation to the management in the hope that they would help them save the area. “Seeing all the activity, the new investments on welfare and new machines in the area, we got the confidence that we will not be transferred from here” (Worker-12). A Dy. C.M.E. said: “workers, union leaders, and officers have got confidence in Sinha because he has thought of the welfare and upliftment of the people besides emphasising production and productivity. He is sympathetic, listens to problems carefully and gives suggestions and quick decisions. He has channelled the mood of the people for the benefit of the area”. As a consequence of the above mentioned actions, a feeling of security developed and this gave a boost to people’s involvement. After the positive results of the hard work of 1985-86, the confidence level of the unions reached a high point. They said: “there is potential in this area, we can do the job” and they also convinced their workers. According to the Dy G.M., “a new mood began to pervade among the union leaders of the area: “We should not stop work for any reason. We should finish our work and then fight with the management for the genuine cause.” This type of temper still continues among the

union leaders and workers. Today, the workers say: “We are the persons who have given this area a new life. We have done this.” One trade union leader said: “How can we get tired or defeated?”

3. From Indifference to Support

The earlier situation was characterised by an indifferent attitude. This is reflected in the following comments: (a) “On the one hand, loaders were not loading coal according to the required grade. On the other hand, as managers, we were quite lenient about the grading because there was no pressure on us” (Dy CME). (b) “Neither were the managers nor the loaders bothered about increasing the coal loading from 20 wagons per day” Sub Area Manager). Officers looked upon Pench as some kind of a punishment posting. “They were more bothered about completing their tenure and moving away” (Trade Union Leader). Since the pervading belief was that it was a dying area, even a semblance of managing the situation was low and things were allowed to slide down. Although some plans to improve the area existed, no manager was willing to take action for fear of showing poor results (Deputy Manager-5). “Decisions on many issues were pending” (Manager-4) and it looked like people were working towards fulfilling the prophecy that Pench would be closed down.

Sinha set about changing this cultural dimension through his own behaviour. “His style is to take full responsibility if things go wrong and give full powers to his juniors to get things done. This really encourages a man to go ahead and work fast. When any decisions are taken, he expects quick implementation”. (Dy. C.M.E., Dy. G.M. Sub Area Manager-3, Manager-8, Deputy Manager-10). A sub-area manager said: “An efficient person only needs support from the top, that is enough and this is what Sinha gave us”. He narrated one example regarding sanction for vehicle which have to go to Nagpur (to the headquarters located 3 hours away) – “I send them as per requirement and get his signature later. He (Sinha) says: ‘you carry on with the work, the responsibility is mine.’ This has developed confidence in the managers. Now, we can get our work done, get our sanctions through, without waiting for formalities and, therefore, the whole work process has become faster. We take it for granted that whatever we do, will be supported by Sinha, provided we can explain the reasons”.

“People are confident that CGM will not harm them by writing poor CRs in case things go wrong” (Dy CME). “He gives us tremendous and timely support” (Dy GM). Now that every aspect of activity in Pench area from excavation to despatch was focused on by the management, there have been a lot of improvements on all fronts. The initiative taken in mobilising a larger number of wagons per day for coal despatch has resulted in an increase in the wagon loading from 20 wagons per day to 60 per day. The stringency in grading of coal has increased now, especially since support has been given by appointing joint quality verifiers from the client’s side and the producers’ side. The supportive attitude of the top is amply reflected in the following instance: One manager narrated how machinery meant for a different mine was diverted to help out his sub-area, which had the potential to give coal

quickly and at lesser cost. This reveals the culture of appropriate channelling of resources for achieving results and also supporting people and backing them through resource mobilisation.

4. From Rules and Procedures to Results

“Earlier we were more bothered about maintaining the *status quo*. We did this more as a precaution, so that we did not get into trouble for any reason” (Manager). “Things moved very slowly here” (Assistant Manager).

The focus has been shifted now to result orientation. A manager from one of the poor performing sub-areas narrated an incident which highlights the shift in culture: “Once the CGM, my deputy chief surveyor, and myself were discussing plans to open new mines when C.G.M. had come on a visit to my sub-area. I was telling him, ‘Sir, if we go for underground mines, it will take us two years time. Instead, we should go for open cast mines’. I told him about a potential place, close to the main road. The deputy chief surveyor was reluctant and said that it would be problematic to start work on this spot. Sinha started laughing and said ‘The operations man is ready to start work, but you are delaying. Let him try’. Then he turned to me and said, ‘You go ahead.’ When I asked him about the sanction, he said, ‘I tell you, it is my responsibility to get the sanction. You start the work’. This particular patch began yielding results in one-and-a-half months”.

A manager shared his views thus: “He says the responsibility is mine, you go ahead and do the work. It does not mean that rules and regulations are not observed here. But earlier the focus used to be more on rules and less on results” (Deputy Manager). “Once he asks us to do something, we go ahead. There is no botheration about problems of getting materials, money, etc. We are confident that these problems will be sorted out, because achieving the work is more important” (Manager).

5. From Policing to Autonomy

There is no attempt to centralise and hold things at the top, whether it is information or new ideas or decision-making authority as was the case before Sinha. Today people need not stall their ideas and actions awaiting CGM’s sanction. “If it is for the good of the area and you have the logic for having taken a decision, there is no problem at all” (Dy. G.M.). “C.G.M. gives only the general guidelines, he never interferes with our functioning. We go to him only when we have a problem” (Dy. C.M.E.). “Now the goal is clear and we are given a free hand to work and give results”...(Manager).

“He has so much confidence and trust in us, many times he does not even read the papers we send to him for signature” (Dy. C.M.E.). This further reflects that the tendency is to give autonomy of operational action rather than to ‘control’. However, he demands results and this keeps people on their toes.

This culture is quite different from the earlier situation where the focus had been more on rules, doing the right thing and following orders from above. The top management of the area used to accept fully whatever the headquarters wanted them to do (Dy. G.M.). As such, the area itself did not

keep the initiative in hand, much less allowing it down the line. Unfortunately, they were also overwhelmingly in agreement with the H.O. opinion that Pench was 'dying' and as a result no fresh efforts were made to re-examine this belief.

6. From Confrontation to Collaboration

The culture prevailing at Pench in the pre-85 period was confrontationist, management versus union, management versus workers, union versus union. Unions were busy in getting their demands (both genuine and non-genuine) accepted. The unions' stance was one of entitlement devoid of di'anta. According to a trade unionist, "we used to make demands and go on strikes. Maximum number of strikes were launched by us just before Sinha took over. We were not interested in the future of the area or its growth. Management also did not take care of the happenings in the area. There used to be too much of '*maar peet*' and a lot inter-union rivalry".

According to a teacher from the nearby town of Parasia: "Earlier the unions never saw eye to eye. It is CGM's achievement that he brought them all together. A deputy manager said: "Previously leaders of various unions would never come together on a common platform. The leaders of the two major unions used to refuse to even sit together. It used to be difficult to co-ordinate the work of all the unions. There used to be a lot of plans and strategies to seek unions' opinion, criticism and, in effect, their involvement. However, this never materialised".

The major proof of collaboration between the management and the union came about when the latter agreed to, and supported, the transfer of surplus labour to nearby mines in the same area. Secondly, the unions convinced their workers to go on cycles (12 kms from their homes) to the new mines, and not demand that quarters be constructed before they started work in the new mines. This collaboration between the management and unions was given a formal shape when the *Samanyaya Samithi* (through the system of the Joint Management Councils) experiment was first tried out by WCL at Pench. Most people (90 per cent of the respondents) said that the process of discussions between the management and the unions had already been started by Sinha at Pench earlier. One trade union leader said: "Very good decisions have been made by the S.S. Law and order situations were decided jointly and one person was even thrown out based on the mutual agreement. We came closer to each other. Minor conflicts were discussed and sorted out among us—sometimes between unions, sometimes with the management. 90 per cent of the inter-union rivalry stopped and the manipulation by unions also stopped because now we talk together". According to a Dy. Manager, the S S has a good future because it brings the management and the unions together, generates collaboration and promotes a spirit of joint decision-making. Earlier, it used to be management versus union. Collaboration today has become a binding factor on both sides. "It has taught us the value of living together and working together. There is no such thing as 'we' versus 'they.' Today, there is only a feeling of 'we'" (Manager-5, Union Leader-10).

7. From Power to Responsibility Sharing

The earlier behaviour of each union was that of grabbing more power from the workers and management. The battle lines were clearly drawn and the unions were fighting one another. Not only were there fights among the unions, but also unions used to fight with the management to prove their supremacy. In both types of battles, there was a need to make a show of strength - how many strikes a union has succeeded in organising, or how many demands they have got the management to concede being the indices.

Sinha's effort to actively seek the co-operation of the unions for the revival of the Pench area and bring them together satisfied the unions' power and recognition needs. Along with this, Sinha instilled in the unions the culture of responsibility, that of making them responsible for performance (Dy CME). "One day he threw a challenge to the union leaders in Eklehara mines - 'we want so and so number of tubs of coal today from this mine'. He said this would indicate just how much clout we had with our members. The unions got together and exceeded the set target, that too without mechanisation. In another instance, he told me, 'you have a hold in so and so area, and, therefore, you must show so and so amount of production'" (Trade Union Leader-4). Each of the union leaders was persuaded to adopt a mine and take care of production and productivity (Dy CME). "Our grievances and IR problems are there even today. However, we don't allow it to interfere in our day-to-day work" (Trade Union Leader-8).

"Once Sinha Saab raised the issue of workers signing the attendance register and leaving the work place in Eklehara mines. We (office-bearers of all the four unions) went to Eklehara and checked the register to identify how many people had signed and left. We decided to suspend them first, then conduct an inquiry. Many of them gave reasons for their absence, but eight of them had no excuses at all. All four union leaders decided that the eight had to be punished and they were transferred out of the area. This had the desired effect on other people (Trade Union Leader-12, Manager-8, Dy. Manager-6, Dy. CME-1).

Another type of responsibility sharing was with regard to transporting coal from the coal depots. "Initially the management of one depot was handed over to the majority (INTUC) union leader. Soon, the BMS also demanded that the management of the other one is handed over to them. Now both the depots are functioning much better than earlier, when they were managed by engineers. The competitive spirit which developed between the two unions has helped the management enormously. It is not that the engineers are not there, but the union leader is also held responsible for the result" (Manager-6, Dy. Manager-10, Union Leader-12).

Gherao of officers, which was a daily occurrence, has almost disappeared. Production has risen significantly. There have been no strikes at all. Thus, the unions really took their responsibilities seriously (Dy CME, Union Leader-8).

8. From Individual to Group-Problem Solving

The introduction of SS, through the joint management councils, gave a real boost to the group problem-solving approach in Pench Area. Many complicated issues were brought up for group discussion to iron out differences and work out a solution. “We have sorted out 60-70 cases of assault and threat through the SS. The union leaders are also enthusiastic because some dismissal cases which were languishing for 8-10 years were sorted out through this forum. In SS, we also criticise each other. I have scolded and influenced other unions, and this is a great thing. Issues which no court could have solved, have been solved by us through the SS. From this you can yourself judge the value of working as a group – SS is a principle – a *sidhantha* and it has become part of us” (INTUC leader and HMS leader). “Minor conflicts have also been sorted out by us. We don’t leave any matter pending” (BMS leader).

A deputy personnel manager mentioned to us that group problem-solving through SS has been a great success in Pench. In fact, even on matters such as going on strike, the unions first discuss with the management. They have accepted the condition that if any union breaks this norm, the management has the right to break off negotiations with that union”. A Dy. CME explained how group problem-solving through SS helps: “If some question is raised by one union and if the particular problem is common to all, it gets priority in SS deliberations. Besides, the management on its own also assigns high preference to such problems and both the management and the unions try to solve such problems quickly in a spirit of joint endeavours. On the other hand, if the problem is brought up by one union, and the other four do not support it, then the demand of the that union gets less priority. For us, organisational goals are now more important than our goals” (Union Leader-6). “Once we come to an agreement, we do not differ. Discussing as a group has helped us tremendously in getting solutions. SS is very useful in solving most of the problems”. (GM, Dy, CME, Sub-area Manager-3, Manager-8, Union Leader-6).

Mention must be made of a very tricky problem which was solved through the S.S. This was regarding the encroachment of land by the relatives of some of the union leaders. After discussions in the SS, action was taken against many such cases since morally they (workers representatives) have accepted in the S.S. meeting that encroachment is not desirable. They could, therefore, do nothing but accept the evictions. This was impossible in the earlier situation in which some union or the other would have interfered and stopped the evictions (Manager-4).

Welfare activities have been gradually transferred to committees appointed at the colliery level itself. “We give funds and the committee arranges to sort out issues concerning sanitation, lighting, quarter repairs, recreation, and water supply. This gives people the feeling that they are managing things. This type of committee now exists in every colliery. Earlier, the tendency was to blame the management, saying that ‘your’ personnel officer is doing nothing” (C.G.M.). “In S.S., the particular problem is discussed before all the union representatives, their opinions are taken and grievances are sorted

out. But for S.S., there would have certainly been many unresolved disputes”, (Union Leader-8, Dy. CME-1, Manager-10). According to the Dy. G.M.: “many times the solutions given by the S.S. to solve a particular problem are similar to what I would have suggested. But because they have given the solution, they are more committed to implementing it. There is also now a sense of belonging, owning up the problems and exploring alternatives to solve the problems. Now there is nothing like union or management. We all work for a common cause. There is collectivity and team work among us” (Union Leader-10).

9. From Inequality to Equality of Ideas

A culture of equality of people at the idea level was developed by Sinha. “Sinha asks for co-operation, invites suggestions from everyone. He values the ideas coming from people irrespective of their rank. For him, ideas are important and not the source” (Dy CME). This was in itself a big boost to the self image of both the workers and officers. Sinha consolidated this work environment by introducing the S.S., joint consultative committees and the other colliery level committees. On most operational matters, he left it to the committees to decide the required course of action. He played a role more at the planning and policy level.

Inviting ideas as well as giving the responsibility for their implementation had a positive impact on people and increased their level of involvement. Sinha said: “A lot of ideas can be got from the workmen, if you talk to them; otherwise there are barriers. So, I broke this barrier by speaking to people and involving them. It is very difficult to introduce S.S. in labour intensive organisations. Here, at Pench, we have 15,000 people, each person with his own thinking and ideas”. A sub-area manager explained: “We have to take cognisance of the workmen and their suggestions. For instance, in the last meeting, they pointed out that theft of scrap is going on in a particular area and so on. This information was used as a feedback to take managerial action, to prevent such thefts in that area”. As a result of the equality of ideas orientation, any new development in the area, whether good or bad, is communicated without any fear or reticence and this becomes a feedback for many managerial actions. “This also reflects a deep rooted belief of Sinha that the solution of the problem lies at the place where the problem exists. Such an approach has brought a culture of solving the problem at the starting point, rather than passing on the buck”. (Manager-4, GM-1, Union Leader-4).

10. From Boss to Karta

The C G M showed the style of a ‘Karta’ or a typical head of family rather than that of a ‘big boss’ or ‘*a brown sahib*’ as in the earlier situations. He did not maintain any status barriers, holding himself at a distance from the

employees. He changed the entire tone of relationships among the people in the area. "He mixes around with the mazdoors and loaders, he doesn't think of himself as an officer. It is a good thing... he behaves similarly with his subordinates" (union leader-12). "At the end of the financial year, he selected 3-4 mines and gave them a prize for excellence. Then he asked us to host a dinner. When we planned out for a buffet for him, he said, 'No, arrange for the food to be served on *pattas* (leaves) on the floor, I want to eat with every body in the traditional style'. This was a pleasant surprise for all since it was a mammoth dinner for 400-500 people." (Union Leader-10, Manager-6, Dy. Manager-12).

In case of any celebrations in the house of any of the workers, he makes it a point to go if invited, at least for 5 minutes. Also, in the case of death, not only on duty but even otherwise, he visits the affected household. "Outwardly, he will not speak about it, but he does a lot for people" (Dy. CME). When CMD comes for any annual event, Sinha arranges meetings, organises dinner with the families, and introduces even junior persons to the CMD" (Asst. Manager). "He gives people a feeling that he cares for them; each person feels special and that he is ours" (Dy. CME). "He is a fatherly type of figure. Instead of scolding, he puts a hand on the shoulder and explains" (Asst. P.O.). This reflects the feelings of closeness he gives to others who are around him.

According to Sinha: "I wanted to introduce the joint family concept at work, to do everything together. That is how I introduced workers' participation in management. I have been the 'Karta'. Any one can approach me and I am available to them for information, guidance, and problem-solving. I consider Pench as a *Kutumb*. It is a big *kutumba*. I consider myself as the guardian of the Pench *Kutumba*. We all belong to one *kutumb*. As an officer put it: "Sinha attends community dinners and has instructed all the officers to mingle with the workers and their families, sit with them and eat with them, find out their problems and solve them".

11. From Production to Welfare

The attention of the CGM did not stay fixed only on production. It went beyond that, to welfare of the people. At the initial meetings in the sub-areas and collieries, while emphasising the need for co-operation for increasing production, he simultaneously focused on welfare. "As he walked around, he told us, you must develop a playground there and install a water tap here." The impact of this was very powerful. People felt that he is looking after their needs and in return they began making suggestions and giving their co-operation spontaneously (Dy. GM). "He is two steps ahead in giving — grounds have been developed, national level games have been held here. Cultural activities have also taken root. A *yuva shakti mandal* has been started" (Dy. CME, Manager-10, Union leader-10, and Worker-12).

"A lot of work has been done for construction of houses, cultural activities and sports, generating hope in the workmen that this will take care of us" (Dy. CME). "Earlier welfare was only a plan on the paper, which never came

to the grass-root level. Today, what is promised is implemented" (Worker-10). "Sinha has been responsible for supporting some of the schools, for sports activities, etc, thereby involving the workers. One stadium, five playgrounds, good roads, water supply, quarters, and dish antenna for TV transmissions have been made available in two years time. Drinking water supply has been provided in the underground mines through pipelines."

The efforts put into welfare activities also bordered on social concerns and education of the people. By keeping people busy in activity and recreation, there is positive channellisation of energies. "People have no time for unhealthy activities" (Manager). The banker said that Sinha made salary payment through the bank compulsory. Thus, according to him, saving habits have been developed among the people. While he focused on welfare, people automatically focused on production. The care and concern which he showed for improving the quality of their lives, helped in eliciting their trust, co-operation, and confidence.

12. From Organisation to Community

The orientation of welfare and development was also shifted to include the community life of the people living around the area. Efforts made by the CGM to speak about the industry and its importance in the lives of the local people helped in integrating people with the organisation. They became equally concerned about helping the organisation to survive. An indicator of this is the way local people also helped in identifying coal patches. "Whenever there is any accident or death in the surrounding area, he makes a visit. If he is invited by anybody for any function in the town, he makes it a point to go. He has gained the confidence not only of people within the organisation, but also of those around it. Nobody could do this earlier" (Dy. Manager-8, Trade union leader-5, Worker-10, Community people-10).

People from the surrounding community said that he always gives time for anyone who wants to talk to him and tries to understand their problems and help the community. "He is the backbone of this place; he gives support for any community activity—for sports activities, education, he gives more than you ask for. He has also helped us in organising cultural and literary events" (Teacher). A banker said that Sinha had personally helped his bank to recover money from a transport company which had taken a loan from the bank. Although officially he could do nothing, he spoke to them and helped recover Rs.6.50 lakhs through his persuasion. "We ask for any kind of help—inter-bank problems, security and conveyance to carry cash—and we get it" (Banker). "Earlier, people used to dislike coming here because we would have to wait for four hours to meet the GM, but today we can just walk in. People feel that he is ours" (Teacher and S.P.). Plenty of goodwill has been developed in the surrounding community for Pench because of the CGM's style.

13. From Anonymity to Recognition

Enormous effort was made in the Pench area to reach people. According to Sinha: "People today are not interested in earning more money because their pay packet is very high, it is equal to mine or more in some cases (i.e. those working in open cast mines)... they want recognition now". Steps were taken to satisfy this need. The first major problem to be tackled was that of promotions. In the course of one year, a number of promotions were given and these were more than what had been given over the past ten years (Worker-10). According to the Dy. GM, a number of workers were promoted, including union leaders who were trying for promotions for the past ten years.

The manager of a sub-area said: "A lot of recognition —prizes, letters of appreciation, public honouring— was given to the workers for the extraordinary work they did. Hosting the community dinner with the CGM's and officers' and the participation in it was another way of reaching people".

"The new practice of the officers mingling with the workers— a small cultural programme followed by lunch— in an area where workers have shown some achievements is a great thing. It has much greater value compared to the earlier practice of sanctioning some money as recognition" (Dy. Manager-4, Union leaders-4, Workman-5). Speaking about the situation before and now, some workers (10) said: "Earlier, the existence of workers was not even recognised. Even if an accident took place or a death, it was no more important than the death of a rat. Now things have changed". Another new introduction was the system of farewells for retiring workers. Sinha said: "you are also my men, you are part and parcel of management and we, therefore, give you a farewell" (Worker-4). "Each person is garlanded, given a small memento, and the CMPF (Coal Miners Provident Fund) Book and gratuity cheque on the same day. This is a great service because otherwise workers generally have to chase for more than four years to collect their money" (Union leader-8).

A small gesture which gave a great sense of recognition was the putting up of name plates on new houses in one area. It is a tin plate which costs only a rupee. However, it created a good reaction as indicated by the remark: "There is some recognition now that we also exist." Earlier, there was a feeling among the workers that the name plates are only for officers houses, but not for us".

14. From Division to Unity

The various efforts made on the systems and culture dimension, were a tremendous force in giving a sense of unity to the entire area. The earlier schism, divisions across collar colour, and trade union ideology have been more or less eliminated. "We work together (unions); we are all like members of the same family and all of us think of the mines as national property. We think of production, productivity, and then our demands. We decide and implement many things together: For example, if an INTUC man is dismissed, you find a BMS man speaking for him. This is a very big change there" (Trade Union Leader-6).

According to many of the interviewed officers, there are cordial relations with the workers, which was definitely absent earlier. A personnel man said: "For example, earlier there was suspicion in the minds of the workers. If I spoke to a worker, others would ask—'What work do you have with him?' People used to allege that so and so manager was supporting so and so union. Now, there is no such problem. Today even if a manager reprimands a worker, nobody minds". This reflects the sense of unity which prevails in the area.

II B MANAGEMENT OF CHANGE

Table 4 presents the modes of change adopted in the Pench area. An analysis of the table reveals that in all, there have been eleven dominant modalities — dominant in the sense that even the lowest ranked mode has been perceived by 76.00 per cent of the respondents. In other words, all the modes adopted have been clearly discernible and sensed by approximately three-fourths of the sample. Further scrutiny of this table indicates the preponderance of creating hopes and a sense of purpose, modelling behaviour, *kutumbisation*, union collaboration, empowering, and support. These modes have been ranked as number 1, 1, 2, 2, respectively. All these modes have been perceived by more than 90 per cent respondents. These are followed by sincerity of the top man, consultation, their ranks being third and fourth, respectively. Collectivisation and team work and trust and confidence have occupied the fifth rank. As compared to these, close monitoring and novelty, coupled with continuity, have been assigned ranks 6 and 7, respectively.

Table 4: Strategies for Managing Change

n = 50

<i>Modes Utilised</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Creating hopes and a sense of purpose	49	98	1
Modelling behaviour	49	98	1
<i>Kutumbisation</i>	48	96	2
Equal partnership and Union collaboration	48	96	2
Empowering and support	48	96	2
Sincerity of the top man	42	84	3
Consultation and participation	41	82	4
Collectivisation and team work	40	80	5
Trust and confidence	40	80	5
Close monitoring	39	78	6
Novelty coupled with continuity	38	76	7

These were the various ways in which the normal human resistance to change was reduced. In the case of Pench, in fact, the initial fear psychosis, the notion of a dying area and a cynical attitude towards the general manager formed a formidable cluster of negative beliefs. Sinha, however, tackled the enormous blocked energy and sense of helplessness in the above mentioned ways and channellised it for the revival of Pench. He often told the people:

“I am here for two-three years. If you want to make use of my knowledge for the benefit of the area, then go ahead. I am with you, but remember nothing can be achieved without your cooperation”. The achievements of Pench indicate that people have indeed worked together and revived Pench area.

PART - III

LEADERSHIP STYLE AND VALUE PROFILE

After going through the experiences of culture change and culture building process in the Pench area, at this juncture one may like to pose questions, such as: What is the leadership style of Sinha? What is his value disposition? These are the crucial questions in the sense that it is the value disposition and the style of chief executives that shape the destiny of organisations by creating new meaning, hopes and vision, and redefining organisational purpose and goals. It is the chief executive who creates a new ethos and a new philosophy, which powerfully guide the future of the organisations and govern managerial actions. It is in this background that we now propose to examine the leadership style and value profile.

(a) Perceived Leadership Profile of Sinha (by followers)

The perceived profile of Sinha has been presented in Table 5. An analysis of this table indicates that Sinha's style is preponderantly characterised by 'demonstrating an empowering attitude', 'team building capability', 'effective boundary management' and 'risk-taking behaviour'. These qualities are ranked as number 1, 2, 3, and 4, respectively. These characteristics are perceived

Table 5: Leadership Profile of Pankaj Sinha

n = 112

<i>Leadership components</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Demonstrates an empowering attitude, i.e makes people feel that they are worthwhile and important for the organisation	91	81.30	1
Is a good team builder capable of generating positive group feelings among the members	90	80.40	2
Is a good boundary manager-environment, such as government, politicians, heads of other organisations and departments	72	64.30	3
Not afraid of taking risks to achieve results	70	62.50	4
Does not lose his balance in the face of calamities	66	58.90	5
Is a good planner	58	51.80	6
Evokes a sense of confidence and trust by his behaviour	52	46.40	7

Table-5 contd.

<i>Leadership components</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Gives people complete freedom to decide and evolve plans and strategies at work	35	31.30	8
Is quite open and receptive to new ideas from people	27	24.10	9
Is accessible to any one who wants to see him	26	23.20	10
Is innovative and creative	23	20.50	11
Is interested in the welfare and well being of people	19	17.00	12
Is clear about the mission, purpose and goal of the organisation	18	16.10	13
Gives adequate responsibility to people for job performance	18	16.10	13
Has care and concern for the subordinate's work as well as his personal problems	17	15.20	14
Very particular about the speed and quality of work done	15	13.40	15
Values and appreciates good work	15	13.40	15
Encourages the total development and growth of people	12	10.70	16
Provides clear instructions of what to do and what not to do	11	9.80	17
Is intellectually of a high calibre	10	8.90	18
Protects and supports the subordinate whenever necessary	9	8.00	19
Treats organisational members like his brothers	6	5.40	20
Technically very sound and knowledgeable	6	5.40	20
Does not hesitate to point out, and even scold, when mistakes are committed by people on the job	4	3.60	21
Not only tolerates the people's mistakes while achieving results, but also protects them, if necessary	4	3.60	21
Believes that real learning and growth take place when people explore and in the process also make mistakes	3	2.70	22
Consults relevant people before taking decisions concerning them and their departments	3	2.70	22
Believes in consensus building before taking a decision	3	2.70	22
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	1	0.90	23
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	0	0.00	24
Generally adheres to organisational rules, procedures and regulations	0	0.00	24

by more than 60 per cent respondents. In fact, the first two items are ticked by more than 80 per cent respondents. In the case of the third and fourth, these are ticked by 64.3 per cent and 62.5 per cent respondents. These characteristics are followed by 'not losing balance in the face of calamities', 'good planning capability', 'evoking a sense of confidence and trust by his behaviour', and 'giving freedom and autonomy to the subordinates', their respective ranks being 5, 6, 7, and, 8. 'Openness and receptivity are positioned as number 9 and 10, respectively. If we combine all these qualities together, they account for approximately 75 per cent of the total response.

Other items of the profile inventory are selected by less than 20 per cent respondents and, therefore, they do not form the core items of Sinha's profile. The least chosen quality is 'considering genuine mistake at work to be the part of learning process, but not tolerating repeated mistake due to carelessness! However, this has been perceived by one person only.

Tables 6 and 7 present the perceived leadership profile of Pankaj Sinha across managerial hierarchy. An analysis of table 7 indicates that there is significant perceptual similarity about the profile of Sinha among all the three managerial groups—top, middle, and lower. The value of 'rho' works out to 0.82 in the top-middle, 0.90 in top-lower, and 0.78 in the middle-lower management categories. All these values are significant at $p \leq 0.05$.

Table 8 presents a comparative picture of the self perceived leadership profile of Sinha and that perceived by his followers.

An examination of this table reveals a significant similarity between the self perceived profile and that perceived by the followers. The value of 'rho' in this case comes to 0.83, which is significant at $p \leq 0.05$. Out of the first ten items chosen by the followers, nine have also been selected by Sinha, thus indicating 90 per cent commonality. In fact, the first two items are the same in both the cases. Such a finding clearly indicates that there is perceptual convergence between the self image and that perceived by the followers. In other words, there is enormous understanding among the followers about the leadership profile of Sinha.

The self perceived leadership styles of Sinha are presented in Table 9.

From the above table, it is clear that Sinha's managerial actions, are predominantly characterised by the developer style, its rank being 1. This is the style against which he has scored 45 per cent. This is followed by the benevolent autocratic, and democratic styles. Their ranks are 2 and 3, and the respective percentage scores are 30 and 21. Against bureaucratic style, Sinha has scored only 4. The most powerful finding of this table is the zero score across the dysfunctional styles—deserter, missionary, autocrat, and compromiser.

If we put together the findings of tables 6 to 9, the following salient features emerge about the leadership profile of Sinha:

- (i) The dominant characteristics of Sinha's leadership profile are: capability to empower people, build a cohesive team, manage organisational environment effectively and take risks for achieving results. These are coupled with not losing balance in the face of calamities and planning for a better future.

Table 6: Leadership Profile of Pankaj Sinha across Managerial Hierarchy

<i>Leadership components</i>	<i>Top n = 16</i>			<i>Middle n = 56</i>			<i>Lower n = 40</i>		
	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Demonstrates an empowering attitude, i.e. makes people feel that they are worthwhile and important for the organisation	12	75.00	3	41	73.20	2	38	95.00	1
Is a good team builder capable of generating positive group feelings among the members	15	93.84	1	43	76.84	1	32	64.80	2
Is a good boundary manager- environment, such as government, politicians, heads of other organisations and departments	10	62.50	5	30	53.60	5	32	80.00	2
Not afraid of taking risks to achieve results	11	68.80	4	37	66.10	3	22	55.00	4
Does not lose his balance in the face of calamities	13	81.30	2	34	60.70	4	19	47.50	5
Is a good planner	8	50.00	6	26	46.40	6	24	60.00	3
Evokes a sense of confidence and trust by his behaviour	12	75.00	3	23	41.10	7	17	42.60	6
Gives people complete freedom to decide and evolve plans and strategies at work	6	37.50	7	17	30.40	8	12	30.00	7
Is quite open and receptive to new ideas from people	1	6.30	10	15	26.80	9	11	27.50	8
Is accessible to any one who wants to see him	3	18.80	8	14	25.00	10	9	22.50	10

Table-6 contd.

Leadership components	Top n = 16			Middle n = 56			Lower n = 40		
	Frequency	Percentage	Rank	Frequency	Percentage	Rank	Frequency	Percentage	Rank
Is innovative and creative	2	12.50	9	11	19.60	12	10	25.00	8
Is interested in the welfare and well being of the people working in the organisation	—	—	11	8	14.30	14	11	27.50	8
Is clear about the mission, purpose and goal of the organisation	2	12.50	9	9	16.10	13	7	17.50	11
Gives adequate responsibility for the job performance	2	12.50	9	13	23.20	11	3	7.50	14
Has care and concern for the individual's work as well as his personal problems	1	6.30	10	9	16.10	13	7	17.50	11
Very particular about the speed and quality of work done	3	18.80	8	9	16.10	13	3	7.50	14
Values and appreciates good work	2	12.50	9	9	16.10	13	4	10.00	13
Encourages the total development and growth of people	1	6.30	10	9	16.10	13	2	5.00	15
Provides clear instructions of what to do and what not to do	2	12.50	9	4	7.10	18	5	12.50	12
Is intellectually of a high calibre	—	—	11	7	12.50	15	3	7.50	14
Protects and supports people when they needed	3	18.80	8	4	7.10	18	2	5.00	15
Treats organisational members like his brothers	—	—	11	6	10.70	16	—	—	17
Technically very sound and knowledgeable	—	—	11	5	8.90	17	1	2.50	16

Table-6 contd.

Leadership components	Top n = 16			Middle n = 56			Lower n = 40		
	Frequency	Percentage	Rank	Frequency	Percentage	Rank	Frequency	Percentage	Rank
Does not hesitate to point out, and even scold, when mistakes are committed by the people	1	6.30	10	3	5.40	19	—	—	17
Not only tolerates the mistakes while achieving results, but also protects people, if necessary	—	—	11	2	3.60	20	2	5.00	15
Believes that real learning and growth take place when people explore and in the process also makes mistakes	—	—	11	1	1.80	21	2	5.00	15
Consults the relevant people before taking decisions concerning them and their department	1	6.30	10	1	1.80	21	1	2.50	16
Believes in consensus building before taking a decision	1	6.30	10	1	1.80	21	1	2.50	16
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	—	—	11	1	1.80	21	—	—	17
Is totally logical and data based and does not believed in relating at the level of feelings and emotions	—	—	11	—	—	22	—	—	17
Generally adheres to organisational rules, procedures and regulations	—	—	11	—	—	22	—	—	17

Table 7: Rank Order—Coefficient of Correlations across Managerial Hierarchy

<i>Groups</i>	<i>(Pairs of ranks)</i>	<i>df (n-2)</i>	<i>ED2</i>	<i>rho</i>	<i>level of Significance of correlation value</i>
Top vs Middle	31	29	851.00	0.82	0.05
Middle vs Lower	31	29	452.50	0.90	0.05
Top vs Lower	31	29	1,047.00	0.78	0.05

rho to be significant at $p \leq 0.05$, should be ≤ 0.35 .

Table 8: Comparative Leadership Profile of Sinha

<i>Leadership Dimensions</i>	<i>Perceived by followers</i>	<i>Self Perceived</i>
Demonstrates an empowering attitude i.e. makes people feel that they are worthwhile and important for the organisation	1	1
Is a good team builder capable of generating positive group feelings among the members	2	2
Is a good boundary manager-environment such as government, politicians, heads of other organisations and departments	3	5
Not afraid of taking risks to achieve results	4	3
Does not lose his balance in the face of calamities	5	8
Is a good planner	6	4
Evokes a sense of confidence and trust by his behaviour	7	6
Gives people complete freedom to decide, evolve plans and strategies at work	8	7
Is quite open and receptive to new ideas from people	9	10
Is accessible to anyone who wants to see him	10	9

rho = 0.8, significant at $p \leq 0.05$.

Table 9: Self Perceived Leadership Style of Sinha

<i>Leadership Style</i>	<i>Score</i>	<i>Rank</i>
Deserter	00.00	—
Missionary	00.00	—
Autocrat	00.00	—
Compromiser	00.00	—
Bureaucrat	04.00	4
Developer	45.00	1
Benevolent Autocrat	30.00	2
Democrat	21.00	3

- (ii) Sinha's preponderant modes for achieving results is characterised by the developer style, followed by benevolent autocratic, and democratic styles. There is complete absence of dysfunctionality in the leadership style. The low score against the bureaucratic style indicates not only high result orientation, but also high risk-taking capability and unconventionality.
- (iii) The significant perceptual similarity between the self perceived image and that perceived by the followers reveals a significant congruence between the self image and the image seen by others. Such a phenomenon is likely to bring down psychological and communication barriers between the followers and the leader.
- (iv) The enormous perceptual homogeneity across managerial hierarchy demonstrates that Sinha's image as a leader has been more or less identical in all the three groups—top, middle, and lower management.

(b) Value Profile of Sinha

All the processes of organisational transformation normally originate from some value framework. It is the leader's basic philosophy and core values which guide the process of corporate transformation. All the transformational leaders make extensive use of the power of ethical and moral values in influencing the course of organisational actions, while initiating transformation and change. Through the power of values, transformational leaders heighten the consciousness of their followers. They inculcate among the followers a sense of meaning and purpose, which, in turn, makes followers self actualisers, self regulators, and self controllers. By heightening the level of consciousness, transformational leaders also create a sense of excitement and challenge. These things happen not because of the value based managerial actions. It is in this perspective that we now propose to examine the value profile of Sinha, which has been evolved on the basis of the value expressions from the followers about Sinha and also from Sinha's own value statements. First, we would like to cite the value statements of Sinha, and then quote the value expressions of the followers. Based on these, we would venture to construct the value profile of Sinha.

During our interview, Sinha made the following value statements:

- 'Prosperity cannot flourish amidst poverty'.
- 'An idle mind is a devil's workshop, and, therefore, people must be engaged in something or the other'.
- 'Take care of the people and they will take care of the organisation'.
- 'Action is thy duty, reward is not thy concern'.
- 'People are capable of sacrificing their self interest for the larger goal'.
- 'People are basically risk-takers. They are prepared to take risk provided they get adequate support from the top'.
- 'No human being is lazy'.
- 'Value based managerial actions inspire people enormously. Value thus heightens the level of followers' thinking'.
- 'Indians value the *Karta* image highly'.

- '*Kutumb*' is a great institution for the Indians and they would like to belong to one'.
- 'Indians have great need for protection and support'.
- 'Every human being is basically good'.
- 'Trust begets trust'.
- 'Every human being has got self respect and would like to be treated with dignity'.
- 'Collectivity and group are a great source of new ideas'.
- 'Group has more risk-taking capability than the individual'.
- 'Human beings are basically gregarious'.
- 'Every human being can think creatively'.
- 'People are at their best when they have personal space and autonomy'.
- 'Love is a great power. It is love, care, and concern that influence human behaviour more than anything else'.
- 'Modelling behaviour is more powerful than mere words'.
- 'Touch the feelings of people and you have won them over'.
- 'Well defined goals are important for channelling organisational actions'.
- 'The test of democracy is the appreciation of disagreement and others' view point'.
- 'Quest for excellence presupposes a questioning spirit'.

Some of the salient value statements made by the followers are quoted here:

Sinha believes in:

- 'giving freedom and autonomy'.
- 'collectivity, participation, sharing, and team work'.
- 'decentralisation and delegation'.
- 'family'.
- 'achieving results'.
- 'care and concern'.
- 'making people feel that they are important and worthwhile'.
- 'taking high risk'.
- 'combining task and feeling'.
- 'protecting and supporting subordinates'.
- 'enthusing people through his own actions'.
- 'harmony and peace'.
- 'quest for excellence'.
- 'linking organisation with the community'.
- 'generosity and large heartedness'.
- 'psychological reward more than economic rewards'.
- 'Equality, fairness and justice'.
- 'democracy and equality of ideas'.
- 'open-door policy'.
- 'action-oriented managerial style'.

If we try to put together all these value statements and create a mosaic value profile, the following dominant characteristics emerge:

- *Group Minded* : a man who demonstrates a great belief in working and living together. Sinha's efforts to unite the warring unions and bring them together on a single platform are a glaring example of his group mindedness.
- *Democratic and Participative* : a man who believes in sharing, consultation, openness, receptivity and tolerance for disagreement.
- *Trusting* : demonstrates immense faith in human beings—their capability, creativity, and potentiality.
- *Decisive* : clarity of purpose, goal and mission; quick and fast decision-making.
- *Emotive* : feeling oriented, capable of developing high degree of sensitivity to people's problems.
- *Explorer* : high risk-taker, experimenter with new ideas, restless with *status quo*.
- *Receptive and open* : a man who believes that good ideas can come from any source and, therefore, believes in consulting people irrespective of their rank.
- *Peace Loving* : believes in having harmony; in creating a culture of collaboration; synchronising diverse interests for the common goal.
- *Karta* : caring, loving, guiding, directing, meaning giver, value shaper.
- *Task Nurturant* : believes in combining nurturance with task; relates to people on feelings level, expresses concern for the well being of the followers; uses feelings for the achievement of tasks.
- *Creative* : prepared to experiment with new, even wild, ideas; busy in finding out alternative ways of solving problems.
- *Charismatic* : one who by the power of his person exerts profound and extraordinary effects on his followers; is capable of inducing unquestioning loyalty and devotion among the subordinates; creates intense emotional response of awe, reverence, and faith.
- *Karmyogi* : one who believes in selfless action.

NOTES

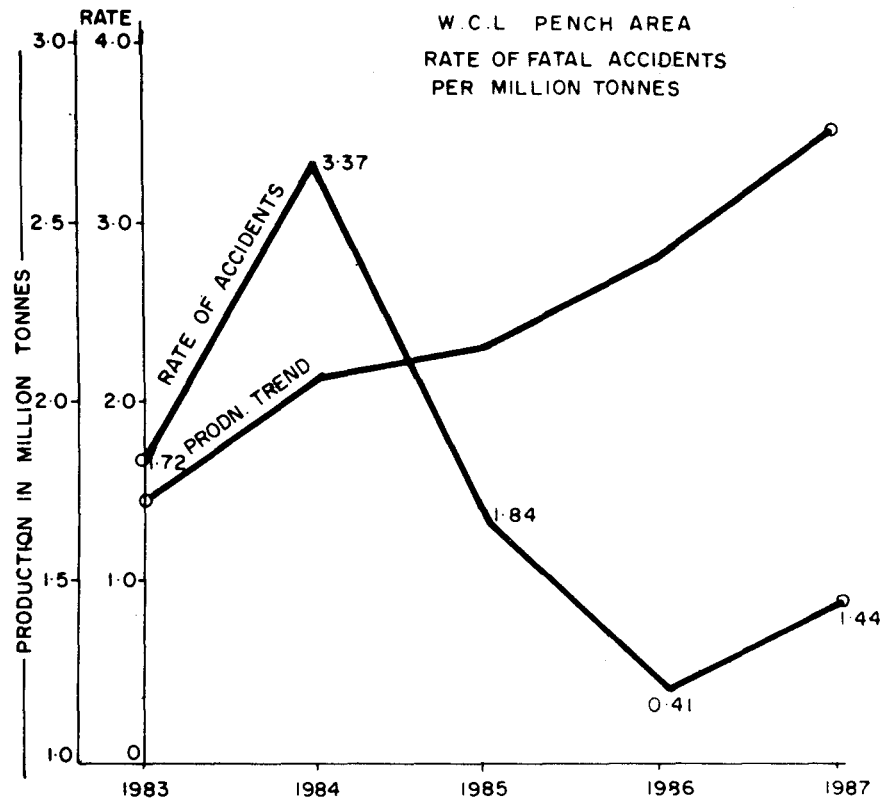
- (a) In-depth unstructured interviews were also conducted with 100 respondents. Of these, 60 belong to the management group, 15 to the union, 15 to the working class, and the remaining 10 to the surrounding community.
- (b) In the pre-nationalised period, the bigger of the private companies operating in Chhindwara were Amalgamated Coalfields Ltd., and Pench Valley Co. Ltd., both managed by Shaw Wallace up to 1969. M/s Poddar managed the companies up to January 1973. The mines were taken over by the GOI and nationalised on 1 May 1973. This company was converted into Coal India Ltd., and Pench area (including the 5 sub-areas of Ekhlara, Newton, Rawanwara, Chhinda, and Shivpuri) became a part of WCL, i.e. Western Coalfields Ltd.
- (c) The upper most coal seam, which is the thickest, has almost been exhausted during the last 90 years of mining. What is left is mainly No. 2 and 3 seams, which are thin, varying from 1.0 to 1.5 mts. and that too having no consistent deposits. Dewatering has to be done continuously, if mining is to be continued. Being geologically disturbed area, the occurrence of coal is not continuous. This results in long haul travel distances. This, as well as the thinness of seams, bad roof conditions, existence of high frequency of faults and dykes, has made mining extremely difficult and costly in this coal belt. The method of mining in all the UG Mines is conventional board and pillar, followed by depillaring with caving, using rope haulages, coal cutting machines and coal drills. The coal quality is non-coking low grade utilised primarily in the generation of electricity. The major consumers (80%) are power houses.
- (d) Managers are transferable outside the area. The maximum they can stay in one place is six years, whereas the supervisors are likely to continue in the area until they retire.
- (e) CMPDI—Coal Mines Planning and Development Institute—is a subsidiary of Coal India. This institution looks after the Project Planning and Development for the subsidiaries of Coal India.
- (f) Lead is an index of measurement of the distance to be walked by leaders from the coal-face to load coal on to wagons.
- (g) When WCL Chairman Mahip Singh decided to try out the *Samanvaya Samithi Scheme*, it was first introduced in Pench area.
- (h) According to the CGM, there is a system of paid union membership which helps know for sure the strength of each union. This system has really helped in deciding the proportion of representation from each union.
 - INTUC : Indian National Trade Union Congress.
 - AITUC : All India Trade Union Congress.
 - BMS : Bharatiya Mazdoor Sangh.
 - HMS : Hind Mazdoor Sabha.
 - CITU : Centre of Indian Trade Unions.

APPENDIX — I

GROSS PRODUCTION, DMS, EMS, WAGE COST, TOTAL PER TON COST SALES
PRICE PER TON PROFIT AND LOSS FIGURES DURING 1973-74 TO 1986-87

YEAR	Gross Prod. Lakh tonne Rev. mines	D.M.S.	E.M.S. Rs.	Wages Cost per ton. Rs.	Total Cost per ton. Rs.	Sale Price per ton. Rs.	Profit/Loss per ton. Rs.
1973-74	20.80	0.59	15.25	25.84	43.17	42.68	- 0.49
1974-75	22.41	0.58	20.11	34.67	56.72	48.45	- 8.27
1975-76	21.53	0.57	25.94	45.50	71.22	61.14	- 10.08
1976-77	18.66	0.55	24.51	44.57	72.67	65.78	- 6.89
1977-78	18.32	0.55	28.98	53.07	83.68	63.49	- 20.19
1978-79	17.93	0.56	31.75	60.86	96.19	62.34	- 33.85
1979-80	17.74	0.57	44.67	83.70	131.70	71.52	- 60.18
1980-81	18.78	0.58	49.32	90.84	144.11	84.72	- 59.39
1981-82	17.52	0.54	53.15	104.77	167.76	106.11	- 61.65
1982-83	18.15	0.53	53.67	111.54	180.08	122.13	- 57.95
1983-84	18.70	0.55	64.50	123.97	202.39	139.66	- 62.73
1984-85	19.30	0.61	86.49	147.63	248.76	156.04	- 92.72
1985-86	23.53	0.71	92.92	134.35	261.20	177.42	- 83.78
1986-87	27.02	0.82	96.70	123.32	233.94	208.13	- 30.18

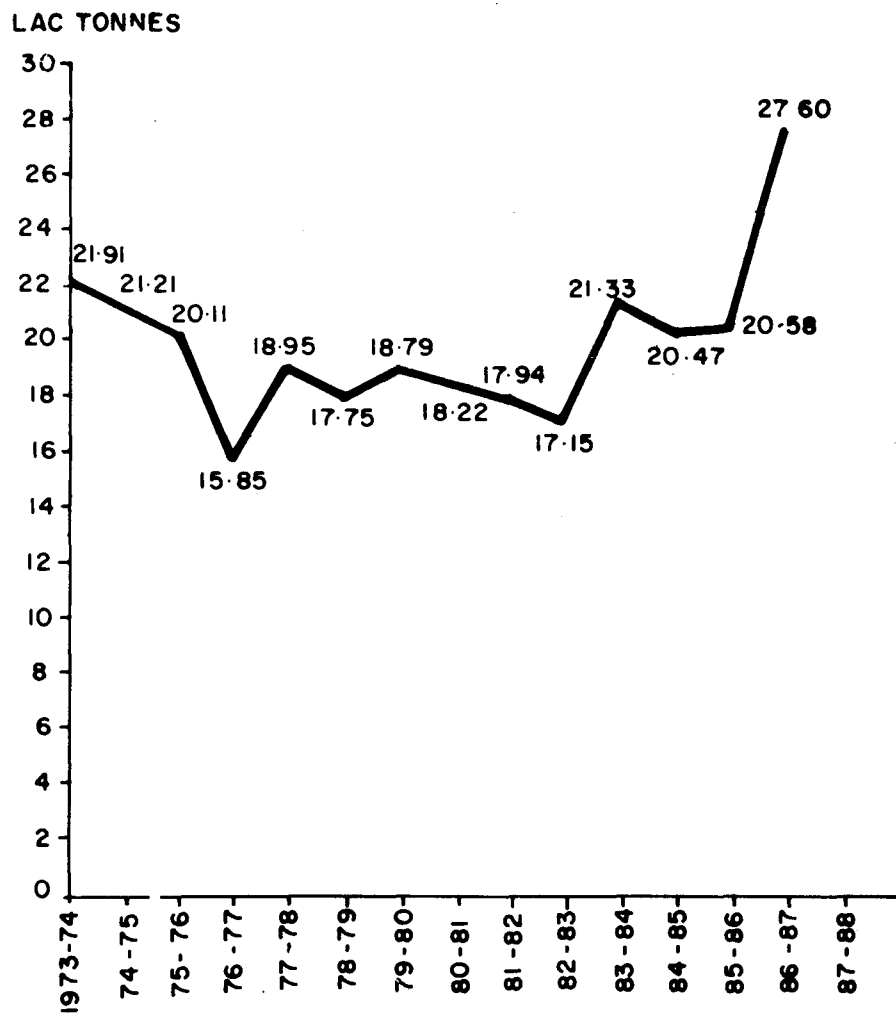
APPENDIX II: ACCIDENTS TREND DURING 1983-87



APPENDIX III: DESPATCH FIGURES — 1983-84 TO 1986-87

W.C.L. PENCH AREA

DESPATCHES SINCE NATIONALISATION



NATIONAL FERTILIZERS LIMITED: QUEST FOR EXCELLENCE

INTRODUCTION

The success story of the National Fertilizers Limited (NFL) symbolises the story of the quest for excellence of the three stone-cutters. In an attempt to understand work psychology, a behavioural scientist approached three stone-cutters while they were busy cutting stones. He asked the first stone-cutter: "What do you do?" The reply from him was: "I am cutting the stone". The behavioural scientist probed further, and asked: "anything more you want to say about yourself?": Pat came the answer: "no". He went to the second stone-cutter and repeated his questions. To the first question, the response was the same: "I am cutting the stone". To the second question, he replied: "I am the best stone-cutter in the district". After that, he had nothing more to say. The behavioural scientist reached the third man, again with the same set of questions. To the first question, the reply was: "I am in the business of cutting stones. These stones will be used in building the temple which is coming up over there."

A critical perusal of these three responses reveals some basic aspects of human psychology at work. In the case of the first stone-cutter, the focus was on earning a livelihood; in the case of the second, however, there was a sense of pride in being the best; while in the case of the third, there was a sense of purpose, and hence meaning in work. From the first to the third, the work-life horizon gets broadened and work becomes more exciting and meaningful, since one perceives the linkage of his effort to the larger work outcome.

Today, we all suffer from a certain sense of meaninglessness since we do not clearly see the contributions of our efforts in terms of the total outcome. We all feel like cogs in a wheel. The mass scale alienation in the present industrial society is an outcome of the lack of collective perception of the linkages between human efforts to the total outcome and hence low identification with the organisational goals. The only way we can create a culture of purpose and meaning, in both work and perhaps in life itself, is through making people see the relevance of their work in the larger context of organisational purpose and outcome, and thereby help them identify with the organisational mission and goal.

NFL's quest for excellence is the story of its people collectively perceiving NFL's goal, purpose, and mission and identifying with them. How these processes were initiated, sustained and supported through various mechanisms and action plans is the major focus of this case. The present case starts with a description of the NFL profile during the pre-and post-take over period of Jain as MD. Part I examines the problems confronted by Jain when he took over as the MD; Part II deals with the actions taken at various organisational levels as well as the change process; and Part III focuses on the leadership and value profile of Jain.

NFL: A Profile

The National Fertilizers Limited (NFL), incorporated on the 28 August 1974, is one of India's foremost fertiliser companies. At present it has four units, one each at Bhatinda, Panipat, Nangal, and Vijaipur. The units at Bhatinda and Panipat were commissioned in 1979. The Nangal unit was merged with NFL in 1978, subsequent to the reorganisation of FCL, of which Nangal was a part. Nangal phase I was commissioned in 1961, and phase II in 1978. The Vijaipur unit commenced production in December 1987. Of its four plants, three are fuel oil-based, and the fourth, the Vijaipur plant, is gas-based. The company produces nitrogenous fertilisers like CAN (Calcium ammonium nitrate), urea, and other fertilisers, and industrial products like ammonia, heavy water, ammonium nitrate, nitric acid and various gases for industrial use. NFL is one of the premier producers and distributors of fertilisers in the northern belt of India.

The present profile of this organisation reveals an impressive record of achievements:

- (1) The overall capacity utilisation [a] has touched a peak at 89.4 per cent of installed capacity. This is the highest ever utilisation achieved in the history of the company (Appendix I). An examination of its capacity utilisation over the past two years (1986-88) indicates a quantum jump. In 1986-87, the capacity utilisation of 81.00 per cent registered a growth of 7.1 per cent over 1985-86. The capacity utilisation of 89.4 per cent in 1987-88 represented a growth of 7.4 per cent over the previous year. The present level of capacity utilisation is highly remarkable, compared to other international fuel oil-based plants of this feedstock technology and vintage. Any performance beyond 80 per cent (for such a plant) is a creditable achievement viewed internationally.
- (2) In the area of energy conservation, it has made savings of Rs. 15 crores during 1986-88. (For details of energy savings see Appendix II).
- (3) The phenomenal increase in the number of "on stream days" (Appendix III) reflects the long strides made in effective maintenance and turn around of the plants.
- (4) The rise in the number of "accident-free days" in 1987, as compared to 1986, reflects the success of the safety measures (Appendix IV).
- (5) NFL has achieved the unique distinction of commissioning its Vijaipur project within the time and cost estimates.

- (6) As a recognition of its multi-dimensional achievements, a series of national and international awards were conferred on NFL by various agencies. The Panipat plant secured the National Productivity Council's best productivity award in 1986, and the second best in 1987, both presented by the President of India. The Shram Vir award was given to an employee of the Nangal unit for his outstanding contributions in 1988. The best safety award instituted by the British Safety Council was bagged by the Nangal unit (1988). "Reaching out," a film produced by NFL, was awarded the second best prize at the Annual International Seminar of Fertiliser Association of India. The NFL paper on 'energy management' published in 'Fertilizer News' 1987-88, bagged the best paper award. NFL was awarded a prize for excellence in technical innovation [(b)] by the FAI in December 1988.
- (7) On the culture dimensions too, in 1988, the positioning of all the cultural components have been significantly high (Table 1). The mean scores, across all the culture parameters, are found to be more than six on a seven-point scale. In fact, in fourteen cases out of sixteen, it has been more than 6.80. Even in the remaining two cases, the mean scores are fairly high— approximately 6.50.
- (8) Tremendous efforts have been made by NFL towards providing a greater thrust to its extension services. Various schemes have been evolved with a view to assisting and educating the rural clientele, the purpose being to contribute to changing the life style of rural India.

The above achievements are, however, not totally out of character for this organisation. An examination of the earlier performance, pre-1986 (see Appendix I), reveals that the company has been a steady performer, capacity utilisation in the period after stabilisation (up to 1986) being around 70 per cent.

The noticeable differences between the pre- and post-1986 period are, however, observed around (a) quantum jump in capacity, (b) energy conservation, (c) improvement in maintenance, (d) industrial peace, and (e) rise in accident-free days. These developments speak volumes regarding NFL's buoyance and its capability to meaningfully channel its organisational efforts for productive purpose.

What has triggered this otherwise steady company to reach new heights of performance? What were the management strategies for achieving such a massive transformation? What were the processes of change management? Who was the spirit behind the perestroika in NFL? Exploration of these questions is important and worthwhile to understand the causation of such an enormous performance and culture change in NFL. The present case has been built around the above questions.

With a view to gaining an insight into the problems of NFL and its style of functioning, both in the pre- and post- Jain era, we interviewed 100 executives, 10 at the top level, 30 at the middle level, 30 at the lower level, and 20 union members and workers. Structured data were collected from 201 respondents. Given below is the sample profile.

Sample Profile

<i>Respondents</i>	<i>Frequency</i>	<i>Percentage</i>
Top management	31	15.42
Middle management	170	84.58
Total	201	100

PART - I

PROBLEM IDENTIFICATION AND ANALYSES

The period of the transformation in fact commences with the taking over by S N Jain as MD in 1986. When Jain took over, he found himself in a smooth and comfortable situation. The company was a good performer... from the point of view of capacity utilisation, it had well exceeded the subsidy norms [(c)]. "NFL was a good company when I joined. However, I wanted to make it an excellent one. Being an outsider, I had no particular biases and prejudices. The limitation was that my links with people were peripheral. In this situation, I set an agenda for myself— establishing links and credibility as a leader" (MD). In order to get an intimate knowledge of the company and gauge what role he could play in improving its performance, the MD started visiting the various units and meeting people. "The first two days after I joined, I met more or less all the corporate officers. Then I visited the units where I spent two days each. At each place, I preferred to meet people in groups— management, workers, and union. I used to say, 'Right now, I don't have anything concrete to offer, or tell you. I would like to listen to you— about your problems at work, home, and township'. People came up with their problems freely. I came back to the corporate office and asked the concerned people the reasons for the pending problems. Based on the information which flowed through such group meetings, as well as the scrutiny of documented information, I was able to diagnose the problems and the areas that needed greater thrust for achieving excellence".

For the purpose of this case, we have classified the problem [(d)] of NFL in the pre-take over period into three broad categories:

1. Technical scenario
2. Management systems
3. Organisational culture and ethos

1. Technical Scenario

(a) Technical Profile

Compared to the gas and naphtha-based fertiliser plants, the fuel oil-based plants are the most difficult and expensive ones to run. These plants have more equipment and, therefore, entail greater maintenance efforts to ensure continuous operation. "To go beyond a level of output, we need sustained

human endeavour and therefore the human element becomes very critical” (MD).

(b) Maintenance

Maintenance was more crisis-oriented than preventive or plant. According to a maintenance manager, the plants were built to achieve 100 per cent capacity provided they operate for 330 days annually. However, the plants never operated for 330 days in a year since “80-85 days used to be lost due to breakdowns and annual shutdown” (Manager). “After a closer study and long discussions, we identified that unless we streamline the process and practices of maintenance, we cannot increase the capacity utilisation” (Managing Director, General Manager-3, Manager-10). “Maintenance was thus identified as the most critical area in NFL” (Manager).

Many people stated that earlier there was “lesser emphasis on maintenance” aspects of the plant. NFL used to have a bi-annual plant shutdown practice for maintenance. Because of this, one manager said: “Since the next shutdown used to be only six months away, we never bothered to do a thorough repair job”. As a result, many things used to get postponed at the cost of efficiency. Preventive maintenance was not streamlined. Although time was set aside for maintenance, there was no realistic estimation of the actual time required to complete maintenance effectively. There were no efficient mechanisms of checks and balances to review the efficiency with which maintenance was performed. While the system *per se* was not bad, the lack of adequate controls gave rise to time overruns and other human problems (General Manager-3, Manager-8).

(c) Energy Conservation

Fuel— coal and oil— constitute 60 to 70 per cent of the cost of producing fertiliser. Jain thus considered fuel costs to be the vital element in reducing the cost of production and thereby increasing the profits. For this purpose, the Managing Director focused on two major energy saving strategies. Firstly, he emphasised the need for technological modifications and replacements, besides inculcating cost consciousness in people. A series of action plans were evolved for plant process-improvement, modernisation, and replacements.

2. Systems

(a) Reward

Many people expressed dissatisfaction over the operative reward systems. There used to be a flat amount of Rs. 151 annually, and a box of *mithai*, irrespective of the level of achievement of the production target. This failed to stimulate greater output. In fact, describing the earlier situation, some middle-level officers at the units observed that in the earlier period, the first six months used to be the lean period for production. The actual production targets used to be achieved only in the last six months of the year. The incentive system thus failed to motivate people.

(b) HRD and Development Systems

The concept of HRD virtually did not exist in the pre-86 period. Whatever training was given, focused more on the technical aspects. HRD thus had low focus and priority. Additionally, "training was mainly for the supervisory class" (Manager). As such, HRD remained an appendage function rather than being the critical part of the core organisational activities.

(c) Promotion System

Almost all of the interviewed officers stated that the pre-86 era was a period of stagnation. Not many new posts were created to take care of the promotional aspirations of people. As a result, many people, especially from worker to deputy manager level, experienced stagnation. The promotional system also created some dissatisfaction. "The interviews for promotion used to be held twice a year. A number of officers used to attend the interview, at which only a handful of people or sometimes none used to ultimately get selected. As a result, there was a lot of disappointment and heart-burn and we had to undergo this trouble every six months" (Senior Manager).

3. Organisational Culture and Ethos

(a) The most fundamental characteristic of NFL, Jain found, was the overriding belief that NFL can never go beyond 80 per cent capacity utilisation. At various meetings, he frequently asked: "why not 100 per cent capacity utilisation, if this plant was built to operate on 100 per cent capacity?" Most people were at first taken aback and then reacted, that it was an impossibility (Manager-4, General Manager-2). "When Jain first said we must aim for 100 per cent, inwardly we laughed and thought that this man must be crazy (Manager-4)". "We felt this was impossible" (Deputy General Manager). "We never thought of 100 per cent, we were happy with 80 per cent" (Deputy Manager). This belief emanated, rightly or wrongly, from the fact that nowhere in the world have fuel oil-based plants exceeded overall 80 per cent capacity utilisation. A manager said: "if the foreigners could not achieve it, how could we?" Jain was, therefore, faced with a very difficult collective mental block, which could well hinder further efforts to increase achievement. Added to this was a feeling— "We have been a good company; we are doing quite well". This made it all the more difficult to overcome the sense of complacency which prevailed people's mind" (General Manager-4).

(b) The culture was hierarchical. "The boss is the big boss. Nothing can move without his wishes", was the preponderant organisational belief (Deputy General Manager). "There was not enough participation" (Manager-5). "If anything went wrong, we used to look up to the MD for problem solution" (General Manager-2).

The hierarchical orientation made it difficult for management and worker to get closer to each other. Some workers (8) stated: "we were not given any hearing, we were brushed aside!" A Personnel Manager said: "workers did not feel well cared for". The lower levels of management were not very involved in the work. There were no social interaction across various levels.

No officials attended functions in the houses of people below their rank (Assistant Manager-6).

(c) Although SWOT used to be done earlier, details were not worked out meticulously (General Manager-2). “Accountability was there before, but not as much as it is now” (Deputy General Manager-5). Monthly review at the unit level existed, but the procedure was not adequate (Manager). Although review meetings existed, not much progress used to be made beyond discussions. The required support was not given (Manager).

(d) The stagnation, due to lack of scope for promotions, created enormous dissatisfaction among people. Added to this was the incentive scheme which did not spur people to greater effort. The scenario, while not being a demotivated one, was certainly not charged with the spirit of achieving excellence.

(e) Inter-unit relations were not smooth. “There were mutual jealousies across the units” (Manager-8). Each unit’s interests and perceptions of targets, problems, and prospects were limited to their own units. Larger concerns of importance to the whole company seldom bothered people “and a sense of unhealthy competition existed” (General Manager).

(f) NFL people did not have a unitary self-image as members of one organisation. Instead, there were multiple identities— NFLN, NFLB, NFLP, and the corporate office. “The units were functioning like island and there was very little interaction among them” (Managing Director). There was no sharing of information, no fraternity feeling, no sharing of problems and of collective problem-solving (General Manager-3, Manager-6).

(g) A sense of inequity existed in the units of Bhatinda/Panipat in comparison with Nangal. People in the former felt that they were not being treated on par with Nangal. People at Bhatinda felt that after the technical merger of Nangal into NFL, there was an ‘invasion of Nangal culture’. After two months of Jain’s take-over, the workers of Bhatinda and Panipat demanded: “we do not mind what we get, but it should not be one paisa less than that of Nangal” (General Manager).

(h) The head office was perceived to ‘interfere’ with work at the units. It was not viewed in a supportive role. Conversely, power and authority were perceived to be concentrated in the head office— whenever things went wrong at the unit or there were industrial relations problems, “we used to look to the ‘head office’ for solutions” (Deputy General Manager-4, Manager-15).

PART - II

STRATEGIES AND ACTIONS TAKEN

In order to manage the problems effectively, a series of strategies were evolved. These are broadly classified as follows:

1. Influencing the belief systems
2. Generation of a unified sense of identity/belonging
3. Increasing the number of on-stream days
4. Reducing the costs of production [(e)].

1. Influencing the Belief Systems

In order to counteract the prevailing belief that “we cannot produce beyond 80 per cent of the capacity, we are happy with 70 per cent”, Jain adopted a systematic and stepwise process of questions: “If this plant is designed to produce 100 per cent, within 330 days, why is this not possible?” This forced people to think, focus on causes and speak about the problems they saw for not exceeding 80 per cent capacity utilisation. Once these issues were sorted out and it got established that there were no infirmities in the plant, the next question was: “then why are we not producing more? Are we useless?” He succeeded in exploding the myth of the inability of NFL to go beyond 80 per cent capacity (General Manager-2). He kept insisting that the target should be 100 per cent. “List out the problems, the equipment bottlenecks, and explore why 100 per cent capacity utilisation is not possible and what action plans need to be worked out”. The style was one of logically working back, step-by-step, analysing where things were going wrong and what could be done (General Manager-4, Deputy General Manager-3, Manager-8). This kind of questioning was consciously done by Jain for 4 to 5 month until “we ourselves began asking such questions” (General Manager-2). “Much of his efforts at changing the beliefs of people were accepted since he appeared to know what he was talking about. ‘We know that if he said something it must be based on facts;’ we have to do our homework before meeting him” (General Manager-2; Deputy General Manager-1; Manager-4). The fact that he acknowledged that problems exist and extended all support and help encouraged people to look into the problems and share them. Teams were also sent out on educational tours to other leading fertiliser companies. These factors helped in influencing the belief systems making people more amenable to change (Director, General Manager).

2. Generation of unified sense of identity

Jain considered this to be one of the key areas requiring focus. The lack of emotional integration gave rise to feelings of inequity and resentment, leading to mistrust, misunderstanding, and resultant demoralisation. These factors were perceived as unhealthy for the overall organisational growth. A number of steps were taken to generate emotional oneness:

(a) The chief executive started making frequent visits to all the plants. As a manager put it: “The earlier Managing Director used to visit once in six months, but Jain visits almost every week”. The visits were made equal number of times to all the three units and in this way a sense of impartiality was conveyed. “Many of the factions which existed at NFL were ignored by him, he did not become a part of any one faction” (General Manager-2, Deputy General Manager-3, Manager-6). “Although Jain is part of us, there is also a distance. This discourages people from feeding him with misleading information. At the same time he makes it clear that he is available for discussions” (General Manager-3).

(b) Describing the situation when he joined NFL, Jain said: “All sections were like islands here. I wanted to break it up, therefore the unit chiefs were gradually brought together to share their problems and understand each other better. I tried to get people to appreciate each others’ problems.”

(c) Efforts were made to bring about the headoffice and unit-level integration. This was done by taking on a supportive role. “Corporate office has now become a facilitator, not a controller. Whenever there is a crisis, the Managing Director will certainly make all efforts to help us” (General Manager-3, Deputy General Manager-4). According to many of the interviewed people (60), “anyone who goes to corporate office on any work from the units is welcome to meet him”. “Even at review meetings he is not interested in fault finding and the actual details. ‘How can we (at corporate office) help you?’ is his style” (General Manager).

(d) The quarterly performance review (QPR), held by rotation at different units, was a major strategy in transcending the sharp boundaries which existed across the units. As a personnel manager expressed: “this helped in bringing about unity at the highest levels”. “People meet each other, there is an interchange of ideas, mutual discussions and also some social interactions” (General Manager). Further, excellence and innovation demonstrated by a unit get highlighted, and the other units are requested to try out the same.

In this way, inter-unit interactions have been fostered and relationships have been considerably improved. One manager from Panipat said: “when he saw our review of failures over the last two years he was very appreciative and asked the other units to adopt the same”. This paved the way for mutual learning and help among the units. At Nangal, a manager told us: “on certain issues, our workers expressed a desire to go and see how things are being done at Bhatinda or Panipat”.

3. Increasing the number of onstream days

This became one of the key areas to achieve a jump in capacity utilisation. For this purpose, two mechanisms were emphasised— (a) technical modifications and change, and (b) reducing the annual shutdown period.

In order to increase capacity utilisation, Jain said: “Let us make a detailed plant survey— study the equipment, evaluate the performance, defects, etc.— where are the constraints? Let’s rectify them. If you need help, we will give it.” (General Manager-5, Deputy General Manager-4, Manager-10, Deputy Manager-6).

The survey brought out many critical areas requiring organisational actions. The need to replace the heat exchangers which were causing plant breakdowns at all the three units was considered to be important. This was done and the replacement helped increase the reliability of the plant. The problem of cooling water temperature was identified as another major bottleneck in Bhatinda and Panipat units. This was overcome by introducing two more cooling tower cells. Improvement in the cooling water quality reduced the frequency of failure of heat exchangers, and, in turn, improved their performance besides increasing the life of the equipment. Earlier, the damage

to equipment used to be so high that Rs. 1 crore worth of equipment had to be replaced every year.

Improvements were also made in the instruments used in monitoring the quality of ammonia. The reliability and availability of the instrument was not up to the specifications. The performance of control instruments and analysers, therefore, needed improvement. Some of the instruments required upgradation. These were identified, action plans were chalked out and vigorously implemented. For example, the ratio controller of $N_2 - H_2$ ratio for ammonia synthesis was upgraded to a microprocessor based controller.

At meetings, the question raised before us (General Manager-3, Manager-10) was: "why are 80-85 days spent on shutdowns every year. Do you require it?" One of the general managers told us: "Off hand, neither could we answer this question, nor could our subordinates when we posed the same question to them". The two planned shutdowns in a year, in fact, became more and more dysfunctional since, increasingly, people tended to put off some of the vital repairs for the next shut down. "Anyway we knew that there would be a shutdown again after six months" (Manager-6). The shutdown, thus, became more of a set norm which everybody followed, without questioning.

The shutdown was obviously a costly exercise since it reduced the number of on stream days available and thereby limited the capacity utilisation. Additionally, 35 days of shutdown meant a loss of about Rs. 20 crores. A team was sent to the Madras Fertilizers Ltd, to examine its shutdown process, since its shut down was done only once in two years. Over meeting and discussions, people gradually started accepting the idea of only one annual shut down. "We also realised the importance of continuous monitoring (i.e. regular checking of plant health) and preventive maintenance". Now annual shutdowns are planned meticulously so that there is no time overrun as was the case in the pre-1986 period (General Manager-4, Deputy General Manager-3, Manager-8, Deputy Manager-6).

One of the managers was assigned the task of computerising maintenance. He said: "Although it existed in Trombay since 1972 and I have been trying to persuade the management for it, however, I could not succeed. It was only after Jain came that I got the opportunity and the administrative support to introduce this". Computerisation has now become a company policy. "The corporate office has prepared a maintenance manual on steps to be taken. They also worked out a frequency of breakdown analysis. They use this information to remind us periodically" (Manager). The shutdown time period was reduced to less than a month annually. In this way, the shift was made from crisis maintenance to predictive and preventive maintenance.

4. Reducing cost of production

Over a period of time, when production was up to the set target the second major issue was raised: 'production at what cost?' This question was raised more or less in all the meetings. "Earlier there used to be a lot of wastage. Waste consciousness was lacking in this company. Now in NFL we work

like a private company” (Manager-4). Many people stated that energy conservation was a very crucial area, since 70 to 80 per cent of the production costs go into energy inputs (feedstock, fuel-oil etc.). The corporate office took the lead on this issue and established an energy cell, which works on both present and future perspectives and does continuous monitoring. A general manager said: “lesser the ammonia and oil used in making urea, the greater the energy conservation and we have achieved this”. Overall, the company has effected Rs. 15 crores worth of savings in the 1986-88 period. The major actions taken towards reducing energy consumption are: improvement in capacity utilisation, improvement in operational and maintenance practices, and major plant modifications. Improvement in practices also include reduction of starting losses, close monitoring of cooling water quality, boiler efficiency, steam turbine and compressor efficiencies, etc.

In the areas of making technical modifications and changes as well as in the planning of shutdowns, the corporate office began to play a very crucial supportive role— in speeding up the processing of files and giving the O.K. for procuring critical spare parts (General Manager-2, Manager-4).

B. Systems

1. Reward Systems

Soon after Jain took over, he constituted a committee to review the existing reward system, and design a suitable one which could be psychologically motivating to the employees. Based on the report of the committee, a new system— the gift award scheme— was introduced.

The Gift Award Scheme: If the target (ammonia production of the month (95 per cent capacity utilisation) is achieved, then the direct group [(f)] earns Rs. 201 each. If this is achieved the second time, then Rs. 251 is the gift, and after the third such target achievement, Rs. 451 is the benefit. Subsequently, from 4th to 12th time, target achievement means a reward of Rs. 451 every time. The calculation is based on three factors: production (capacity utilisation), manpower utilisation, and material utilisation efficiency.

The present incentive scheme has been highly appreciated all the interviewed people. “It has created a deep impact on people” (General Manager). It has generated a lot of motivation as is reflected in the fact that there is consistently high production round the year, rather than only in the last six months. Now the employees themselves ask: “What is the extent of target achievement?” (Manager-4, Deputy Manager-7, Union Leader and Worker-10). According to a general manager: “Once people know they can achieve 95 per cent or 100 per cent, they work for it. The money spent is well worth it, since the amount is peanuts for the company” (General Manager). It is thus clear that the incentive scheme has been one of the primary factors in achieving the quantum jump in capacity utilisation.

2. *H.R.D.*

Human Resources Development (HRD) was given a new thrust through (a) training, and (b) appraisal. In the area of training, emphasis was given to participation of officers in courses organised by reputed institutions like ASCI, Hyderabad, and the IIMs. On the whole, the number of people went for training have increased dramatically (Deputy Manager HRD-4, Manager-1). Besides, the emphasis has shifted from pure technical skills to behavioural skills. As one member put it: "Now training is everybody's business". Earlier it was only for the supervisory and managerial class. However, today it covers all the segments of the organisational members—managers, supervisors, and worker class. In fact, when the case writers visited the Nangal unit, they found that some union leaders were taking classes for a mixed group of workers and officers. Apart from this, we were told that many of the worker representatives were being taught to read the balance sheet and the Bonus Act. This reflects the focus of the organisation on continued growth of all the organisational members.

3. *Knowledge Upgradation and Dissemination System*

Constant updating of information has been given tremendous emphasis. The managers are constantly encouraged to participate in seminars and to write papers in their own areas of specialisation. NFL itself has been organising national seminars on energy conservation and project management. Keeping up with the latest development has been stressed so that at the technical level the plants do not lag behind. Many tours were organised to various plants outside—NFL, RCF, and GNFC—so that people could learn about the latest developments. Inter-unit interchanges through various forums like QPR, etc, have helped considerably in information flow among the sister units. The information updating has been supported through the use of computers. Computers have been utilised most notably in predictive and preventive maintenance. The concept of 'Areas of Excellence' (AE) has also been initiated at each unit depending upon the expertise and interest available. Computerisation of maintenance was selected as the Area of Excellence at Panipat, financial systems at Nangal, and inventory and cooling water treatment at Bhatinda. Each unit gave a lead to the others in their areas of excellence and shared the knowhow with each other.

4. *Promotion System*

The imminent threat of demoralisation due to prolonged stagnation was tackled by a one-time dispensation scheme. According to a manager, when Jain realised that there was stagnation, he said: "It's not their fault that there are no new posts. How long can they work like this?" A new scheme was introduced, which partially reduced the magnitude of stagnation. People from worker up to the deputy manager level were covered by this scheme.

Officers got benefited based on assessment done by the DPC (Departmental Promotion Committee) consisting of general managers, managing director, and director-finance. Twenty per cent of the workers got

covered by this in the units, the criteria being five years at a position, good CRs and good performance in the interview. "This decision on promotions was a big boost and no one felt neglected" (Assistant Manager). "Now people feel that they will not be by-passed if they are good" (Manager). The modification of the promotion systems helped in boosting the morale of people who were good workers but had no proper promotional avenues in their departments. A second important dimension was the promotion system for officers. For a mere 2-3 posts, 40-50 eligible people used to be called for interviews. This was a tortuous procedure, which people underwent biannually experiencing anxiety, uncertainty and subsequent disappointment" (General Manager). This procedure was changed and made annual.

5. Monitoring Systems

These were introduced on different dimensions (a) Inter-unit level, (b) Intra-unit level, and (c) both Inter- and Intra-unit levels.

(a) Inter-unit Level: The first system introduced at this level was the Q.P.R. system— the quarterly production review. This is held once in three months, by rotation at different unit-locations. The meeting is chaired by the managing director. It is attended by the manager technical services, manager maintenance, manager production, and chief chemists of each unit headed by the general manager. The director finance, general manager finance, and concerned officers from the corporate office and marketing office assist the managing director. Officers up to deputy managers' level from the host unit are also included in the meeting for feedback and opinions. Each Q.P.R. is of two days duration. This is in contrast to the earlier system which was limited to only general managers meetings held at the head office.

According to a general manager, the new system helped to bring the meetings down to the level of deputy managers. In this way, the entire team is brought together simultaneously for interaction. This, according to another general manager, enhanced the level of participation. The first Q.P.R. started with the assessment of all probable problems to find out how to do better. A manager said: "Each and every breakdown is analysed, and bottlenecks in machines are discussed. According to a deputy general manager: "there are many advantages of the Q.P.R.: Firstly, all the expertise is available at one place at the Q.P.R., problems are discussed threadbare and decisions are taken. If necessary, task forces are appointed and immediate and long-term measures are examined".

Among the many advantages of the Q.P.R. is accountability, which has increased enormously (Manager). "It keeps the managers on their toes" (General Manager-2). Perhaps the apprehension of feeling small in front of other colleagues spurs people to do better. According to a manager from the corporate office, "monitoring through Q.P.R. is accepted because we provide support, we help them, and do not interfere in day-to-day affairs. This is corroborated by a statement of a general manager in a lighter vein: "Before we had daily 'interference', now we have 'interference' only once a month."

The Q.P.R. system has been perceived as an intergrating mechanism. According to a general manager: "By having the QPR in different units there is greater interaction, information flow, feeling of fraternity and also an opportunity for a social gathering. A deputy general manager expressed similar feelings when he said: "the QPR helps in bringing people closer since people of different levels meet each other and problems are expressed by people quite clearly". Another general manager said that since it is held at the units, there is time to be together.

For the purpose of effective monitoring in other areas, many other review committees have been constituted: (a) pollution review— once in three months, (b) safety review— once in three months, (c) H.R.D.— twice a year, (d) accounts review— once a year, (e) marketing review— twice a year, and (f) materials review— once in three months. These review meetings: (a) get the entire team together, identify, share and thrash out problems; (b) automatically introduce accountability; (c) ensure flow of ideas and information; and (d) help in meeting time deadlines. All the interviewed people were full of praise for the QPR and other review systems.

(b) Intra-unit Level

(i) Shop-level and Plant-level Committees: A number of committees were introduced in each unit. In order to effect improvements, through examination of suggestions, plant-level (P.L.), and shop-level (S.L.) committees were constituted. Each plant has a plant-level committee presided over by the general manager and a number of shop-level committees, each with a chairman of the rank of assistant engineer/engineer/assistant manager. The shop-level committee members are relevant workers and a management representative. They primarily, meet at least once in two months to examine various suggestions for shop-level improvements. All suggestions accepted by the SL committee are forwarded to the respective HODS, who examine them for their feasibility, action, and implementation. The management representative receives the feedback from the HOD. If the solution is not satisfactory, then the problem is brought up at the plant-level committee (which meets, once in six months) and discussed. This type of system was introduced by Jain. It has been viewed by all as the major innovative step for generating participation and involvement in respective areas of work.

(ii) Weekly Coordination and Monthly Review Systems: Weekly coordination meetings (at the plant) are held. Each group discusses its problems and works out solutions. Decision-making is done on the spot. Weekly production reviews are also held in small groups up to deputy managers' level, where both the next week's production targets are reviewed and consumption norms and despatch details are worked out (Deputy General Manager, Manager, Additional Manager). At the corporate office, the managing director conducts weekly review meetings. According to a manager: "monitoring of time and costs and physical progress in financial terms are thoroughly done".

Monthly review meetings covering production, performance and cost are also held. This is another problem-discussion and improvement-measures forum serving as a monitoring device. Although the monthly reviews existed earlier, according to an assistant manager and manager, they existed only as a concept. As a deputy general manager said: “before 1986, the forums did not function as they do now. Today, the minutes of the unit-level meetings are sent to the managing director and, in the case of cost review, to the director (finance). This acts like a checkback system to ensure that the reviews are taken seriously.

c. Inter-unit and Intra-unit Levels

(i) Task Force: This was another new system introduced by Jain. Task forces were constituted both across the units (by the managing director) and within the units (by the general manager). Officers from the rank of manager upwards at units have the discretion to constitute task forces. The managing director and his top team review the recommendations of the task forces. One of the first task forces to be appointed did a SWOT analysis of NFL. (General Manager-4, Deputy General Manager-2, Manager-7). Soon followed a task force to work out a good incentive system for the employees and a task force on maintenance. Both were appointed by the managing director.

There are a number of task forces set up within each unit. “Task forces are set up for both problem analysis and solution” (Manager). Whenever a problem arises, task forces are appointed. Equal number of officers and workers are represented in the task forces. While constituting a task force, members are drawn from various disciplines and levels. Six to seven bright persons are selected by the general manager and HOD. An individual is selected as leader by the general manager/HOD, based on his capacity to keep the team together. A time deadline is set for submission of report to the general manager, who subsequently has a discussion with the task leader and HODs and issues orders for implementation. Major task force reports are, however, sent to the managing director.

Each unit has appointed various task forces depending upon its problems. For example, the Bhatinda Unit has a permanent task force to examine breakdowns, which diagnoses and helps solve many unit-level problems. Similarly, at Nangal, there are task forces on safety and pollution; their earliest task force was on how to achieve 100 per cent capacity utilisation within three years. Panipat also has appointed task force to solve problems of energy conservation and safety. These systems have become an important vehicle for problem identification, diagnosis and solution. The response to this system especially from the workers has been positive.

(ii) Coordination Committee System: This system did exist since 1981-82, but only on paper, according to many people (40). It has, however, been implemented in an effective fashion only now. The coordination committee consists of two workers’ representatives, the personnel manager, and general managers of each unit; and the managing director as well as chief of personnel

and chief of finance from the corporate office. The workers' representatives elect their own coordinator. They meet every year before Diwali to finalise the issues regarding bonus, wages, etc. "The committee functions more or less through understanding and trust (Director Finance). This is a contrast to the pre-86 situation when the union-management relationship was not a very happy one. "Today the mind of the MD is clear to us. This was not so earlier" (Manager Personnel).

6. Management Information System

Management information system been viewed as one of the KRAs (Key Result Area) in NFL. "Readily available up-to-date information is the backbone for many quick and accurate decisions" (Managing Director). Each unit and corporate office has, therefore, been encouraged to collect and record data systematically so that they are easily available for quick decision-making. NFL has invested efforts in computerisation of safety records apart from energy and maintenance (Manager-8, General Manager-2).

7. Target Setting System

Yet another system to be streamlined was that of target setting. "Earlier targets were fixed and reviewed but the details were not worked out" (Deputy General Manager-2). "Realistic estimates were not made" (Manager). Target setting at the beginning of the year is now preceded by meetings with the workers and supervisors. The proposed target is discussed, opinions are aired, likely problems and issues of inter-departmental coordination are analysed, and then targets are set. Officers from the rank of assistant foreman and up to the deputy general manager participate in small groups, and then come up with their estimates, which are analysed collectively before finalising the targets. "Now target setting has become more realistic, because we work out the number of days required for sorting out anticipated problems, and then set targets" (General Manager-4, Deputy General Manager-3, Manager-7, Deputy Manager-9, Union Leader and Worker-11).

Actions taken around the key result areas, as well as the systems, were made as effective as possible by creating a climate which supported it. At this juncture it must be mentioned that although many actions and systems were introduced earlier, the missing factor was the absence of shared organisational values and cultural ethos. Functioning of organisational process, systems and strategies becomes effective only when it is continuously reinforced by the normative power of organisational culture and ethos. In fact, organisational strategies and actions primarily emanate from cultural beliefs and values in the organisation. The homogeneity between the cultural tenets and organisational process and systems are important for the organisation to work effectively. Mismatch between the two, however, leads to diffusion of organisational efforts. It is in this context that we now present the culture building efforts in NFL over the years, post 1986.

C. CULTURE BUILDING

1. Table 1 presents the perceived pre- and post-86 culture positioning in NFL. An analysis of this table reveals a significant culture shift in the post-86 era, compared to the culture scenario in the pre-86 period. Such a shift has been noticed across all the culture dimensions. All the values of 't' are more than 1.93 and are significant at $p \leq 0.05$. Item-wise examination of this table indicates that in the pre-takeover period of Jain, the culture positioning across all the parameters was around *four* on a *seven*-point scale. It was the poorest in the case of target setting, followed by decision-making. In these two cases the mean values are less than *three*. As against these, in the post-takeover period of Jain, the mean values across all the culture dimensions are found to be more than 6.80. However, in the case of role clarity and rewards, the mean values work out to be less than 6.80. In these cases they are 6.46, and

Table 1: Overall Culture Mean

<i>n</i> = 108					
<i>Culture Dimensions</i>	<i>Before</i>		<i>After</i>		<i>t</i> * values
	<i>Mean</i>	<i>SD</i>	<i>Mean</i>	<i>SD</i>	
1. Communication and Information flow: (A. Vertical, B. Horizontal)—Restricted— Free flow	3.89	0.86	6.86	0.56	30.62
2. Target setting process— Non participative— Participative	2.22	1.05	6.86	0.56	36.28
3. Team work — Low-High	3.89	0.86	6.86	0.54	30.62
4. Role clarity— Low—High	3.48	0.91	6.46	0.90	26.35
5. Reward— Performance— Linkage— Nontask — Task linkage	3.57	0.94	6.47	0.88	25.97
6. Decision-making process— Centralised— Decentralised	2.50	0.94	6.89	0.54	37.57
7. Motivation and commitment— Low— High	4.04	0.82	6.84	0.57	29.44
8. Industrial Relations— Poor — Excellent	4.11	0.84	6.86	0.56	28.41
9. Innovation/Creativity— Low —High	3.94	0.78	6.86	0.52	30.14
10. Rules/Regulations— Rule focused— Result focused	4.20	0.76	6.86	0.56	28.81
11. Risk taking— Risk avoidance— Risk taking	4.01	0.70	6.80	0.60	28.82
12. Problem-solving— Slow —Quick	3.37	1.12	6.83	0.57	27.84
13. Conservative— Dynamic	3.88	0.82	6.81	0.58	29.48
14. Easy going— Firm	3.90	0.79	6.84	0.57	30.23
15. Concern for people— Low — High	3.44	1.00	6.85	0.56	29.38
16. Concern for task— Low — High	3.94	0.78	6.86	0.56	30.14

Low mean score indicates a poor quality of organisational ethos. Contrary to this, high mean score reflects the high quality of ethos.

* 't' value to be significant at $p \leq 0.05$ level should be ≥ 1.98 .

6.47 respectively. A further analysis of this table depicts that in the case of thirteen culture parameters out of sixteen, the mean values are found to be more than 6.80 on a *seven-point* scale.

In table 2, the perceived culture positioning during the pre- and post-takeover period of Jain is examined across managerial hierarchy— top and middle management groups [(g)]. An analysis of both the tables demonstrates a significant movement in the culture positioning. The values of 't' have been found to be significant in the case of all the selected culture dimensions.

Findings such as these bring out the following picture:

- a) a significant culture shift in the post-86 era;
- b) perceived uniformity of culture change on all the selected dimensions across the managerial hierarchy.

2. The culture building effort at NFL has been organised around certain themes which struck the case writers, based on the in-depth interviews and the questionnaire data. These themes are:

- 1 — From the Head Office to the Unit
- 2 — From Management by Sitting to Management by Walking
- 3 — From Deferred Rewards to Immediate Rewards
- 4 — From Divided to a United NFL
- 5 — From Vertical Division to Total Integration
- 6 — From Survival to Survival with Excellence
- 7 — From Crisis to Planned Management
- 8 — Time Consciousness: from Laxity to Specificity
- 9 — From Task Preoccupation to Reflection
- 10 — From Problem Acceptance to Exploration
- 11 — From Loose Monitoring to Close Monitoring
- 12 — From Inequality to Equality of Ideas
- 13 — From Distancing to Proximity
- 14 — From Organisation to Community
- 15 — From Boss-centred to Group-centred Problem-Solving
- 16 — From Administration to Policy

1. From Head Office to Unit

A distinct shift in the focus was made from the head office to the unit. Holding the QPR by rotation at each unit gave a clear message, that the unit was the scene of action and not the head office. This message was reinforced by holding many other review meetings also at the units. This was contrary to the earlier situation when GMs meetings were called at the head office. Further, the role of the head office vis-a-vis the units was made very clear— corporate office (not 'head' office) is here to 'support you and assist you' (General Manager). "His philosophy is that corporate office is not here to tell you how to do a job but to assist you in achieving your goals. Corporate office is not a controller" (General Manager-3). Support is given in many ways: "Proposals from the units are considered and cleared in no time, even

Table 2: Level-Wise Culture Mean

Dimensions	Top n = 25					Middle n = 83				
	Before Mean	SD	After Mean	SD	t. value*	Before Mean	SD	After Mean	SD	t. value**
1. Communication and Information flow: (A. Vertical, B. Horizontal)— Restricted-Free flow	4.12	1.10	6.96	0.20	13.30	3.82	0.77	6.83	0.62	27.61
2. Target setting process— Non participative-Participative	2.64	1.04	6.96	0.24	20.20	2.10	1.01	6.83	0.62	31.06
3. Team work— Low-High	3.88	1.05	6.88	0.20	14.39	3.90	0.78	6.84	0.61	26.35
4. Role clarity— Low-High	4.24	0.88	6.96	0.20	15.27	3.25	0.79	6.31	0.97	22.43
5. Reward— Performance Linkage— Nontask-Task linkage	4.64	0.70	6.92	0.28	16.81	3.25	0.75	6.33	0.95	23.19
6. Decision-making process— Centralised-Decentralised	2.72	0.90	6.96	0.20	24.11	2.43	0.95	6.87	0.60	31.89
7. Motivation and commitment— Low-High	4.00	0.82	6.88	0.33	19.84	4.05	0.83	6.83	0.62	23.93
8. Industrial Relation— Poor-Excellent	4.16	0.85	6.96	0.20	17.15	4.10	0.84	6.83	0.62	23.50
9. Innovation/Creativity— Low-High	1.88	0.93	7.00	0.00	27.61	2.00	0.92	6.87	0.60	33.99
10. Rules/Regulation— Rule focused- Result focused	4.12	0.97	6.96	0.20	15.05	4.23	0.69	6.83	0.62	24.65
11. Risk taking— Risk avoidance— Risk taking	4.32	0.75	6.84	0.37	14.45	3.92	0.77	6.78	0.65	25.28
12. Problem-solving— Slow-Quick	3.88	1.05	6.88	0.33	13.42	3.22	1.09	6.82	0.63	24.95
13. Conservative-Dynamic	4.04	0.94	6.92	0.28	14.21	3.83	0.78	6.78	0.65	25.70
14. Easy going-Firm	3.96	0.98	6.92	0.28	13.96	3.88	0.72	6.82	0.63	26.67
15. Concern for people— Low-High	3.68	1.18	6.96	0.20	13.20	3.36	0.93	6.82	0.63	26.19
16. Concern for task— Low-High	4.08	0.91	6.92	0.28	14.39	3.90	0.74	6.84	0.61	26.35

Low mean score indicates a poor quality of organisational ethos. Contrary to this, high mean score reflects the high quality of organisational ethos.

* 't' values to be significant at p 0.05 level, should be ≥ 2.06 .

** 't' values to be significant at p 0.05 level, should be ≥ 1.99 .

for acquiring foreign parts costing a lot of money” (Manager). When any of the general managers request help— ‘to speak to the concerned secretary’ or to sort out any problems with the local authorities in the event of a crisis, the managing director promptly responds (General Manager-4).

All the general managers as well as interviewed managers spoke of the unit-level autonomy: “The unit chief is given authority, and power along with responsibility”: “You are the boss’, is the message”; “You are autonomous, do what you want” (General Manager-4). According to a manager, the managing director’s philosophy is that the unit level problems are to be handled at the level of the general manager. “General manager need not seek concurrence from the managing director” (Manager); “Jain has clarified the role of general managers” (Manager); “Free hand is given to the heads of the units, they are given full authority” (General Manager), and “units are left to themselves” (Manager).

“If there is any technical problem, the managing director’s response is— ‘This is bad, do something about it.’ In this way he puts the responsibility on you and it works. Earlier, whenever there was a problem, we used to look up to the managing director who would say, “I will do so and so” (General Manager-2). Another general manager said: “when responsibility is on our shoulders, we work for it. Autonomy means freedom of action, not freedom of wrong action”. Other examples of general manager’s role were narrated by some of the interviewed officers: A manager gave the example of one meeting with the managing director alongwith the CSF (Central Security Force) commandant who had come asking for more vehicles. The managing director replied: “why are you wasting time coming here? The general manager can do this”. He added further: “Many decisions are taken at the unit level and *post-facto* approved by the managing director”. A manager summed up by saying: “He has got clear views of the roles of people at each level as well as his own role. He, therefore, does not erode anybody’s authority. There is more confidence now in doing our job. He has inculcated tremendous confidence in the people at the top. Even at meetings he is not interested in the minute details. ‘How can we help you? is his question”.

The corporate office helps the units in quick clearance of papers with lower emphasis on notes so that the time factors is honoured. Notings are mainly made after discussions. In the commissioning of the Vijaipur project within time and cost estimates, a number of unconventional decisions were taken by the general manager. This was possible only because of the total autonomy given by the chief executive (General Manager).

Among other things, this unit-level autonomy has also been of great help in maintaining the industrial relations situation. A personnel manager said: “Earlier whatever the unions asked, the answer was that the head office would take the decision. Now, they know that things will work out right here. Even at meetings Jain never gives the answers. The answers have to come from the unit chief. Thus, people know that it is the unit chiefs who have to solve the problem” (General Manager-2, Deputy General Manager-2, Manager-8, Additional Manager-4, Union Leader and Worker-7).

2. From Management by Sitting to Management by Walking

Soon after Jain took over as chief executive, he started visiting the units. He said: "I used to walk around in the plant. I would walk in anywhere and see what was happening". "Apart from the conducted tour, he walks around by himself. He comes back and says, 'check the cleanliness in so and so area, near so and so equipment' (Assistant Manager). Once he went to one of the dirtier areas of the plant at the bottom of the compressor. He said: "No one will operate in areas where it is dirty" (Deputy Manager). Similarly, at the new project at Vijaipur, the managing director found the single officers' mess and the hostel in bad shape. He told the personnel manager: "the next time I come, don't arrange a dinner for me, I will eat at the mess and I will stay in any room I choose". In this way, the style of walking around helped him gain a first-hand feel about the state of affairs in various parts of each plant. By preferring to stay anywhere in the officers' hostel, rather than at the guest house, he has made the concerned staff more alert. Commenting on the difference in style, an interviewed officer observed that there was a time earlier when a managing director dared not walk around so openly and freely.

All the interviewed people say that he visits the plant at least once a month and fifteen times in a year. Whenever a problem crops up at a particular unit, he visits two or three times. Whenever he visits a plant, he calls for meetings with groups of people formally or informally— over lunch, tea or dinner. Some of the people disclosed that initially the managing director had said: "I want to improve things. Tell me what needs attention in your area" (Additional Manager). Jain told us: "the advantage of meeting many people over dinner is that a lot of information flows to you"— which reflects that he is focusing on first-hand information search. At the same time, his style gives the lead to the general managers to gather information and relate with people in a similar fashion.

According to all the interviewed plant-based people, whenever Jain visits the plant, he makes it a point to shake hands with all those present and exchange pleasantries as far as possible. He appreciates people who have done well and asks them for suggestions. He personally knows the names of all the line managers. People don't feel any distance. He does not single out any one person to the exclusion of others. He is not a VIP coming in a hurry. As he walks around, he smiles and makes people feel comfortable. There is a homely feeling when he comes to the plant. All can continue to behave naturally, doing whatever they are working upon rather than standing at attention till he goes past.

3. From Deferred Rewards to Immediate Rewards

The establishment of a clear-cut and immediate linkage between the reward and performance brought about a shift in focus. "People are preoccupied more with production rather than rewards since they know that reward will follow automatically" (Deputy Manager). There is the constant excitement of working because it is linked with achievement. The sense of palpable

excitement is amply demonstrated by workers' comments like, "I must carry home Rs. 451 today." Even milk vendors and vegetable sellers know and discuss these things at the township. Motivation is so high that the employees themselves discuss: "only so and so number of hours left". "In fact, workers curse each other if the set target is not achieved" (General Manager).

"It has created a deep impact on people. Earlier the possible reward was limited, now the level is unlimited, depending more on one's hard work" (General Manager). "It encourages and gives a man a morale boost" (General Manager). The introduction of immediacy in rewards has added a new dimension to the existing management culture and ethos. Getting a box of sweets as one is going off duty at 5.00 a.m. as well as getting the cheque and letter of congratulations on the same day is a great satisfaction. Earlier, it used to be a yearly affair. An important dimension of the managing director's behaviour also contributes to the sense of immediacy. When a unit breaks a previous record, the managing director tries his best to be present to congratulate the team. He takes the opportunity to walk around and shake hands with people. If this is not possible, then he sends a telex. This positive stroke conveys the clear message of mutuality of a team achieving a common goal together.

4. From Divided to a United NFL

Inter-unit and unit-corporate office bonds have grown very strong, in the post-take-over period of Jain. "The units are today with each other through thick and thin. We help each other out when in trouble. All of us have the same goal. We frequently talk with each other (General Manager-4 and Managing Director) over the hotline. The entire company is working for the same common goal". Another general manager gave the example of how each unit helped when there was a need for good people at the newly set up Vijaipur unit. "Each one of us (i.e. each unit) sent people in the interest of NFL. This has been the great achievement of Jain; he has been a binding force for us all" (General Manager). Most of the interviewed people spoke about a united NFL. "The units are close to each other. Communications are better, overseeing is good" (Additional Manager). "Boundaries across units are not sharp anymore" (Deputy Manager).

"Inter-unit— we are mutually helpful, cooperative and we also deliver the goods" (Manager); "A series of seminars which NFL conducted have helped achieve integration. Through QPR meetings we know what (information data, equipment) is available with whom and we seek help from each other when in need". "There is a family feeling across units as well as healthy competition" (Assistant Manager). "The earlier feeling of FCI man, NFL man have now gone."

5. From Vertical Division to Integration

A shift was achieved from hierarchical focus to greater feeling of oneness between the officers and workers. Someone (Deputy Manager) mentioned that the 'officers sting' has come down. "Earlier the worker-officer conflicts

were high, but now these have come down quite a lot” (Manager, General Manager, Deputy General Manager). “They now realise that fair demands will be met without confrontation (Manager). The rehabilitation of a few union members (by the managing director) suspended earlier for misbehaviour has also helped to reduce the resentment. Significantly, the union is now confident that whatever is reasonable will be done for the benefit of the workers.

Whenever any decision regarding matters affecting the union is taken, the union is fully involved. For instance, gate closing at the Nangal unit during work hours was achieved with the cooperation of the union. The reaction of the union members is “*Saab ne dil jeet liya*” (He has won our hearts). Some senior level people (General Manager-2) expressed that the managing director himself gives enormous time and patient hearing to the problems of both the workmen and the union. “If I don’t give the same when someone comes to me, I know he can approach the top and then it would reflect badly on me”. One of the general managers said: “Culture flows from the top. When the managing director is interacting so much with different levels, I also feel like doing it. When I do the same, for instance, attending workers’ club activities, then my officers also join in the activities”. A reflection of the integration is the fact that since 1986 there has not been a single walk out from the coordination committee (General Manager).

Many courses on productivity, safety, and pollution have been designed in which both workers and officers participate together. Participation in various task forces and committees along with officers has been another key contributor to the feeling of integration.

6. From Survival to Survival with Excellence

The quest for excellence was first communicated to the company when Jain asked the question. “Why not 100 per cent? We must produce 100 per cent”. Aiming high and planning meticulously to achieve the target has now become a characteristic of NFL. “We want to be the best in the fertiliser industry” (General Manager). Some of the people (General Manager-1, Deputy Manager-1) said: “Now, we realise that half the task is achieved when you put legitimate pressure and demand”. High demand followed by requisite support in planning and monitoring created an environment conducive to excellence.

The sibling competition which was created through various forums have also spurred the need to achieve more and more. The attitude of the managing director— that he does not allow poor performance; he is friendly as far as problem understanding is concerned, but not lenient towards poor performance— gave all a clear message of his emphasis on excellence in achievement. Now the general managers also give this message to their own people. The focus on excellence has been conveyed by the reward system as well— the more you produce, the more you earn. The emphasis on the quality of the idea (what is said), rather than source of the idea (who said it), through committees and task forces has also underlined the spirit of excellence.

The fact that union members feel that they get a patient hearing from the managing director to solve their problems, has created, in turn, a feeling of obligation to listen to the demands (for excellence) of the managing director. According to a union member: "he always makes it a point to attend all the functions at which 'we' invite him. Once we invited him to inaugurate a workers' hall. We had requested him to give us a convenient date. His reply was 'you please fix up the date and I will come.' Today, even the general manager and other officers exude the same style and behaviour". Some of the office staff at the corporate office commented: "If we don't see him for a few days, we look forward to getting a glimpse of him". "He has won us through the power of love and care and, therefore, we can't say 'no' to him" (Union leader and worker-7).

7. From Crisis to Planned Management

Great emphasis was laid on advance planning as a prerequisite for effective management. An orientation to planning was given through focus on realistic estimation of targets, based on anticipated problems (in terms of breakdowns, likely requirement of new parts, equipment, etc). "People are encouraged to bring out likely problems and obstacles in goal setting" (Assistant Manager). Some people (Manager, Deputy General Manager, General Manager) expressed that although target setting was done earlier too, it was not done in such detail. A deputy manager said: "now there is realistic planning of targets, because people are encouraged to bring out problems". The system of having participation from the lowest operating level upwards in target setting and review has obviously helped in better estimates. "Annual shutdowns today are meticulously planned" (Manager). "A systematic analytical approach has been given to things. The "10 years hence" condition monitoring and strategic planning which we have already been doing reflects the strong planning orientation in NFL".

8. Time Consciousness From Laxity to Specificity

According to many of the interviewed people, the managing director is famous for asking the timeframe for any problem: "*Kab tak ho jayega?*" (when will you finish the job?) "He has a marked weaknesses for dates. He is very particular about task completion within the stipulated time" (Manager). "Not only does he expect from others, but also does so himself" (General Manager). "No files get stacked with him around. In the past, a draft used to take one month to go through and used to cause many delays. On letters, he either writes 'Yes' or speaks over the phone to the concerned person" (Director).

According to many managers, at various review meetings he says: "I concede your point, tell me how much time will be required to solve the particular problem. Take the time required and solve it within the time you have estimated". This has percolated down to units. For instance, at the various coordination meetings, problems are discussed, solutions worked out, the concerned group's opinion is taken and decisions made on the spot (Manager). The time specificity theme is also reinforced through time

deadlines given to task forces to submit their reports. Similarly, targets are also set within a strict timeframe. The timeliness of decision-making is also emphasised. “We are encouraged to take decisions. Of course, we may go wrong 1% or 2% of the time. In fact, it’s better than not taking any decisions at all” (Manager).

9. From Pure task Preoccupation to Reflection

A tendency to think, analyse, reflect, and anticipate has become a basic managerial approach in the post-1986 era in NFL. The various meetings through task forces and committees help provoke reflection. “Jain has introduced introspection. He never criticises but points out that perhaps another course of action would have been more useful” (General Manager). “In this way, no mistakes are made twice” (General Manager). “We have given a level of confidence to workers that they will not be punished if they have been responsible for mistakes. Otherwise, the truth does not come out.” “Each and every breakdown is analysed, bottlenecks in the machines are discussed” (Manager). According to a deputy general manager, people, are clearly asked by the chief executive, “What are the problems, difficulties and limitations?”

The focus on reflection is best exemplified in the maintenance area— rather than reactive maintenance depending upon a problem coming up, “can we anticipate the likely problems and prepare for them, can we prevent certain problems” is the orientation. The encouragement of suggestions through shop-level and plant-level committees has further supported the reflective orientation among people.

10. From the Problem Acceptance to Exploration

A major change was brought about in NFL by attacking people’s tendency to accept things as they were—that nowhere in the world fuel oil-based plants have exceeded 80 per cent, therefore how can we? People were forced to explore alternatives when the MD asked the question “Why not 100 per cent capacity utilisation”? The constant focus on taking suggestions, listening to ideas, giving all a chance to express their ideas through task forces and committees has reoriented people to explore rather than blindly accept things as they are. “Whenever there is a problem, we appoint a task force to explore and solve it”.

11. From Loose Monitoring to Close Monitoring

Close follow-up and monitoring has become another culture characteristic of NFL. This has been achieved through the QPR and weekly and monthly reviews. Jain takes particular interest in inter-unit as well as the intra-unit reviews. He goes through the minutes of these meetings. While there is freedom in arriving at targets, fulfilling them is the responsibility of the group. The present system of monitoring has increased the accountability. It keeps people on their toes. Secondly, the potential group pressures at the review meetings also keep people alert. For instance, once the chief of a unit which

had a series of break-downs had to face the question—"Do you feel satisfied with your performance?" Whatever is discussed at the meetings is noted and there is subsequent check back at the next meeting. "He keeps track of things, remembers details and asks questions" (Manager, Deputy General Manager).

"At the QPR, he asks questions in front of all. If we have no answers to the questions, then we feel bad. At the same time, no one feels belittled because the managing director asks in a sophisticated fashion (more of a warning that I must improve)" (Additional Manager). This review procedure is also adopted down the line and has paid good dividends. "The QPR and other systems introduce a greater amount of certainty since things are recorded, shared, and support is given" (Deputy General Manager). "When he visits the plant, he also checks out with the workers, what is your target? What have you achieved?" (Manager). This gives him feedback about the general plant level awareness of people at the lowest levels in the organisation.

12. From Inequality to Equality of Ideas

The post-86 situation is predominantly characterised by equality of ideas—equality based on the quality of an idea and its rationality. Now, the utility of an idea is more important than the source. This is evident by the following comments: "Earlier we gave suggestions, but nobody bothered about them. Now our suggestions get implemented" (Worker). "When we give an idea, it is given a good hearing" (Assistant Manager). "My ideas get accepted provided I can support them with good reasons" (Manager).

The forums for these ideas are the shop and plant level committees, as well as the other unit-level task forces. This system helps ensure that quality is not ignored if it comes from lower power holders. The revival of suggestion schemes and the prizes for best suggestions also helped stimulate useful ideas.

The inequality across departments has also been worked upon. Earlier, the production division was the most important. Now, all departments are given equal importance. In fact, the typically ignored divisions like HRD and safety are given greater importance. The heads of these divisions, while holding relatively lower ranks compared to production/maintenance, get a good opportunity at the HRD review and safety meetings to address and influence their senior colleagues, knowing fully that the managing director is laying emphasis on these divisions (General Manager-3).

The review and meetings in which the managing director participates are also characterised by the same kind of equality, according to officers who participate in these forums: "Reason-based decisions, not based on personal prejudices. If you can convince him for a better solution, he appreciates it. In fact, he asks for it". "We can dissent with ideas, express our own opinions until decision is taken" (General Manager). "Logic is important. Either convince or get convinced. There is no confrontation". Suppose the managing director has views which are different from mine, he says, 'These are my views, I don't agree with you. Can you tell me what you feel?' If, he is convinced then he accepts" (General Manager). "As a human being he gives me a chance to express myself" (Deputy Manager).

Apart from this, the emphasis on equality of ideas is also revealed by the comments of some officers: “He asks for ideas, he comes to learn” (Manager); “He always asks for suggestions for improvement. This has influenced senior officers to become more open to ideas from any level” (Manager); “Besides the various forums, the group problem-solving approach has taught people that suggestions coming from a group in close contact with the operations can be very valuable, irrespective of the rank” (Manager).

13. From Distancing to Proximity

The earlier hierarchy was cut through by the managing director. He began making frequent visits to the units. “He tries to meet as many people as possible” (General Manager). “Whenever targets are achieved, he is there to congratulate us and shake hands with as many people as possible. People are mesmerised by this... it has never happened to them... people feel elevated” (Manager). “He cuts through the line, meets right up to workers level and discusses problems” (General Manager). Six-seven year ago even plant engineers could not meet the general manager” (Manager); “Visits were there before, but the way Jain mixes with people at lunches, etc, is liked. People have no barriers in approaching him” (General Manager).

Further, anyone who goes to the corporate office on any work from units, can walk in and meet him. This has added to the feeling of belonging. Many of the people interviewed at different levels, said that they felt no barrier whenever they met him. The feeling of proximity together with lack of differentiation across hierarchy— was further accentuated by the community feeling discussed below.

14. From Organisation to Community

This feeling was developed on two dimensions’ (a) within the units, and (b) around the units.

(a) Within the Units: According to the interviewed people, a lot of money is spent on sports activities. “He is very generous in sanctioning money for organising sports meets and buying sports equipment”; “He has encouraged inter-unit tournaments; we have also hosted State level *kabbadi* tournaments” (Assistant Manager). “He tries to participate in the programmes, he addresses the gathering and takes every opportunity to speak” (General Manager). On the welfare side, money has been granted for many activities— when the CISF commandant of Panipat requested for a CTV in place of a black and white TV, it was granted immediately. Similarly, “money for a billiards table for Vijaipur was granted when requested for” (Manager).

The workers’ and officers’ clubs now get together and organise various social functions, *melas*, etc. The general manager of the units have started visiting wherever there is a marriage or any other function. “People feel extremely happy about it” (General Manager). The general managers have also started visiting the workers’ clubs. Therefore, the other officers are compelled to follow and they also participate like the general manager.

(b) *Around the Units:* A number of safety measures have been taken to curb pollution of atmosphere and water at all the units. Money has been spent on providing small facilities in schools nearby for drinking water and construction of toilets and to provide medical facilities in the nearby areas. There is a lot of goodwill for the units among the people in the surrounding areas according to many of the unit-level officers. The extension services provided as part of the marketing effort, such as village adoption, appointing *Bhu Sewaks*, digging tube-wells, field demonstrations, soil testing, crop seminars in the villages, have helped to consolidate and project a better image of NFL in the minds of the clientele. On a visit to one of the units, we saw that the gram panchayats of the neighbouring villages were invited for a plant “*darshan*”. Thus effort has been made to integrate the plant with the surrounding areas. Tree plantation has also been done in a big way, within the unit premises and around, to maintain the ecological balance. Besides, plants are distributed in the surrounding villages as well.

15. *From Boss-Centered to Group-Centered Problem-Solving*

A major shift was made at NFL in the style of decision-making and problem-solving. This was achieved by seriously implementing group functioning through various inter-unit and intra-unit committees and task forces. Many officers said, “there is a lot of team work now.” Speaking about the advantages of the weekly meetings at the units, a manager said: “problem areas and weak areas are now collectively identified and the need for support and assistance is worked out through the process of collectivisation.” In this way problems get freely aired and many inter-departmental issues sorted out. In the weekly meetings, a lot of team spirit is generated and we, therefore, now collaborate with each other in a better fashion” (Manager). The inter-unit committees and task forces, especially QPR (chaired by the MD or GM), have similar advantages. “It helps people see the problems from a macro perspective. Earlier, the production people did not know about the marketing problems and *vice versa*. However, today it is not so” (Manager). The group problem-solving approach has helped most people to develop a broad corporate perspective and a “helicopter” view of the company. “Officers are allowed to dissent and voice their opinions provided they are substantiated by facts and data” (Manager); “We have the personal freedom to express ourselves. People need not toe the management’s line. We can express our views until a decision is taken. However, once a decision is arrived at, it is accepted by us all” (General Manager). Talking of the benefit of these meetings, a manager said: “Meetings may not produce results, but they produce understanding and a spirit of togetherness”. “Since people have the opportunity to express their views, they now feel that they are a part of the management” (Director).

16. *From Administration to Policy*

Adherence to the formal organisational hierarchy tends to increase centralisation of decision-making. “In NFL, we do not follow the formal organisational channels for problem-solving and decision-making. Anyone

can speak to anyone here” (General Manager-3). The matter of target setting is a good example. As a deputy manager said: “Jain has made us a party to target setting.” “At the QPR and other such meetings, lower levels are involved and allowed to contribute to the decision-making. All are given an opportunity to voice their opinions. In fact, each person is specifically asked, ‘Have you got any point to add?’ In this way, Jain has made us a part of the policy-making body. It has generated a feeling of our decision, rather than decisions imposed from the top as directives” (Manager-9; Deputy Manager-12).

Involvement of junior-level people in various types of committees and task forces has a definite impact on them. It gives them a sense of belonging. They feel they have been heard and, therefore, it is their duty to implement the decisions since they have been party to the decisions” (Manager). “You are the management, you tell me what is to be done”, is the typical style of our MD to make us feel that we are the decision-makers and policy-formulators” (Manager-10).

“Now we all feel that we are here not only to administer and implement decisions but to evolve corporate policies, programmes and actions” (Deputy Manager-14). “It is a very exciting experience to play the role of a policy maker. You develop a different perspective to your role and work since your mental horizons are broadened” (Manager-7). This is the best way of grooming and developing people for higher roles. It is a very powerful socialising instrument to sensitise people for higher responsibility.

D. Management of Change

It is relatively easy to demonstrate tangible changes in a poor performing organisation. This is, however, not the case in a company which has been a steady performer with a progressive outlook. In the situation of failures, people are normally fed up and invariably look forward to a leader who can bring new hopes for success. Such a phenomenon facilitates a variety of experimentation and change. This is so because in such situations the members themselves actively tend to cooperate with the new chief executive and his endeavour for organisational building and change. The scenario at NFL, however, has been very different. People were quite comfortable with themselves, their company was doing well and they had a sense of pride to belong to NFL. In a situation like this, the change strategy is bound to be unique and complex. Table 3 depicts the modes of change adopted at NFL to bring about organisational transformation.

An analysis of table 3 indicates that for organisation building and management of change, a series of strategies were adopted. All the strategies are clearly perceived by the majority of people in our sample. Even the lowest ranked strategies have been experienced by more than three-fourths of the interviewed people. A strategy-wise examination of this table demonstrates the preponderance of the process of consultation and participation as well as sincerity of the top man for initiating change. These have been mentioned by 100 per cent respondents. The culture building processes— from the head

Table 3: Strategies of Managing Change

n = 50

<i>Modes utilised</i>	<i>Number of responses</i>	<i>Percentage</i>	<i>Rank</i>
Consultation and Participation	50	100.00	1
Sincerity of the top man	50	100.00	1
<i>Kutumbisation</i>	48	96.00	2
Collectivisation and team work	48	96.00	2
Empowering behaviour	46	92.00	3
Use of systematic questioning and spirit of enquiry	45	90.00	4
Modelling behaviour	40	80.00	5
Educational strategy	38	76.00	6
Continuity and novelty	38	76.00	6
Close Monitoring	38	76.00	6

office to the unit, from the boss-centered to the group problem-solving approach, from administration to policy, from inequality to equality of ideas— indicate the mode of consultation and participation in inducing cultural transformation. Sincerity of the top man is reflected by Jain's style of relentlessly persuading the people of NFL to search for excellence, new heights and vistas. The processes of consultation and participation and sincerity of the top man are followed by the mode of *kutumbisation* and collectivisation and teamwork. Both these modes have been mentioned by 96 per cent of the respondents.

"Empowering" behaviour emerges as third and has been mentioned by 92 per cent of the sample. "He has not eroded anybody's authority: not once did he mention—'I am right' ". Such an approach normally adds to the sense of self worth. In the NFL case, the sense of self worth has been further reinforced through participation, involvement, collectivisation, team work and *kutumbisation*. Empowering strategy is quite essential for managing change, since it helps in the reduction of human anxiety and fear, both being natural reactions to change plans.

Two modes— use of systematic questioning and spirit of enquiry and 'modelling behaviour'— have been ranked as 4th and 5th. While revolution erupts from below, organisational change invariably flows from above. Thus, modelling behaviour and the sincerity and credibility of the top management become quite critical for initiating and sustaining change. These mechanisms were made powerfully operative in NFL's change strategy and action plans.

The usage of various "educational strategies" like tours of other plants, visits, seminars, etc, and 'continuity' of earlier situation and close monitoring have been ranked as 6th each, their respective percentage of responses being 76.0. These are reflected by comments like "there has been continuity from the previous culture," "change has come from within the existing system" "change has not been imposed from the outside— it has evolved through the examination of our internal system."

From the above analysis, it is clear that there were multiple strategies for initiating change and experimentation in NFL. Three important parameters of experimentation—continuity, transition, and change—were combined judiciously and used appropriately. Such a strategy served the company well in managing the potentially dysfunctional aspects of change.

PART - III

LEADERSHIP STYLE AND VALUE PROFILE

The fourth part is designed to study, in section 1, the leadership profile of Jain at three levels: (a) the leadership profile perceived by the followers; (b) the self perceived leadership profiles; and (c) the self perceived operative leadership style. The value profile has been examined in section 2.

1. (a) Perceived Profile

The perceived leadership profile of Jain has been presented in Tables 4 and 5.

Table 4 depicts the overall perceived leadership profile and demonstrates preponderant empowering attitude in Jain's leadership. This quality has been ranked as number one, having been selected by 70.1 per cent of the sample.

Table 4: Leadership Profile of Jain

n = 201

<i>Leadership Components</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Demonstrates an empowering attitude i.e. makes people feel that they are worthwhile and important for the organisation	141	70.10	1
Is clear about the mission, purpose and goal of the organisation	136	67.70	2
Is a good team builder capable of creating positive group feelings among members	122	60.70	3
Is a good boundary manager—environment, such as government, politicians, heads of other organisations and departments	110	54.70	4
Is quite open and receptive	109	54.20	5
Gives people complete freedom to decide, evolve plans and strategies at work	96	47.80	6
Is a good planner	89	44.30	7
Evokes a sense of confidence and trust by his behaviour	72	35.80	8
Very particular about the speed and quality of work done	55	27.40	9

Table-4 contd.

<i>Leadership Components</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Does not lose his balance in the face of calamities	53	26.40	10
Gives adequate responsibility for the job performance	38	18.90	11
Is accessible to any one who wants to see him	36	17.90	12
Encourages the total development and growth of people	35	17.40	13
Is interested in the welfare and well being of people working in the organisation	33	16.40	14
Values and appreciates good work	32	15.90	15
Has care and concern for the individual's work as well as his personal problems	28	13.90	16
Is intellectually of high calibre	28	13.90	16
Not afraid of taking risks to achieve results	25	12.40	17
Is innovative and creative	24	11.90	18
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	22	10.90	19
Technically very sound and knowledgeable	18	9.00	20
Consults relevant people before taking decisions concerning them and their departments	18	9.00	20
Provides clear instructions of what to do and what not to do	18	9.00	20
Does not hesitate to point out and even scold when mistakes are committed by the people on the job	15	7.50	21
Generally adheres to organisational rules, procedures and regulations	14	7.00	22
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	11	5.50	23
Protects and supports people when necessary	10	5.00	24
Believes in consensus building before taking a decision	8	4.00	25
Not only tolerates mistakes while achieving results, but also protects people if necessary	5	2.50	26
Believes that real learning and growth take place when people explore and in the process also make mistakes	3	1.50	27
Treats organisational members like his brothers	3	1.50	27

This has been followed by 'clarity of mission, purpose and goal of the organisation', 'capability to build the team', 'boundary management skill' and 'receptivity and openness; their ranks being 2nd, 3rd, 4th, and 5th, respectively. 'Freedom and autonomy,' 'planning capability', 'evoking a sense of confidence', 'concern for the speed and quality of work', 'maintaining balance in the face of calamities' are ranked 6th, 7th, 8th, 9th, and 10th, respectively. All these attributes together account for approximately 70.00 per cent of the total responses. The least perceived quality is "treating organisational members like his brothers", its rank being 24th. This quality has been perceived only by three respondents out of 201, and its percentage works out to be only 1.50. A further analysis of this table reveals that out of the first ten characteristics, five fall under the person-centred leadership style; three in the category of strategic management, and the remaining two in the category of the concern for task and maintaining balance in the face of calamities. The big brother attitude has been found to be quite negligible.

In Table 5, the perceived leadership profile of Jain has been examined across managerial hierarchy. An analysis of this table brings out a significant similarity in the perceived profile of Jain by both the groups— the top and the middle level. The value of 'Rho' is 0.99 which is significant at $p \leq 0.05$ (Table 6). Findings such as these indicate the homogeneity in the perceptions of both the groups. An itemwise analysis revealed a trend more or less similar to the overall profile (discussed above), of course with some marginal variations here and there.

(b) Self perceived profile

The self perceived profile of Jain is presented in Table 7. Here we have focused only on the ten preponderant leadership qualities.

An analysis of table 7 indicates the preponderance of 'demonstrating an empowering attitude' in Jain's self perceived style, followed by 'capability to build the team and 'clarity of mission, purpose and goal', their ranks being, 1st, 2nd, and 3rd, respectively. Concern for 'speed and the quality of work' is ranked by Jain as 10. As against this, it has been ranked others as 9.

With a view to finding out the similarity or divergence 'rho' has been calculated across the self perceived by others. the value of 'rho'(0.94) demonstrates a significant perceptual similarity . In other words, there is no significant variation in the self perceived profile of Jain and the profile perceived by the followers.

(C) Self Perceived Operative Leadership Style

The self perceived leadership style and operative leadership style of Jain is presented in table 8.

Table 8 demonstrates that Jain has the following distinctive feature in his leadership style:

- (a) He has no dysfunctional leadership behaviour since his scores against the Deserter, Missionary, Autocratic, and Compromiser styles are zero;

Table 5: Leadership Profile of Jain Across Managerial Hierarchy

n = 201

Leadership components	Top <i>n</i> = 31			Middle <i>n</i> = 170		
	Frequency	Percentage	Rank	Frequency	Percentage	Rank
Demonstrates an empowering attitude, i.e. makes people feel that they are worthwhile and important for the organisation	23	74.20	2	118	69.40	1
Is a good team builder capable of generating positive group feelings among the members	20	64.50	3	102	60.00	3
Is a good boundary manager—environment, such as government, politicians, heads of other organisations and departments	19	61.30	4	91	53.50	5
Not afraid of taking risks to achieve results	7	22.60	8	18	10.60	17
Does not lose his balance in the face of calamities	10	32.30	7	43	25.30	10
Is a good planner	15	48.40	5	74	43.50	7
Evokes a sense of confidence and trust by his behaviour	12	38.70	6	60	35.30	8
Gives people complete freedom to decide, evolve plans and strategies at work	15	48.40	5	81	47.60	6
Is quite open and receptive to new ideas from people	15	48.40	5	94	55.20	4
Is accessible to any one who wants to see him	6	19.40	9	30	17.60	12
Is innovative and creative	5	16.10	10	19	11.20	16
Is interested in the welfare and well being of the people working in the organisation.	3	9.70	11	30	17.60	12
Is clear about the mission, purpose and goal of the organisation	24	77.40	1	112	65.90	2
Gives adequate responsibility for the job performance	6	19.40	9	32	18.80	11
Has care and concern for the individual's work as well as his personal problems	2	6.50	12	26	15.30	14
Very particular about the speed and quality of work done	5	16.10	10	50	29.40	9
Values and appreciates good work	3	9.70	11	29	17.10	13
Encourage the total development and growth of the people	6	19.40	9	29	17.10	13
Provides clear instructions of what to do and what not to do	—	—	14	18	10.60	17

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Table-5 contd.

n = 201

Leadership components	Top <i>n</i> = 31			Middle <i>n</i> = 170		
	Frequency	Percentage	Rank	Frequency	Percentage	Rank
Is intellectually of a high calibre	3	9.70	11	25	14.70	15
Protects and supports people when necessary	1	3.20	13	9	5.30	22
Treats the organisational members like his brothers	1	3.20	13	2	1.20	25
Technically very sound and knowledgeable	1	3.20	13	17	10.00	18
Does not hesitate to point out and even scold when mistakes are committed by the people	1	3.20	13	14	8.20	20
Not only tolerates the mistakes while achieving results, but also protects people, if necessary	2	6.50	12	3	1.80	24
Believes that real learning and growth take place when people explore and in the process also makes mistakes	1	3.20	13	2	1.20	25
Consults relevant people before taking decisions concerning them and their departments	2	6.50	12	16	9.40	19
Believes in consensus building before taking a decision	3	9.70	11	5	2.90	23
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	2	6.50	12	9	5.30	22
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	3	9.70	11	19	11.20	16
Generally adheres to organisational rules, procedures and regulations	1	3.20	13	13	7.60	21

Table 6: Rank Order Coefficient of Correlations Across Managerial Hierarchy

Group	<i>n</i> (Pairs of ranks)	<i>df</i> (<i>n</i> -2)	<i>Ed2</i>	<i>rho</i>	Level of Sig. of correlation value
Top vs middle	31	29	587.50	.881	.05

'rho' value to be significant at $p \leq 0.05$ level should be ≥ 0.36 .

Table 7: Self Perceived Vis a Vis Others' Perceived Leadership Profile of Jain

<i>Dimensions</i>	<i>Self perceived</i>	<i>Perceived by others</i>
	Rank	Rank
Demonstrates an empowering attitude i.e. makes people feel that they are worthwhile and important for the organisation	1	1
Is a good team-builder capable of generating positive group feelings among the members	2	3
Is clear about the mission, purpose and goal of the organisation	3	2
Is a good boundary manager— environment, such as government, politicians, heads of other organisations and departments	4	4
Is a good planner	5	7
Is quite open and receptive to new ideas from people	6	5
Gives people complete freedom to decide, evolve plans and strategies at work	7	6
Evokes a sense of confidence and trust by his behaviour	8	8
Does not lose his balance in the face of calamities	9	10
Very particular about the speed and quality of work done	10	9
<i>'rho' = 0.94</i>		
<i>'rho' to be significant at ≤ 0.05, should be ≥ 0.63.</i>		

Table 8: Self Perceived Operative Leadership Style

<i>Leadership style</i>	<i>Score</i>	<i>Rank</i>
Deserter	00.00	—
Missionary	00.00	—
Autocrat	00.00	—
Compromiser	00.00	—
Bureaucrat	10.00	4
Developer	40.00	1
Benevolent Autocrat	20.00	3
Democrat	30.00	2

- (b) It also indicates that he preponderantly operates on the style of developing his followers, grooming them for higher responsibilities and empowering them for taking risks;
- (c) The developer style is followed by the democratic, indicating his immense faith in the process of participation, involvement, team work, democratisation and collectivity;
- (d) His score of 20 against the benevolent style demonstrates his concern for task and ability to establish the linkages between the rewards and work.

2. Value Profile of Jain

This section proposes to present some of the value statements articulated by Jain. It has been done with a view to identifying some of the core values of his personality. During our informal and formal interactions, Jain made a series of value statements. Some are listed below:

- “Don’t preach what you can’t practice”
- “The team can build or kill the organisation”
- “Spirit of inquiry is the essence of growth”
- “Before you ask people to tighten their belt, you must be prepared to tighten their belt, you must be prepared to tighten your own”
- “Every human being is capable of contributing good ideas, regardless of his level”
- “Top management action has a modelling impact on the behaviour of the lower level functionaries”
- “Man is basically good”
- “To bring meaning in work, human efforts must be linked with suitable rewards”
- “Every human being must be allowed to make mistakes since to err is human nature. If it does not happen, very few would dare to take risk”
- “In managing people, honesty and authenticity bring out better results than manipulation”
- “A manager should focus on doing right things rather than only doing things right”
- “People must be rewarded solely on the basis of their performance”
- “Man is basically gregarious”
- “Team work may not produce immediate results, but it certainly produces understanding”
- “It is collectivity that produces synergy”
- “Human beings are prepared to submerge their own interests, provided they see the meaning of their work in the context of the larger goal”
- “Human actions are diffused if there is no clarity of goal and purpose”
- “One must aim at achieving excellence in every endeavour, howsoever big or small”
- “Democracy is the most enlightened human institution”
- “The test of team work is the appreciation of others viewpoint”

- “If you want innovation allow people to experiment and tolerate their mistakes”
- “People can be groomed when their ideas are accepted and they are allowed to experiment”
- “The organisation is like a large family”

If one examines all these randomly articulated value statements one can draw the following distinctive value profiles of Jain:

- (a) Group orientation— the man believes in the process of collectivity
- (b) Participativeness — a strong orientation towards participation, involvement and sharing of ideas
- (c) Democratic— belief in equality of ideas and tolerance of disagreement
- (d) Explorer— a strong belief in search for new alternatives, a new meaning, and experimentation
- (e) Decisiveness— clarity of purpose and goal
- (f) Authentic— compatibility between the precept and practice
- (g) *Kutumb* orientation— symbolising the organisation in the family framework.

This is the value syndrome derived from the statements made by Jain. We understand the limitation of our methodology. However, it was done with a view to comparing the espoused value profile with that of the perceived leadership profile. The above value profiles of Jain do demonstrate an enormous similarity with the perceived leadership profile and styles.

If we combine the findings of Tables 4 to 8 and the value statements of Jain given above, we can draw the following conclusions about his personality profile:

- (a) Jain is perceived preponderantly as a person centered leader, coupled with the capability of evolving strategic management actions and not getting perturbed in rough weather
- (b) People also see in him a leader who has high concern for speed and quality of work. In other words, a man who is capable of effectively combining feeling, task, and organisational strategy.
- (c) There is compatibility between the leader's self image and that of his follower's perceived image, indicating the match between leader behaviour and follower perceptions
- (d) Jain's profile demonstrates his immense faith in human beings and his desire to work with them by building and empowering his followers
- (e) He is a leader who believes in democratisation of work and the process of *kutumbisation*, collectivity, and team work.

NOTES

- (a) Vijaipur unit has not been included in these calculations since it was commissioned very recently.
- (b) Please see appendix V for the various technical modifications and innovations initiated by NFL.
- (c) In the fertiliser industry, the government gives a subsidy to companies, provided they achieve a minimum of 70% capacity utilisation.
- (d) Many of the problems were identified through the various task forces which he constituted.
- (e) This came up as a focal point only later. As one person put it, "After satisfactory production, the next question to be tackled was production at what cost?"
- (f) *Direct group*: This constitutes the personnel from production and maintenance (excluding the ministerial staff). The indirect group includes all others along with corporate office and marketing.
- (g) NFL operations geographically speaking are highly scattered. Besides, Jain has deliberately introduced a culture of decentralised operations, where general managers assume *de facto* the role of chief executive for their respective units. Because of these factors, the lower level functionaries do not get opportunities to frequently meet the managing director. Therefore, they perceive the general managers as the chief executive. This fact came to light when we initially attempted to administer the structured instruments on the lower management group. Some of the respondents in that group expressed the absence of direct interaction with the M.D. and therefore they were in no position to judge his style. Keeping this fact in view, therefore, we did not gather the structured data from this group. However, we did interview this group for unstructured information, particularly from those who had some interaction with Jain.

APPENDIX I
CAPACITY UTILISATION LEVELS AT NFL

<i>Unit</i>	<i>Capacity in terms of 'N'</i>	<i>79-80</i>	<i>80-81</i>	<i>81-82</i>	<i>82-83</i>	<i>83-84</i>	<i>84-85</i>	<i>85-86</i>	<i>86-87</i>	<i>87-88</i>
Nangal	2.32	1.33 (54.2%)	1.25 (54.2%)	1.736 (75.1%)	1.855 (80.2%)	1.98 (85.6%)	2.002 (86.5%)	2.154 (93.1%)	2.09 (90.8)	2.19 (94.88)
Bhatinda	2.35	0.52* (44.3%)	1.00 (42.4%)	1.33 (56.8%)	1.53 (65.0%)	1.43 (60.7%)	1.44 (61.0%)	1.68 (71.5%)	1.69 (72.0%)	2.02 (86.0%)
Panipat	2.35	0.53* (38.4%)	0.68 (29.0%)	1.82 (77.5%)	1.63 (69.1%)	1.57 (66.8%)	1.57 (66.8%)	1.42 (60.3%)	1.90 (80.7%)	2.05 (87.3%)
Overall	7.02	2.36 (48.6%)	2.94 (41.8%)	4.89 (69.7%)	5.01 (71.4%)	4.98 (70.9%)	5.01 (71.4%)	5.25 (74.9%)	5.68 (81.0%)	6.10 (89.4%)
Vijaipur	3.34	—	—	—	—	—	—	—	— (under trial run)	0.42

* Calculated on the basis of production from the date of commissioning

APPENDIX - II**ENERGY SAVINGS DUE TO IMPROVEMENTS IN CONSUMPTION
NORMS**

1986-87	—	5.9% savings over 1985-86
1987-88	—	4.7% savings over 1986-87
Total Savings	—	1986-1988 = Rs. 15 crores

(Source: Performance Report, unpublished document)

APPENDIX - III**AMMONIA PLANT DOWNTIME DETAILS FOR THE PERIOD
1983-84 TO 1987-88**

<i>Description</i>	<i>Year</i>				
	<i>1983-84</i>	<i>1984-85</i>	<i>1985-86</i>	<i>1986-87</i>	<i>1987-88</i>
Total available days	366	365	365	365	66
On stream days	217	245	269	264	296
Lost days	149	120	96	101	70

(Source: Company Records— Unpublished).

APPENDIX - IV**SAFETY PERFORMANCE* AT NFL**

<i>Year</i>	<i>Unit</i>
1986	125
1987	104

* Figures indicate number of accidents in the respective calendar year.

APPENDIX - V

MAJOR MODIFICATIONS/INNOVATIONS CARRIED OUT AT
NATIONAL FERTILIZER LIMITED: POST '86 PERIOD

A— PANIPAT UNIT

<i>Sl. No.</i>	<i>Modification</i>	<i>Benefits</i>
1.	Ammonia Dosing in LP Re-Boiler: Ammonia Plant	The original arrangements did not provide for Ammonia Dosing and polished water was being directly used to raise 3kg/cm ² G steam. An additional ammonia dosing pump was installed and piping was modified for injection of ammonia in the LP boiler. This has resulted in corrosion control and has improved the performance of LP boiler.
2.	Utilisation of 100kg/cm ² G steam from waste heat boiler: Ammonia Plant	The scheme provides for let down of 100kg/cm ² G saturated steam to 3kg/cm ² during start up since minimum turn down ratio for steam super heater is 66% load. Thus, 100 kg/cm ² G steam, which was being vented earlier, is now utilised in the process.
3.	Co shift condensate recovery: Ammonia Plant	About 8-10M ³ /hr. Co shift condensate, which was being drained earlier to the ETP, is now utilised in the process as make up to urea cooling tower No. 3. This has resulted in saving equivalent to polished water.
4.	Change of cooling tower fan blades from Aluminium to FRP: O & U Plant	This has significantly reduced power consumption by the cooling tower fans, keeping the same air flow.
5.	Solar Heater for Factory Canteen:	Solar heaters have been installed for the factory canteen. This has reduced electrical power and LPG consumption for geysers for hot water system in the canteen.
6.	Nitrogen and hydrogen ratio controller: Ammonia Plant	The micro-processor based ratio controller for controlling the ratio of nitrogen and hydrogen in the synthesis gas. The precise control of the ratio has ensured reliability of ratio of the synthesis compressor as well as the ammonia synthesis.
7.	Methanol Recovery from Claus Gas: Ammonia Plant	An additional separator with level control valve has been installed to recover methanol from Claus Gas. Methanol saving is estimated to be about 1 Te/Day.
8.	Emergency Power driven boiler feed water pump: Ammonia Plant	During power failures, the oil guns are required to be taken out within half-an-hour from the gasifiers. Otherwise the gun tips get damaged because of the high temperature, as the reactor cannot be depressurised because of low level in the waste boiler. Provision of emergency boiler feed water pump will help in making the level in the waste heat boiler and prolonging the life of the waste boiler coils and will avoid damage to the gun tips.

Appendix-V contd.

<i>Sl. No.</i>	<i>Modification</i>	<i>Benefits</i>
9.	Regulation of water supply of prilling tower vis-a-vis control of effluent: Urea Plant	Due to uncontrolled flow of water to the prilling tower, overflowing of the dissolving tank was taking place. After implementation of the scheme, generation of effluent will be minimised.
10.	Additional cooling tower cells: O & U Plant	The additional cells for ammonia cooling tower are under erection. This would provide the desired temp. of cooling water during hot/humid months and would avoid production loss during this period because of high cooling water temperature.
11.	Captive power plant:	A large number of power dis-interruptions are being faced, causing huge production loss of ammonia and urea. A 2 x 15 MWH capacity captive power plant is being installed in order to have required power supply and to reduce production loss on this account.
12.	CFD Washing Recovery: Urea Plant	Whenever CFD bed is choked with urea, it is washed with water. The concentration of the washing is such that it cannot be recycled in the process. Also, its transfer to effluent treatment plant causes problems. Therefore, this scheme will help in recovery of this solution to recover urea.
13.	9 — K condensate recovery in gasification: Ammonia Plant	The 9 — K condensate is generated in oil pre-heaters and oxygen pre-heaters. This will ensure on line cleaning of the condensor tubes for better heat transfer and energy saving.
14.	Tapproge System: Ammonia Plant	On-line cleaning system is being provided on the surface condensors of compressors. This will ensure on line cleaning of the condensor tubes for better heat transfer and energy saving.
15.	Co. Monitoring: Ammonia Plant	On-line co. monitoring instrumentation has been provided in identified locations in ammonia plant for detection of co. leakage. The co. level in the area helps in timely detection for reducing health hazards.

B— BHATINDA UNIT

<i>Sl. No.</i>	<i>Modification</i>	<i>Benefits</i>
1.	Provision of additional cooling tower cells for ammonia and urea cooling towers	Plant is able to run at 100% load even during the peak months. Earlier the plant load used to be around 95% during this period
2.	Provision of booster instrument air compressor	One number regular instrument air compressor has been stopped resulting in power saving of 145 KW
3.	Methanol separator in the claus gas line going to sulphur recovery unit	Carry over of methanol with claus gas has been reduced considerably thereby saving in methanol consumption
4.	Provision of automatic dust washing system in urea prilling tower dust chamber	This has reduced the urea dust going to atmosphere from prilling tower. In addition to urea saving, it has helped in pollution (Air) control
5.	Urea bio-hydrolyser installed in effluent treatment plant	This has improved the operation of effluent treatment plant and has brought the treated effluents within the specified limits of MINAS. (Minimum National standards)

C— NANGAL UNIT

<i>Sl. No.</i>	<i>Modifications</i>	<i>Benefits</i>
1.	Due to bypassing in the 2-pass shell side of Lean/semilean methanol exchangers, heat exchange was poor, leading to more load on the refrigeration unit. Improvised sealing strips were provided along the longitudinal baffle in all the seven exchange to stop bypassing	Shell side bypassing has stopped completely. Heat exchange and temperature profile across exchangers has improved. Load on refrigeration unit has reduced considerably
2.	Due to improper mixing of gas and steam and channelling in catalyst bed, the temperature profile across catalyst bed of shift convertor-I used to be uneven. The hot spots used to be very high due to which life of catalyst was very low (1 to 2 years). Replacement was frequent. The dome of the convertor was replaced with a modified one, having 3 inlet nozzles 120° apart for uniform distribution. Internals were also modified for better mixing of gas & steam	The temperature profile across the catalyst bed has become fairly even. The hot spots are controlled within limits. The life of catalyst has increased to minimum 3 years. Co-slippage from the unit could be reduced. Steam consumption for controlling hot spots could also be reduced.

Appendix-V contd.

<i>Sl. No.</i>	<i>Modifications</i>	<i>Benefits</i>
	Catalyst volume in the IInd Shift Convertor was increased by modifying the bottom grating.	The gas exist temperature of E-1404, which was earlier about 37°C came down to about 25°C as a result of changeover of cooling medium.
3.	Converted gas from Shift Conversion Section is cooled in a cooler (E-1404) before being sub-cooled in an ammonia evaporator. Earlier, the cooling medium used in E-1404 was circulating cooling water having a temperature of about 30°C. This was changed over to river water having a lower temp. of about 20°C.	This has reduced the load on the subsequent evaporator and refrigeration unit The approximate saving on energy alone is to the tune of about Rs. 9.0 lakhs annum
4.	The Air Separation Unit is designed to supply a required amount of oxygen of 99.5% purity for gasification. By 1985-86, the purity of oxygen came down to 95-96%. Oxygen content in waste nitrogen had increased. During 1987 shutdown, the waste nitrogen takeoff header was inspected and the baffle was cut to increase the flow area.	The purity of oxygen has improved to 98.5% after the modification. This has resulted in increased load in gasification on a sustained basis
5.	Recycle gas compressor provided for recycling. Flash gases in Rectisol, used to have very high downtime. Due to excessively high discharge temp. the packings, etc., used to get damaged. The suction duct was modified, making it equidistant from both cylinders. Also, cooling water was changed over to river water.	The discharge temperature remains within limits and downtime has reduced a lot. With 24 hours of downtime of the machine and plant on 100% load, flash gases equivalent to 13 to 14 Te of ammonia had to be flared

IFFCO— PHULPUR: FROM PANDEMONIUM TO PEACE

While working on the Indian Farmers' Fertilizers Co-operative (IFFCO)—Phulpur case, we are reminded of a parable which very aptly describes the leadership profile of S P Sharma. This is the story of a young man going on a pilgrimage to Mecca (a holy place in Saudi Arabia). On his way he meets Khoza, a great Turkish philosopher, who at that time was chopping wood, by the road side. The young man asked: "Sir, how much time will it take me to reach Mecca"? Khoza did not pay any attention to the young man's question and continued with his chore. The young man repeated the question a second time, slightly more loudly. Again, there was no response from Khoza— verbal or non-verbal. However, the young man did not show anger or frustration. Rather than wasting more time, he started running towards Mecca with all speed. Seeing the prowess and the energy of the young man, Khoza smiled to himself and called out: "Young man, wait a minute, it will take exactly forty-five minutes for you to reach Mecca". Flabbergasted, the young man stopped and asked Khoza: "Why then did you not tell me when I asked you"? Khoza replied: "Young man, I was trying to gauge your desire and speed. I was quite sure of your desire but not of your speed. Now that I am sure of both, I can reply with confidence that you will take exactly 45 minutes".

The reality of life is that many of us may have the desire but not the speed, or the speed and not the desire, and yet we dream of reaching Mecca, the destination of every human life. In the managerial world, it could be the dream of being or becoming a great leader.

Lee Iacocca [(a)] also says the same thing: we are all capable of running; however, in reality most of us simply decide to walk and yet dream of reaching Mecca— the goal of one's life. In spite of our great potential to be transformational leaders, many of us do not succeed in becoming so, because we have only speed but not the desire or vice-versa. But in Sharma, the General Manager, IFFCO— Phulpur [(b)] we see a unique symbiosis of both, the speed and desire, in equal measure. No wonder that he could succeed in converting a situation from one of pandemonium into one of peace and collaboration. The present case is built around these two powerful concepts— desire and speed. The case starts with a brief profile of IFFCO— Phulpur. The case study has been organised into four parts. Part I presents a brief

background of IFFCO— Phulpur,— pre- and post-take over period of Sharma as the General Manager. Part II focuses on the strategies evolved by IFFCO— Phulpur for converting industrial pandemonium into industrial harmony and peace. Part III critically examines the process of culture building and management of cultural transformation and glasnost, while Part IV is devoted to the study of Sharma's style, his beliefs, and values.

Given below is the sample profile:

Respondents' Profile

<i>Respondents</i>	<i>Frequency</i>	<i>Percentage</i>
Senior and top management	18	15.25
Middle management	33	27.97
Lower management	67	56.78
Total	118	100.00

IFFCO— Phulpur— A Profile

IFFCO— Phulpur [(b)], a naphtha-based fertiliser plant, was commissioned in 1980 near Allahabad. In 1983-84, it incurred a loss of Rs. 33.45 lakhs; its capacity utilisation dipped from 81 per cent, to 65 per cent. This was, in fact, a nose-dive for a three-year old plant which had just stabilised; had made reasonable profits; and demonstrated satisfactory capacity utilisation. On the organisational culture dimension also, in 1982-83, the Phulpur unit experienced tremendous erosion. The mean scores of all the culture components were found to be less than 2.50 on a seven-point scale (Table).

The all round decay and pandemonium started early, in its two year existence, in 1982. The unit was stricken by an indisciplined work force resulting in enormous erosion of work values and mass-scale demoralisation. At one point, the Managing Director was convinced that, with this value profile of the work force, the plant would not run; and he even contemplated a lock-out. As a last resort, the Managing Director sought the counsel of S P Sharma (the number two man at the unit) and asked him whether he would be able to do anything to improve the situation. Sharma sought six months time for a fair trial, with the promise that he would do his best.

Soon after Sharma took over as the General Manager in September 1983, he initiated many bold steps to clear the Augean stables. The steps taken started yielding visible results. The achievements of IFFCO— Phulpur during 1986-87 were in direct contrast to the chaotic months of 1982-83 as seen by certain telling facts:

During the year 1986-87:

1. The capacity utilisation (Appendix I) was the highest ever, at 97.39 per cent of the installed capacity.

2. Profits touched Rs. 1398 lakhs (Appendix II).
3. Production was 482071.9 tonnes, the highest ever reached (Appendix III).
4. The energy efficiency level was also the highest ever (Appendix IV).
5. A number of innovative steps contributing to the further improvement in plant efficiency were also introduced (Appendix V).
6. The work culture dimension experienced a phenomenal shift as well as growth. On a seven-point scale, the values of mean scores across various cultural dimensions were found to be more than 6 in ten cases; more than 5 in four cases; and more than 4 in two cases. In contrast, in the pre-take-over period of Sharma, the score was less than 3, the former demonstrating an enormous positive movement and growth (Table I).
7. The unit, during the year, also bagged the "productivity" award instituted by the National Productivity Council.
8. Figure I succinctly depicts the contrast between the pre-83 era and the post-86 scenario.

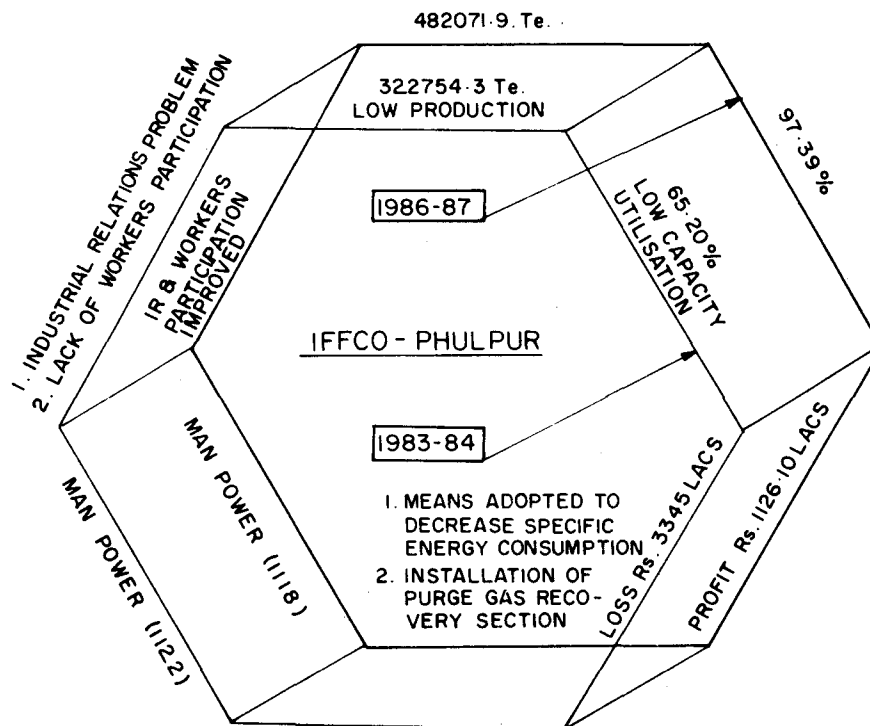


Fig. 1

Interestingly, a comparison of the capacity utilisation of this unit with other naphtha based plants indicates that it ranked third during the period of our study— 1986-87. The post-March 1988 performance (110 per cent capacity utilisation) of the unit shows that it ranks first in the country among naphtha based plants. Importantly, the management is quite confident of a still brighter future; the workforce is buoyant and is in harmony with the management. What is more, there is a great deal of appreciation from the local community of the significant contributions made by IFFCO— Phulpur to its socio-economic upliftment [(c)].

How and why did this unit experience such a dismal performance in 1982-83? How did it achieve such a tremendous shift subsequently? These are pertinent questions for the academics as well as the practising managers. For the former, it is important for theorisation and paradigm building; for the latter, it provides significant learning for introducing new experiments for organisation building.

The data for this case were collected through a structured instrument from 118 respondents. The sample break-up is presented in [(c)]. Besides administering the structured instrument, in-depth interviews were conducted with 90 respondents. Of these, 50 belong to the management group, 25 to the operators category, and 15 to the surrounding village community.

PART I

Brief Background

IFFCO— Phulpur as an entity came into being in 1967. The project work for Phulpur started in 1974; it went into commercial production in March 1981. The Phulpur unit's total investment was of the order of Rs. 213 crores, its main constituents being 900-TPD ammonia, and 1,500 TPD urea plants. Besides, the plant has a steam and a power plant, water treatment and cooling towers and units for inert gas generation; instrument and plant air system, naphtha and fuel oil handling, urea storage and bagging, coal and ash handling, and effluent treatment. The plant as well as the work force have a youthful profile. The average educational level of the permanent work force is fairly high, the minimum being graduation.

Takeover Scenario

When Sharma took over as General Manager in September 1983, he was not a stranger to the plant. Because of his association with IFFCO— Phulpur, as maintenance manager since 1978, he knew the plant and the people "inside out". "I knew the psychology of the people, who were '*badmash*', and who were the 'good' workers. I knew the plant quite well. The situation was so bad that many of us wanted to leave. All of us were demoralised. The whole day, workers used to trouble us. No one would listen to the management. I was nervous when I took over". The problem was grave, both at the plant and at the people levels. Frequent boiler tripping was quite common [(d)].

According to a manager, in 1983-84 sometimes the boiler tripped at least a hundred times in the power plant.

The behaviour of both the workers and the union was extraordinarily undesirable. "People used to sleep during production hours. Workers would go in and out, as and when they pleased" (Dy. Manager). On the slightest pretext, they used to abuse the officers: "Many times workers made abusive phone calls even to the ladies" (Manager). "When the General Manager used to go round the plant, workers would pick up the mikes, installed for easy communication in case of emergency, and shout abuses. Go slow, and work-to-rule methods were the order of the day" (Operator). "*Gheraos* of the top managers were quite common" (Manager).

The workers were taking undue advantage of the situation. Overtime figures were extremely high, having jumped to 42 per cent of the total wage bill. Each technician could earn overtime to the tune of Rs. 5,000— Rs. 6,000 per month (Manager). Compared to other IFFCO units, where the overtime was only to the tune of 10 per cent, the 42 per cent overtime at Phulpur was indeed alarming and a matter of great concern to the management. Stealing of naphtha (naphtha can be used as a substitute for petrol in running vehicles) from the plant was rampant. The newly promoted supervisors also colluded with the workers in this business because of union pressure.

The misuse of the canteen facilities was another major problem. "The lunch and snack coupons were used not to buy food, but exchanged for other items. There was an arrangement with the canteen contractor under which people could take home not only tins of biscuits, ghee and butter, but sometimes even electrical appliances like juicers, mixies, TVs, and refrigerators" (Dy. General Manager, Manager, Dy. Manager).

The aggression and indiscipline of the workers had a severe negative impact on the officers: "Not many officers had the courage to ask the workers to do their jobs. No one even tried to do so" (General Manager). "People (officers) felt that the management was not interested in the plant" (Dy. Manager). "Confidence in the top man was low and, therefore, people never took any strong and serious action against the troublesome workers. The officers were a demoralised lot. Many of them wanted to leave the unit and join either other organisations or get transferred to other IFFCO units" (Dy. Manager).

Pre-Take-over Scenario

The management processes and systems significantly influence members' behaviour in an organisation. In the present case it would therefore be desirable to examine them in their historical perspective. Such an approach would help identify the causation of the unnatural and deviant behaviour of the workers at the Phulpur unit.

Right from the beginning, IFFCO— Phulpur was characterised by the "*Karta*" style of management. It was the true replica of a large family, headed by *Pal Pothan* as the *Karta*. This value percolated down the line and was imbibed by most of the IFFCO— Phulpur members. "People were

encouraged to speak and sort things out mostly in an informal manner. They were discouraged from writing notes and indulging in bureaucratisation. The head of the organisation (MD) was always available to its members for both the work and non-work related problems” (General Manager, Dy. General Manager, Manager, Superintendent).

Another uniqueness of IFFCO— Phulpur was its informal approach, specially in the areas of welfare and employees’ grievances. This was possible, to a great extent, because of the top management’s accessibility and approachability. The top management used to go out of its way to help people solve their problems. It was a system characterised by large-heartedness, magnanimity and a person-centred approach, some times even bordering on *ad hocism*” (Manager).

In the initial stage, IFFCO— Phulpur also provided a lot of promotional avenues to its people because the three plants came into existence one after the other. IFFCO— Phulpur thus earned a reputation for providing quick growth opportunities. People were promoted after every three years from Kandla and Kalol to Phulpur, sometimes even without adequate qualifications. Gradually quick promotions became a way of life for the employees. “Many joined IFFCO— Phulpur, with the expectation of quick promotions” (Superintendent, Operator). “Unfortunately it was not possible to continue the same because of non-expansion of IFFCO— Phulpur and the subsequent stagnation in the post-80 period” (General Manager, Deputy General Manager).

“Talwar was the first General Manager of IFFCO— Phulpur. He was approachable... was an open, receptive and person-centered leader. In fact, he was too indulgent and people-centred. Next, Bhanot took over as General Manager from him and he made all efforts to see that the past culture did continue in his tenure also” (Manager).

Something very unique happened in IFFCO—Phulpur. Large-heartedness and excess people orientation on the part of the top management were perceived by the union as signs of weakness. The informal work arrangement tended to be viewed as *ad hocism*, full of inequity and injustice. These perceptions occurred quite quickly because of the sudden change at the top, both at Phulpur and the corporate level. “In fact, IFFCO— Phulpur was without a Managing Director for one year. In this background, the union in Phulpur started pressurising the new General Manager to create more posts. They also forced him to sanction lunch and tea coupons besides large amounts of overtime” (Manager). It was a classic case of the pampered baby turning irresponsible.

Simultaneously the style of the management also changed. The fatherly, approachable style of the top management at Phulpur was replaced by a typical “*Brown sahib*” style of aloofness, inaccessibility and hierarchy. Earlier, the informal systems of the management and the idiosyncrasies were, in some measure, compensated by the top management’s soothing style, which was perceived by both the workers and the union as an expression of the management’s concern for the people. Through this, the top management used to exercise enormous power over the union, workers and the

management. There was a familial culture full of understanding and strong bonds. However, the change in the style of management brought changes in the perception of both the union and workers about the intention of the management. In the eyes of the people, the management was uncaring and non-problem-solving, having a weak and yielding style under pressure.

It was in this background that the union raised the question of wage revision, knowing fully well that such a matter could not be solved at the unit level, since the issue was pending with the industrial tribunal. This issue was taken up by the union, we believe, to gain an upper hand over the management which it previously did not have. The union could succeed to some extent in mobilising people because: (a) it was a common economic cause where every worker had a personal interest, and (b) there was a change in the management style wherein the management lost all personal power over the workers. Ethical, moral and personal power emanate more from the power of love, care and concern for the people. The whole scenario in IFFCO—Phulpur changed because the new style was anathema to the old values. Such a sudden change in the style of management produced a culture which was devoid of concern for the people and characterised by inaccessibility. This had a negative impact on the intimate familial relationships between the management and the union, breaking all the possible channels of communication.

In a nutshell then, this was the scenario when Sharma took over as the general manager. The situation at Phulpur was so explosive that Sharma had first of all to take immediate steps to contain and bring things under control. Being an insider, Sharma had an enormous advantage in that he knew the place and the people intimately. However, it was not such a simple situation either. Even Sharma had an acceptance problem. He was considered to be an “outsider” because of his “steel background” (having worked earlier with Bokaro Steel) before joining IFFCO—Phulpur. Some people had reservations about his competence as a “fertiliser man” and did not accept him as an insider, in spite of the fact that he had joined the organisation in 1978. According to a senior manager, there were people who tended to believe that Sharma was the sole cause for many of the plant-level problems, since he was often seen talking to the workers and mingling with them. His style did not match with the aristocratic style and behaviour of the top management at Phulpur at that time.

In order to understand the logic of the managerial actions in IFFCO—Phulpur, it would be worthwhile to examine Sharma’s perceptions of the situation. His understanding of the problems, when he took over, were as follows:

- (a) He knew that the plant was technologically good and, therefore, concluded that the persistent tripping was due to sabotage by some workers.
- (b) He assessed that most of the workers were probably fed up with the situation. Every breakdown meant a two-hour delay and more effort in restarting the plant. According to him, “by and large, our people are good, only a small percentage was creating the havoc. Therefore,

it was important to isolate them". He also felt that it was the right moment to start confrontation and retaliation since this was the most opportune time to mobilise the support of the many workers who constituted the silent majority.

- (c) He felt that the upper hand gained by the union must be nullified in order to improve the management morale and the 'right to manage' which had been completely eroded, must be reasserted.

PART II

STRATEGIES AND ACTION PLANS

Sharma decided on multi-pronged strategy to deal with the various knotty problems of Phulpur. An examination of these strategies conceptually reveals three distinct phases: (a) initiation, (b) consolidation, and (c) innovation. It is difficult to identify clearly and define these strategies in terms of a particular phase (since actions started in many directions cover more than one phase). However, an effort is made here to deal with them separately for the sake of conceptual clarity. This is done on the premise that actions have distinctive foci even though they operate simultaneously.

PHASE I: INITIATION

A. Management Process

In order to manage the prevailing problems, Sharma developed strategies geared to (a) revamping the management process and systems, and (b) changing the existing power disequilibrium between the management and the union. A series of alternatives were chalked out to tone up the management process and systems. They are as follows:

1. Morning Meetings

Sharma revived the system of morning meetings for the top management and departmental heads at 8.15 a.m. "Anyone could freely talk in the meetings. People started speaking their minds, and for the first time everyone came to understand the problems in a broader and holistic perspective" (Manager). "People reacted to the union provocation in different ways. The cross-discussions helped us in developing a common perspective to the union problem. This was a great education to the total top management team" (Manager). "We discussed threadbare as to what we can solve at the unit level and what we cannot. We realised, in our ultimate analysis, that the workers were playing mischief" (Deputy Manager). Technical problems also used to be discussed, explored and sorted out in the morning meetings. "He (Sharma) used to draw out persons regarding problems they faced. This made us alert and also pushed us to find out the problems in our own area of operation. Discussions helped the management to know about the overall problems" (all the interviewed managers).

“The system of morning meetings was of immense help because many plant-level problems got explored and solved across departments” (Deputy Manager). Such a system encouraged free flow of information about the problems. The morning get together helped in team and morale building of the officers, especially of the supervisors. “After information-sharing started, morale among the supervisors increased. There used to be a unified approach in the management to the union problems. Fifty per cent of the union fellows became silent after this” (Manager).

This was in direct contrast to the earlier situation. Although the concept of morning meetings did exist, it was not pursued actively. It was not used for the purpose of sharing information and decision-making. Its style of functioning created more problems instead of solving them as reflected by some of the comments:

- “The meetings were never held on time”
- “The General Manager himself used to come after 9 a.m.”
- “There was no fixed time to hold the meetings. People used to come and wait since the meetings could be conducted anytime between 9 a.m. and 12 noon” (all the interviewed managers).

2. Decision-Making Process

The group decision-making process was introduced. “Nobody can say now that he is not consulted. Every individual feels that his voice is heard” (Deputy Manager). “In solving problems, decisions are jointly taken” (Manager). “Decisions are mostly from the group, and not from the G.M.” (Manager). “Decision-making is participative” (Superintendent). “There is no autocracy at all” (Manager). “Sharma is not an autocrat” (Superintendent, Manager). “All the time he discusses with us and then takes a consensus decision. If it is an urgent matter, he discusses with a few managers, if time is available, then he even goes up to the workers’ level” (Superintendent). “If anyone objects and makes a different suggestion, the advice is accepted, provided the person can support his point of view by facts logic and data” (Superintendent).

“On many issues, he says: What shall we do? I will go by you. In technical areas, however, sometimes he does make independent decisions. Invariably, in technical areas, his decisions are sound. He is a technical giant. We are no match to him” (Manager). “On many issues, including technical ones, people at various managerial levels are encouraged to make decisions. If anything goes wrong, he supports and takes the responsibility” (Manager). “We get his backing. He promotes risk-taking capability in us” (Superintendent).

“Things began to improve because members were consulted and involved. Almost all the decisions here are team decisions” (Deputy General Manager). The earlier situation was characterised by non-involvement of people in important decisions, and absence of information-sharing. There was a kitchen cabinet: “The plant was being run by a few men. Therefore, there was no involvement” (Manager). “Nobody was sure about what was happening

here” (Operator). There were cliques of people and mutual suspicion. Officers did not wish to take decisions on industrial relations issues for fear that the General Manager would reprimand the officer before the worker rather than supporting him. This alienated the officers and, in the end, lead to inaction and safety-seeking behaviour at all the levels of managerial hierarchy” (Manager).

3. Punctuality

The next concrete action taken was to enforce discipline, both among the workers and the officers. He first tried to inculcate punctuality among the officers. Since workers were expected to be in the plant premises by 8.15 a.m., Sharma felt that the officers too must be inside by 8.15 a.m. He first shared this idea with the officers and then ensured the same by closing the gate on the dot of 8.15 a.m. everyday. If anyone was late even by half-a-minute, this was noted and added up over a month. If the total exceeded 30 minutes, there was a salary deduction. A manager described the experience in the first few days after Sharma took charge as the General Manager: In a surprise move, he got the gate-keeper to make note of the number of late coming officers on a particular day. Around 20 officers came late that day. This information about the noting at the gate spread like wildfire, and from the next day no officer was late. After this, the workers had no choice but to comply with this punctuality requirement. Needless to say, the General Manager himself maintained utmost punctuality.

In the earlier situation, the problem of indiscipline started right at the top. Although the workers were expected to be in by 8.15 a.m., the General Manager himself used to reach after 9.00 a.m. “Since the morning meetings were held anytime before 12.00 noon, the senior officers themselves started coming late” (Manager). This style percolated right down to the workers’ level. Besides, in the afternoon officers used to go home, have lunch, relax and then come back; fixed timings were thus not followed” (Superintendent).

4. Grievance Handling

Two mechanisms were adopted to improve the speed and efficiency of grievance handling. Firstly, an open-door policy was adopted. This meant that any one could walk into the office of the General Manager and meet him on any matter without appointment. Everyday, after 2.00 p.m., he made himself available for the employees and all other visitors in general. All the interviewed officers spoke about this practice. In fact, some felt that he was too accessible and that people contacted him even for personal matters like the illness of their children. He was always available even at his residence. The second mechanism was direct settlement of the workers’ problems by the welfare officer, who used to go around every day to check out the problems and help solve them” (Manager).

Earlier the grievance handling machinery was ineffective. Problems of housing, medical care, canteen and other welfare and personal issues could not be solved at the appropriate levels and time. There was no open-door

policy. "People had no access to the General Manager" (Operator). "He used to be out of station at least once or twice a week, and people felt that he had lost interest in the plant and the people" (Operator). "Since the workers could not approach the General Manager directly, they started meeting the union leaders. As a result, a number of grievances accumulated, thus giving the union a legitimate opportunity to thrive and fan the anti-organisation feelings among the workers. This made the union leaders very powerful and strong. They got a strong hold over the workers. The loyalty of workmen towards the management was thus considerably eroded" (Operator-20, Manager-4).

5. Communication Strategy— Reaching Out

The General Manager started out in earnest to reach out to the people with this message. In his first meeting with his top team, he said: "If the company is doing badly, people outside will say, 'we are bad'. Let us show the people that companies can also be run effectively in these parts". To the workers and people in the surrounding areas he said: "This is your plant. Our living is dependent upon the plant. If the plant is not there, we are not there". These messages were his constant pronouncements. On every occasion, when he got an opportunity to address the workers, he said: "If this plant closes, all the officers will get jobs somewhere, but what will happen to you? Your families, and your area will be the losers". Further, he told both the workers and the managers: "Your demands are there, but we cannot stop work and damage the plant. After all, this is our plant. If something goes wrong all of us would get bad name. Remember we are working for our children and for our nation".

These messages generated clarity of purpose and goal among the people and also promoted a sense of belonging and pride in doing better. "His speeches used to be a great motivational force, since they used to touch our sense of pride and challenge us. There is an authenticity and genuineness in his appeals and articulations. There is a power of frankness and honesty of purpose in whatever he does and says" (Manager).

In the earlier situation, there was a vast communication gap between the people at the top and the workers. "No one had ever made people conscious that this is their own plant. No attempts were made to communicate and bring people closer to each other. There was no cementing force" (Operator). Inevitably, the officers also imitated the behaviour of the top and, thus, perpetuated the sense of alienation among the workers.

6. Promotion System

By November 1984, it was time for the Departmental Promotion Committee (D.P.C.) [(e)] to meet. The General Manager clearly stated that the workers who were deliberately creating problems would not be promoted. "I will promote good workers who are committed to the organisation", he said. Meanwhile, over the preceding few months, he had got the shift engineers to maintain an inventory of trippings along with the names of the workers

operating in that shift. This information came in handy in taking decisions on promotions. The management decided to bypass a number of senior workers and promoted 25 junior workers who had a good record of performance. This had a tremendous impact. Many of the bypassed workers felt ashamed and uncomfortable. When each one of them approached the General Manager, he asked them the question: "please tell me, is that person (i.e., the promoted person) not better than you?" Not one disagreed, or complained that this was untrue. A by product of this action was a sense of importance among the promoted workers because it was based on the recognition of merit.

Everybody started working very hard, especially the affected workers. In the officers' D.P.C. also the same criteria were used (although this DPC is centralised, the General Manager influenced in his capacity as a member of the committee). Sharma made recommendations based purely on merit, and could persuade the D.P.C. to promote people on the basis of performance and merit. "He never recommends poor-performing officers" (Manager). This was just the opposite of the pre-84 scenario when the link between performance and promotion was completely absent. Added to this was the general impression that there was "favouritism" and "partiality" in promotions. Some operators said: "We had to do the hard work while others used to enjoy and, on top of that, rise without merit. Therefore, we too joined the agitation".

7. Overtime

According to all the interviewed officers, overtime was a major problem in the earlier situation. The previous management could not resist the union pressure. The overtime problem became so acute that directives came from the corporate office to take urgent action to curb overtime. A powerful message was given (in early 1985) to all to help reduce overtime. In fact, the endeavour was to get rid of overtime in all the areas, except operations. Even here it was to be only need based and not pressure-based. "A tough beginning was made in this direction, and the GM was quite firm and serious" (Manager).

B. Managing the Power Disequilibrium

Industrial harmony and peace is basically governed, among other factors, by the mutual trust and respect which the management and union have for each other. In the area of industrial relations, respect for each other, however, primarily flows from power equalisation. Inequality of power invariably tempts the parties to take the others for granted. The Phulpur plant was unfortunately plagued by the power inequality, and this was in favour of the union in the pre-take-over period of Sharma. Because of this, the managerial group experienced strong feelings of powerlessness and helplessness.

We attempt here to briefly outline the managerial strategies adopted by Sharma to counter the power inequality:

(a) Management means business

The power plant boilers continued to trip even after his taking charge as the General Manager. “We (including the concerned superintendent) used to rush whenever the plant tripped. I used to scold the concerned people, and they used to counter attack me. There was mutual abusing. Some nights, the plant used to break down twice or even thrice. On one night, when the plant tripped for the second consecutive time, I called the Personnel Manager to the plant and got two operators suspended on the spot. The union and the workers *gheraoed* us and threatened to trip the plants in other areas too. Since it was a grave risk to the entire plant, I withdrew for the time being and took back the suspension orders. This was, however, an important cue to the union and the workers that the management is not afraid of confrontation. I decided not to let them get away. I asked the shift engineers to maintain the inventory of trippings along with the names of the operators in charge. The tripping data were used by the management at the time of promotions” (General Manager).

(b) Mobilisation of mass support

Active steps were initiated to mobilise support from the villagers residing in a 20-km radius. This was a unique idea of Sharma. According to him: “The power of anti-social elements can only be neutralised by a stronger power. So I thought, let me collect the strength of these lakhs of people against the hundreds. It was a strategy of moral pressure”.

The officers were told to go out, get in touch with the people, find out their problems and see how IFFCO—Phulpur could help them (Senior Manager). The local leaders were invited, their problems were discussed and solutions were explored. In this way, a lot of mutual respect, goodwill and understanding were promoted among both the local community leaders and the villagers.

A considerable amount of social work was done in the surrounding areas, which were basically poverty stricken. Work towards opening schools, establishing a number of science laboratories in the existing schools and building hospitals was started on a large-scale. Cattle fairs were organised. A team of doctors was brought to treat the cattle. Medicines, especially expensive ones, were given free of cost. As much as Rs. 50,000 were spent by IFFCO—Phulpur on each “mela”. Family planning camps were organised and each person was not only operated upon free of charge, but also given free medicine and a gift of Rs. 100.

“People in the surrounding areas gradually began to identify with IFFCO—Phulpur, and felt that they must help the management”. ‘The plant-has-to-run’ was the feeling of all the people. Local people had a series of meetings with the union leaders, and pressurised the workers not to support the union. This strategy had a great psychological impact on the workers and the union members” (Operator 15).

(c) Performance-based promotion

The linkage between promotion and performance was a major turning point for reducing the power imbalance. Not only were the mischief makers directly affected by it, but it was also a standing example for the rest of the workers not to join the mischief makers. The practice of soliciting the opinion of the concerned shift engineer before promoting a person helped reinstate the authority and power of the management over the workers. “Now, anyone can be charge-sheeted for mischief, and there can be a cut in the salary” (Manager).

PHASE II: CONSOLIDATION

“The General Manager never briefed us about the purpose of involving the local people. But I feel that his strategy of involving the people was to make them feel that the plant belongs to them and it must run. It was also to make them realise that in the case of work stoppage, the whole community will suffer. The strategy of involving people put a lot of moral pressure on the workers. Besides a lot of goodwill was generated among the people for IFFCO— Phulpur. They could clearly see the sincere desire on the part of the organisation to help the local people” (Manager).

A. Union— Management Confrontation

1. Meanwhile, the union began to get nervous about losing their hold over the people and started looking for appropriate occasions to restart their agitation. After the annual shutdown, the union leaders began to incite the workers not to start the plant. They planned their agitation around two issues, both sensitive and critical for the workers’ growth and economic welfare.

The union, in IFFCO— Phulpur, had earlier switched to industrial DA (dearness allowance) from the central DA after a prolonged negotiation with the management. This was done because, at that time, the industrial DA was far more remunerative than the central DA. Later on, after revision, the central DA system became more lucrative than the industrial DA. The IFFCO— Phulpur workers, therefore, wanted to revert to the central DA (1985), and for that the union approached the Industrial Tribunal. Although the matter was pending in court, the workers of IFFCO— Phulpur started agitation on this issue. Another demand made by the union concerned the wage revision— consisting of a 30 per cent hike. Since the BPE (Bureau of Public Enterprise) stuck to only a 14 per cent hike, the management could not accede to the workers’ demand. Initially, this demand was only at the IFFCO head office. However, subsequently, the Phulpur union made wage revision a major issue, and started agitating for the same (Deputy Manager).

The union at Phulpur also demanded that promotion should be time-bound and based on seniority alone. These issues gained further momentum with the coming of R.J. Mehta in the picture [f]. In April 1985, the union, under the leadership of Mehta, revived the old demands on wage revision and promotions with all power and vigour. April 1985 was the most crucial period in the life of IFFCO— Phulpur, since it threatened to wipe out all that was painstakingly established over eight months under the leadership of Sharma.

The management strategies and multiple action plans initiated by Sharma, coupled with his style of functioning, the priorities he laid out for the people, however, were so strong and powerful that they pushed the above issues into the background (Manager). The commitment and morale of the management was very high and the team was so cohesive that it did not give the union any opportunity to incite the workers to start an agitation. The union, however, did not accept the situation and was bent upon fighting to the hilt to gain the old clout with the management. Some of the union leaders unfortunately took the whole fight on a personal level and forgot the interests of the union, management, and the workers. For them, their leadership and interests were more important than the interests of the organisation (Superintendent 2, Manager 5, Deputy Manager 7, Operator 10).

The union found a golden opportunity to start an agitation in the annual plant shutdown in April 1985. When it was time to restart the plant, the workers just refused to do so under the influence of the union. For eleven days, the plant was kept closed after the repairs. Officially the union said the plant was unsafe to start, while unofficially it said: "concede our demands and we shall start the plant" (Deputy General Manager).

Sharma said: "Nobody came from the headquarters to help us. I requested the top management but it was of no avail. My team in Phulpur, however, was prepared to fight back, and was not in a mood to concede the union demands. The slogan was: 'it is now or never'. Can you believe the officers themselves started the plant and ran it for six days? This had a great demoralising effect on the workers and the union. I went to the plant myself and told some of the workers, "If you people don't start the work, I will terminate you". The workers replied that the general secretary and other union office bearers were objecting. I said: "I will manage them, first you start the work". When they started the work, the Vice-President, the General Secretary and other office-bearers of the union came, and there was a fight".

Sharma called a meeting of his officers and told them: "We are in bad shape, we must do something". "With our support, Sharma decided on a strong course of action. At the gate, the next day, the VP and GS of the union were not allowed to get inside. The VP started creating problems and was terminated" (Manager). The officers were told to make out cases against the problematic workers. All the officers supported the management action. When the plant started, the union morale went down, and the morale of the officers went up. "In all these fights, however, the management was not vindictive. The channels of grievance redressal were always open. The GM was available all the time. We continued our communication with the workers. We never gave them a feeling that the management was against them. However, the message that the management was only against the mischief-mongers was loud and clear to everyone" (Manager, Superintendent).

Sharma stood like the rock of Gibraltar in that crisis. He did not lose his balance. He provided real leadership. "His slogan was that IFFCO— Phulpur is a family. Some anti-management and working class elements are trying to divide us for their benefits and interests. As the head of the family, I

would not succumb to their undue demands and pressures” (Manager). He would say: “I am always open for just and fair demands. After all, workers are my family members. They own the plant in the same way as I do. This is a temporary problem, we will overcome it” (Manager).

In retaliation, the union adopted the following strategies to keep the plant closed:

1. “First of all, the union said that the plant was not safe and therefore, the workers will not start it”. This was a blatant lie because in that year the unit had been adjudged as the safest in India by the Safety Inspection team. However, a safety inspection was planned by the management. When the inspection was going on, the workers again tried desperately to sabotage the plant. In the power plant, the workers created a situation by which the fire from the furnace was made to blow in the opposite direction. The union’s strategy, however, backfired since the inspection team was astute enough to realise that this was a human problem and not a technical one” (Deputy General Manager).
2. The Union went to the court on the plea that the plant was unsafe. The case was dismissed since this factory has been considered the safest one in India. Again the union went to the court pleading that the ammonia plant could burst any time and, if that happened, the four surrounding districts would be wiped out. “This time the case was admitted. Meanwhile, the workers used loudspeakers and went about the streets of Allahabad warning that the ammonia plant would burst within a few hours and asked the people to take care. They desperately tried to whip up panic. However, when the proclaimed time of the plant burst arrived, and went without any untoward happenings, things subsided automatically” (Manager).
3. Since the union could not influence the village elders and workers, it next sought the help from the local politicians— MLAs and an MP. “The General Manager was summoned for a meeting with these people along with the General Secretary of the union. The latter misbehaved and shouted at the GM. When the MP saw this behaviour, he got angry and said: “If you can speak so roughly to the General Manager in front of me, I can imagine how you would behave at the plant. He decided to support the General Manager. Likewise, the MLAs also backed him” (Manager). According to another Manager: “The politicians supported us because the local people are with us”. In fact, the MLAs and MP subsequently advised Sharmaji to terminate the General Secretary. “Meanwhile, the M.P. instructed the Commissioner of Police to give all the support to the IFFCO— Phulpur management. Incidentally, it must be mentioned that the police had been behind the management, although in the entire series of incidents, police action was almost never resorted to” (Deputy General Manager).

The goodwill and sense of identification with the organisation which had been generated in the surrounding areas paid enormous dividends during the crisis period. The local people did not interfere in any way. The union tried to incite them but in vain. The stoppage of the plant affected 1,000 local

workers, and as the days passed, the sense of resentment against the union leaders began to increase. Whenever the workers went, they were treated with contempt. In fact, once 14 *mukhias* from the surrounding villages came to the General Manager and said: "Give us permission to beat up these ruffians. We will handle them" (Deputy Manager).

The events reached a climax when the General Manager was *gheraoed* by 100 unionised workers one night. As a reaction to this, the next afternoon, the General Secretary was beaten up by the villagers about 2 kms away from Phulpur. The village elders described this as a retaliation to the *gherao*. Further, the villagers threatened the General Secretary with dire consequences, and asked him to behave himself.

Not only was the head-on collision strategy and fight for the unjust cause a failure in IFFCO— Phulpur, it also had a larger impact on the workers and the village community. It generated a lot of dissatisfaction and resentment among the workers and the villagers against the union. They realised that the union members were no longer fighting for the right cause. They also perceived the destructive motives of the union. "The General Manager broke the union and that has been his greatest success". "He handled the union very successfully". "The unscrupulous members of the union are virtually out" (Operator 20, Manager 4, Deputy Manager 6, Superintendent 2, Villager 15). The strategies of management have succeeded. Today, the balance of power has shifted firmly in favour of management. It was the beginning of the process of consolidation of the hard work of eight months. Over the year (1985), the focus was also on tackling other problem-areas of discipline.

After taming the union, the General Manager gave another slogan to the workers. "If your President does not punch the card at the gate, then why should you"? This issue was brought into focus once again in a way to enforce discipline among the office-bearers of the union. The management not only wanted them to punch the card at the gate, but also to seek permission before getting out at odd hours. "We did not want to curtail their meetings or activities, but wanted them to inform us about their movements" (General Manager). This, however, did not go well with the already bruised union leaders. They took the matter to court and lost the case. The President stopped coming to the plant altogether in preference to punching the card at the gate. No action, however, was taken against him since by nature he was not a destructive person. As against this, an enquiry was instituted against the vice-president, who is a known rowdy character. He was found guilty and terminated.

The workers accepted the slogan that the union leaders must also punch the card. They realised their mistakes. Many of them said: "Whatever happens, we will not damage the plant". While initially action was being taken against mischief makers, no further vindictive steps were taken against them, if their behaviour improved. As one manager put it: "This helped 50 per cent of the workers gain confidence in management. The cumulative impact on the other 50 per cent active union members was quite salutary. They started getting scared of being caught for their misdeeds and, as a result, behaved very well subsequently" (Superintendent).

The above process went on for a number of months. Meanwhile, issues of naphtha stealing and canteen exploitation came into focus. Although some efforts were made to tackle these issues earlier, the power tilting in favour of management helped them to re-enforce discipline in these areas also.

Other Problems

1. Naphtha

Over the years, it had almost become a tradition for the workers to fill up their vehicle tanks with naphtha. Some of the officers were also involved in this (Manager). As a result, this theft became a legitimate action and an accepted norm at the Phulpur unit. "In fact, some even used to slip it out and sell" (Manager). "There was a sudden increase in the number of motor cycles. Most of the workers travelled by motor cycles in place of cycles" (Deputy Manager).

According to a senior manager, a study of the problem indicated that naphtha stealing was facilitated since all the vehicles were allowed to go right up to the work spot. In order to eliminate the problems, therefore, this practice was stopped. "No vehicle, including mine, was allowed to go up to the plant" (General Manager). By mid-85, this problem was wiped out almost completely. As a fall out of this, "the number of motor cycles has reduced drastically. Many people have started using cycles again" (General Manager).

2. Canteen

This was a very vital issue since it resulted in losses of lakhs of rupees to the plant every year. In the earlier situation, the union had bargained and got 40 lunch coupons and 250 snack coupons per individual per month. Cost-wise, these were subsidised by about two-thirds by the company. "The earlier personnel manager had advised that cost-wise it would be cheaper for the management to supply food free of cost, rather than agreeing to this demand. This was all in vain, for the management could not say 'no' to the union (Deputy Manager 4).

The present management decided to take strong steps to tackle this problem. First, the contractor was sternly warned not to connive with the workers by allowing them to trade coupons for items other than food. Next, the message was given to "eat as much as you want here, but do not carry anything home". Besides this, the contractor was told not to allow any one to eat or drink without payment. The lunch coupons were withdrawn. Officers were admonished by the General Manager: "Even if you drink a cup of tea without payment, I will not spare you". Observers were posted in the canteen to ensure that food was not taken out and to note the type of items being taken out. There was a period of tremendous conflict in which many of the elements tried to frame the contractor. However, even this phase passed successfully, with the utmost support and cooperation of the officers. The problem gradually subsided as the strength of the union began to diminish

and phase out. The contractor's profits have now increased since there is no more obligatory food supply to goonda elements in exchange for peace (Manager).

3. Medical

The misuse of medical reimbursement facility was also tackled. A lot of people used to claim reimbursement by bringing false medical bills. This was facilitated by the fact that any doctor's certificate would entitle individuals to settle the payments. Subsequently, however, a new system was introduced. A few doctors were identified as panel doctors. Bills brought from other doctors were not reimbursed. The Chief Medical Officer said: "At the same time, we were asked to help the genuine cases. If genuine cases come, any amount of help is given. In fact, the General Manager takes personal interest in such cases. We recently paid Rs. 70,000 for a coronary by-pass case, besides making full payment for a kidney transplant of a clerk".

B. Systems/Process

The problems connected with the naphtha, canteen, and medical cases were solved by the introduction of systems. Besides these, the following measures were introduced with a view to further consolidating the gains achieved by the management.

1. Grievance handling

"A number of committees—canteen, recreation, township—were set up for handling grievances. Gradually, people began to use these committees to seek redress grievances. Earlier, people used to go to the General Manager in groups. Now, this has reduced considerably. "Each committee examines the problem and if it cannot be solved at their level, then the problem is forwarded to the General Manager" (Manager).

2. Joint Management Committee

The Joint Management Committee system was actively revived. The committee consists of four officers and five nominated workmen, with one workman nominee as the Vice-Chairman and the General Manager as Chairman. The annual and monthly production targets are planned, discussed and decided by this committee. Besides this, monthly review of the previous target achievement as well as analysis of the variations in performance are examined by this committee.

3. Decision-Making Process

The autocratic style of functioning was replaced by the democratic and participative system of decision-making. The process of collectivisation and collectivity became a way of life in IFFCO—Phulpur. The GM demonstrated a genuine belief in these processes. "He is authentic. He allows people to disagree with him. In fact, he feels uncomfortable when people do not disagree

with him. Disagreement should be a part of group decision-making process, says our GM" (Manager 4, Superintendent 2, Operator 10). This strategy brought a new culture of exploration and togetherness.

4. Local Area Development

IFFCO— Phulpur, has continued to work for the development of surrounding areas. Contracts continued to be given to the local people. Local people was trained and various items for the plant were bought from them. This measure helped in bringing the community and the organisation together. The pay-offs were visible when the entire community supported the organisation during the management-union confrontation.

PHASE III: INNOVATION

The year 1985 was a period of consolidation of the gains of 1984. As things became efficient and effective on this front, the consolidation stage got phased out, and simultaneously the stage of innovation assumed prominence. As a manager put it: "We moved from IR focus to technology and cost focus, aiming to reduce costs and improve technology as far as possible". Since the government subsidises fuel, oil, coal, ect., the major issues were the reduction of energy consumption, and solving technical bottlenecks indigenously rather than resorting to outside consultants. In actualising these, however, the General Manager had a tough task because of the image of Phulpur employees as mischief makers having low involvement and commitment. The General Manager considered it important to boost the self-worth and morale of the workers. The cost focus as well as the morale focus made Sharma to go in for a series of technical innovations for both energy conservation as well as plant improvement (Deputy General Manager, Manager 6, Deputy Manager 8, Operators 10).

1. Saving in Oil Consumption

Coal and oil together constitute fuel to produce steam power. "Earlier people were neither aware nor cared to bother about the areas where energy was wasted. The amount of oil used to burn coal was very much on the high side and, therefore, this became expensive. Whenever coal did not burn, the operators simply poured more oil without realising that they were wasting a lot of energy. Added to this were problems regarding the quality of coal (Manager). To identify the nature of the problems, a task force consisting of engineers and operators of the power plant (15 in number) was constituted. The committee discussed at length and concluded that the quality of coal needed improvement. It was found that coal containing 20 per cent combustible gases needed a smaller amount of oil for combustion. Coal containing 6-7 per cent of combustible gases needed more oil and hence in terms of energy it cost more. People were sent to the Central Coalfields Ltd. Ranchi, for discussions. The General Manager also went to persuade the CCL officials to supply quality coal containing 20 per cent combustible gases. These efforts in 1985-86 resulted in a saving of Rs. 2 crores.

2. Reformer Revamping

An important technological achievement was the revamping of the reformer. It took 2-1/2 years for the management to plan and execute this job. “Contrary to the normal practice of bringing foreign consultants, we did this ourselves. All the required tasks were done by our own employees” (Manager). In fact, the jobs were completed one week ahead of schedule. This indigenous problem-handling experimentation helped the organisation save around Rs. 2.5 crores in foreign exchange.

3. H.T. Shift Converter Catalyst Loading

This was another task normally entrusted to foreign experts. The fact that it was done indigenously for the first time in India, itself speaks volumes about the spirit of innovation and creativity in the organisation. The IFFCO—Phulpur team could do it for Rs. 52,000, compared to Rs. 4.5 lakhs which foreign consultants used to charge.

4. Urea Stripper Reversal

Severe erosion and corrosion of the high pressure urea stripper tubes are a common problem in urea plants built by Snamprogetti. The stripper is a massive structure weighing 80 tonnes when empty. At the annual turnarounds (post-84), the check on the extent of corrosion on the inside portion of the tubes (incidentally at Phulpur they save money on this too by inviting Indian consultants rather than foreign ones) indicated steady erosion of tube thickness. The bottom portion of the tubes, however, remain unaffected and continue to retain their thickness. The suggestions made by Snamprogetti did not help solve the problem. During the turnaround in 1986, an accelerated rate of corrosion was noticed. In April 1987, a decision was taken to reverse the stripper, by which the top portion goes down and the bottom portion goes to the top. In this way, stripper life could be prolonged by another five years. Meticulous planning was done and the task was executed by the IFFCO—Phulpur team.

A number of schemes for energy conservation were also put into operation (Appendix V). Figures of appendix V are impressive in terms of reduction in energy consumption. A noteworthy point is the fact that none of the schemes was a one-man show. Sharma says: “It was team work. All contributed their best. In fact, the ideas from the concerned operators were quite remarkable and significant for all innovation and change”:

Behind these innovations at IFFCO—Phulpur is the process of group functioning. The first question for such creative ventures used to be, “What are the weaknesses of this plant”. Sharma never thought of himself as a know-all, and also he never made any effort to project himself that way. In order to answer this question, two independent agencies—BHEL, and Enmass consultants—were appointed to make a thorough study of the technical dimensions [g]. Their report was presented and widely circulated among the operators. Technical seminars were organised by BHEL experts. As a result, a common understanding regarding the maladies of the plant was developed.

Mini group discussions were held in the control rooms. The operators came prepared after a thorough reading of the report. The General Manager used to put all kinds of questions to them to stimulate the thinking process (Manager). According to Sharma, once the problem was clear, the solutions were easy to find. The operators played a primary role in this task. The question most often asked was: "Why is this happening"? All officers also actively participated in this. Sharma said: "I acted as a catalyst throwing a thought at the group and generating many innovative ideas".

A suggestion scheme was also instituted to encourage idea generation. Best suggestions were awarded with a token gift either on Independence Day or Republic Day. This recognition stimulated a sense of challenge and competition, besides giving people a sense of pride and satisfaction.

PART III

CULTURE BUILDING AND MANAGEMENT OF CHANGE

The process of culture building is basically that of providing a new thrust and orientation and a new meaning to the people. The present section examines the culture shift in IFFCO— Phulpur, from pre- to post-takeover period of Sharma as general manager. It also highlights the value and culture framework which Sharma attempted to promote in IFFCO— Phulpur.

A. Culture Shift

Table 1 depicts the cultural positioning in the pre- and post-takeover period of Sharma. An analysis of this table indicates a significant movement on all the cultural components chosen for the study. In the pre-takeover period (82-83), the cultural positioning was 2.50 or lower on a seven-point scale across all the cultural components chosen for the study, except in the case of rules and regulations, where the mean score was 3.29. A further examination of this table depicts the severity of the IR problems, the mean score in this case being 1.04. As compared to these, the post-takeover cultural scenario (86-87) presents an entirely different picture. The cultural mean scores are found to be more than 6 in the case of ten cultural components, more than 5 in four cases, and more than 4 in two cases. The highest shift is noticed in the case of problem-solving where the movement has been enormous— from 1.18 to 6.99. The lowest shift, however, has been found in the case of industrial relations, from 1.04 to 4.77.

The values of 't'-scores in all the cases demonstrate a significant shift since they are more than 2.63 in all the cases ('t' to be significant at $p \leq 0.05$ should be ≥ 1.98). In other words, in the post-takeover period, there has been tremendous cultural changes at the Phulpur plant.

With a view to identifying the perceived culture-shift across managerial hierarchy, the cultural mean scores, and 't' values are presented in Table 2. The analysis in this case has also been carried out around two periods of

Table 1: Overall Culture Mean

n = 94 [(h)]

Culture Dimensions	Before		After		T* Value
	Mean	SD	Mean	SD	
1. Communication and information flow: (A. Vertical, B. Horizontal)— Restricted— Free Flow	2.17	0.88	6.50	0.73	35.13
2. Target setting process— Non participative-Participative	1.59	0.71	6.72	0.61	48.73
3. Team work— Low-High	1.56	0.77	6.67	0.56	45.74
4. Role clarity— Low-High	2.50	0.60	5.48	0.74	30.76
5. Reward— Performance linkage— Non-task-Task linkage	2.13	0.63	5.62	0.97	26.00
6. Decision-making process— Centralised-Decentralised	2.02	0.49	4.99	0.61	36.16
7. Motivation and commitment— Low-High	1.26	0.57	6.80	0.50	70.96
8. Industrial Relations— Poor-Excellent	1.04	0.20	4.77	0.56	62.72
9. Innovation/Creativity— Low-High	2.02	0.96	6.55	0.63	33.77
10. Rules/Regulations— Rule focused Result focussed	3.29	0.71	6.69	0.55	41.57
11. Risk-taking— Risk avoidance— Risk-taking	2.71	0.88	6.82	0.46	40.26
12. Problem-solving— Slow-Quick	1.18	0.44	6.99	0.10	119.76
13. Conservative-Dynamic	2.97	0.52	5.88	0.72	33.22
14. Easy going— Firm	1.57	0.68	6.85	0.70	46.87
15. Concern for people— Low-High	2.44	0.56	5.88	0.77	27.92
16. Concern for task— High-Low	1.88	0.88	6.76	0.58	39.29

Low mean score indicates the poor quality of organisational ethos. Contrary to this, high mean score reflects the high quality of cultural ethos, within the range of 1 to 7.

* 't' value to be significant at $p \leq 0.05$ level should be ≥ 1.98 .

time— pre- (82-83), and post-takeover (86-87). An examination of this table in the pre-takeover period indicates the poorest cultural quality in the case of industrial relations, its mean being 1.00 in the category of top management; 1.12 in the case of middle, and 1.02, in the group of the lower management. In the post-takeover period, the cultural positionings have been found to be 7.00 against eight cases; more than 6 against three cases; 5 or more than 5 against three cases; and more than 4 against two cases in the group of top management. In the middle management group, cultural positioning has been more than 6 in twelve cases, more than 5 in two; and more than 4 in the remaining cases. More or less similar trends are observed in the lower management category.

Table 2: Culture Means and 'T' Value Across Managerial Hierarchy

Culture Dimensions	Top No. = 9					Middle No. = 25					Lower No. = 60				
	Before		After		<i>t* value</i>	Before		After		<i>t** value</i>	Before		After		<i>t*** value</i>
	Mean	SD	Mean	SD		Mean	SD	Mean	SD		Mean	SD	Mean	SD	
1. Communication and information flow: (A. Vertical, B. Horizontal) Restricted— Free Flow	1.44	0.88	6.88	0.33	18.52	2.80	0.58	6.64	0.64	24.00	2.02	0.83	6.39	0.78	26.81
2. Target setting process— Non participative-Participative	1.44	0.73	7.00	0.00	22.94	1.96	0.74	6.84	0.47	24.08	1.45	0.65	6.63	0.69	38.26
3. Team work— Low-High	1.67	0.87	6.78	0.44	14.55	2.00	0.96	6.56	0.65	18.57	1.37	0.58	6.78	0.53	43.45
4. Role clarity— Low-High	3.00	0.00	5.00	0.50	12.00	2.72	0.74	5.92	0.81	18.48	2.33	0.51	5.37	0.66	25.04
5. Reward— Performance linkage— Non-task-Task linkage	2.67	0.71	5.00	0.50	14.00	2.04	1.57	6.44	0.82	20.27	2.07	0.61	5.37	0.86	20.19
6. Decision-making process— Centralised-Decentralised	1.67	0.50	4.77	0.44	15.53	2.40	0.50	4.76	0.44	20.75	1.92	0.38	5.12	0.67	31.91
7. Motivation and commitment— Low-High	1.22	0.67	7.00	0.00	26.00	1.64	0.64	6.84	0.37	34.04	1.10	0.30	6.75	0.57	59.75
8. Industrial Relations— Poor-Excellent	1.00	0.00	4.89	0.60	19.41	1.12	0.33	4.72	0.46	36.00	1.02	0.13	4.77	0.59	48.40
9. Innovation/Creativity— Low-High	1.33	0.50	7.00	0.00	34.00	2.76	0.93	6.44	0.65	16.08	1.82	0.85	6.53	0.65	29.23

Table 2 contd.

Culture Dimensions	Top No. = 9					Middle No. = 25					Lower No. = 60				
	Before		After		t value	Before		After		t value	Before		After		t value
	Mean	SD	Mean	SD		Mean	SD	Mean	SD		Mean	SD	Mean	SD	
10. Rules/Regulations— Rule focused-Result focused	3.78	0.67	7.00	0.00	14.50	3.36	0.81	6.52	0.71	18.58	3.18	0.65	6.72	0.49	35.57
11. Risk-taking— Risk avoidance— Risk-taking	3.22	0.67	7.00	0.00	17.00	2.68	0.85	6.60	0.71	17.02	2.65	0.90	6.88	0.32	34.68
12. Problem-solving— Slow-Quick	1.11	0.33	7.00	0.00	53.00	1.36	0.57	6.96	0.20	43.38	1.12	0.37	7.00	0.00	122.37
13. Conservative— Dynamic	3.11	0.60	6.33	0.71	14.50	3.20	0.58	5.68	0.80	12.34	2.85	0.44	5.90	0.66	31.66
14. Easy going— Firm	1.22	0.67	7.00	0.00	26.00	1.80	0.82	6.48	1.30	13.56	1.53	0.60	6.98	0.13	67.85
15. Concern for people— Low-High	2.44	0.73	5.67	0.87	6.53	2.36	0.57	6.12	0.73	19.39	2.47	0.54	5.82	0.77	21.05
16. Concern for task— Low-High	1.44	0.73	7.00	0.00	22.94	2.36	1.00	6.52	0.77	15.47	1.75	0.77	6.82	0.50	36.63

* 't' value to be significant at $p \leq 0.05$ should be ≥ 2.31 .

** 't' value to be significant at $p \leq 0.05$ should be ≥ 2.06 .

*** 't' value to be significant at $p \leq 0.05$ should be ≥ 2.00 .

A further analysis of table 2 reveals a phenomenal cultural change in all the categories of management— top, middle, and lower. All the values of 't' are more than 3.36 in the case of top management; more than 2.80 in the case of middle, and 2.67 in the case of lower management. From the foregoing analysis, one can easily conclude that there has been a cultural metamorphosis in the Phulpur plant in the regime of Sharma as the General Manager.

B. Cultural Building— New Thrusts

The culture building efforts by Sharma have broadly centered around the following themes:

- 1 — From Low-task to High-task
- 2 — From Avoidance to Confrontation
- 3 — From Lack of Backing to Support
- 4 — From Distancing to Proximity
- 5 — From Division to Unity
- 6 — From Alienation to Involvement
- 7 — From Favouritism to Fairness
- 8 — From Low Concern to High Commitment
- 9 — From Isolation to Integration with the Environment
- 10 — From Unworthiness to Self Worth
- 11 — From Self to Organisation and Nation
- 12 — From Indifference to Concern
- 13 — From Power Inequality to Power Equalisation

Some of these cultural captions are highly inter-dependent and inter-related, and can be clubbed together conceptually. However, it was deliberately not done because each has some distinctive ideological and process fervour, and clubbing them together would dilute the distinctiveness. Therefore, separate categorisations have been maintained.

1. From Low Task to High Task

Sharma started out by saying "production is our main aim". At every meeting, as well as in all the informal gatherings, he gave this slogan. "If this plant runs well, it is to our benefit. If it does not, all of us will suffer".

He provided a clear goal and purpose to all the members of the organisation (Manager). This task-focus was further reinforced through the policy of performance-reward linkage. He said: "I will promote any one who has merit, and performance". Many high performing and meritorious workers were promoted as officers. He demonstrated to the workers that if they work, they will be rewarded, and if not, they will be punished. No worker will say today that he has not got his due. Sharma's own behaviour further stressed the need for evolving high-task culture. If things go wrong anywhere, he is always the first person to reach, whatever may be the time, night or day. In the first few months of his takeover, the plant used to trip two or even three times in a single night. "Each time, to our great surprise, he was the

first to reach the spot” (Manager, Deputy Manager). When it comes to work, no one gets spared, not even the people he himself selected. “The General Manager has brought a sense of responsibility among the officers, plus a concern for production” (Manager).

In the earlier situation, the clear task focus was not apparent from the behaviour of the top management. The task was seldom emphasised. There was no fervour to solve the problem of the plant and to set things right. Although things were sliding downhill, no active efforts were made to manage them. Even the most glaring acts of indiscipline were condoned and overlooked” (Deputy Manager).

2. From Avoidance to Confrontation

A culture of confronting problems, examining and solving them, rather than sweeping them under the carpet, has been instituted. The earlier managerial strategy was characterised by avoiding and suppressing problems. Managers used to be afraid of taking risks. “They used to stop the plant on flimsy grounds. The management believed in playing safe. When the power plant used to trip, the management seldom tried to identify the cause of the problem. It preferred to quietly restart the plant” (Operator 6, Manager 3, Deputy Manager 5).

Contrary to this, Sharma’s style was to face the problems boldly and make all efforts to solve them. “Let us face the problem and solve it”, has been his typical style. He is not afraid to take decisions. This was amply communicated in his first statement at the farewell party of the previous general manager. “This is our temple, but a few people are trying to defile it... we will not allow it” (Deputy General Manager). By believing in confrontation, he encouraged the officers to examine problems, analyse the causes, take risks, and solve them. “This managerial stance helped us in uncovering many human and technical problems, which never used to surface. Now, the officers and workers are encouraged to question things, rather than accepting them blindly” (Manager).

3. From Non-backing to Support

The culture of confrontation was further nurtured by the total support from the top management for any risk-taking venture. Sharma’s philosophy is that making mistakes is a way of managerial life. If one does not do so, it really means he has not done anything much” (Deputy General Manager). “The moment you start doing things, you make mistakes” (Manager). Initially, therefore, he used to say: “If things go wrong, I will take responsibility. If you can’t face a worker for the decision you take, tell him I instructed you to do so. It is my responsibility. I will face it. At the worst, I will resign” (Manager).

This generated a tremendous amount of confidence in the middle and lower management categories. Group decision-making also helped people to imbibe this culture. In the group meetings, people used to express their feelings openly, knowing fully well that they would not be penalised or blamed. Many

facts used to come to light for the first time in such meetings. The earlier state of uncertainty and mutual suspicion got drastically reduced. As a consequence, the officers are now willing to take action. Describing the situation, a manager said: "When you have no confidence in the top, you won't take risks. As against this, when you have confidence in the top, you feel sure that the top will support you. Therefore, one can take risky decisions even against miscreant".

"The earlier General Manager used to criticise the officers before the worker— "Why did you do this". The present General Manager says: "Good, you did the right thing. Therefore, we feel confident. We are not afraid of the union's threat because we know the General Manager would back us" (Manager).

4. *From Distancing to Proximity*

A culture of being accessible to anybody, at any time, was the most distinctive feature of Sharma's regime. A system was established whereby one can see the General Manager without appointment after 2.00 p.m. every day. This is not only for the employees but also for visitors. "Any one can walk in and see him. In this way, a feeling of family where the head is available all the time was generated. Sharma can be approached not only for work-level problems, but also for personal problems. He tries his best to help people. When invited by anybody, he responds. He is very much at ease anywhere and displays informal behaviour. He plays with the children without being afraid of getting dirty. This generated among employees a feeling of belonging to the organisation, a feeling of intimate bonds" (Manager 3).

This was a complete contrast to the previous style of distancing. "Officers never visited the houses/gatherings of people below their rank. The G.M.'s style was of distancing. He would never speak to people on his own. Whenever he went for a movie, two security guards used to accompany him" (Operator 6, Superintendent 2, Manager 4).

5. *From Division to Unity*

Earlier, Phulpur culture was characterised more by internal squabbles than by unity. "The problems in the unit were not only because of the union and workers, but also because of conflicts among managers" (Manager). There was a tremendous amount of infighting in the management group. People "belonged" to some group or the other. There were cliques around the "kitchen cabinet" members, and also around those out of this charmed circle. The clique members never saw eye-to-eye. The G.M. relied on a few people for information and, therefore, there was a coterie of actual and designated management (Manager). The disunity among the officers spread downward to the workers. The discontentment, dissatisfaction and division made the situation fertile for the union to exploit, and instigate the workers against the management on every flimsy ground.

After taking over as the General Manager, Sharma generated togetherness by heavily involving people in all the plant activities. The increased

participation, sharing, and free communication in an atmosphere of support helped the management to think in terms of “we”, “us” and “ours”. The feeling that “we” have to put up a bold and united front to tackle the union and workers was born. The benefits of group work and mutual sharing of information and mutual discussions further reinforced this. “We have a team here, as opposed to a group” (Deputy Manager).

In order to achieve the feeling of “we”, Sharma introduced a number of training programmes, involving people from the top management level to the operators and shop-floor level workers. He arranged as many as 20 training programmes on team-building and saw to it that he was present in all the inaugural as well as the valedictory functions of all these programmes. This created a tremendous sense of togetherness among all the people.

6. *From Alienation to Involvement*

The kitchen cabinet style of management, coupled with internal disharmony resulted in widespread alienation. The officers began to feel that they had no role to play. The frontline supervisors were the worst hit and felt most vulnerable. This was more so in the case of promotees from the workers' cadre. Their loyalties began to shift to the worker group (Additional Manager). A sense of purposelessness and meaninglessness prevailed across the organisation.

A distinct shift from alienation to involvement was discernible after Sharma's taking over as G.M. He constantly gave the message: “This is your plant”; “you have done this”; “you have achieved this”. These expressions were supported further by his own actions. The morning meetings gave the message to the officers that all of them had significant roles to play and that all of them had something meaningful to contribute. Such messages and actions from Sharma have now made people identify themselves with the plant. “All feel that this is their plant, including casual labourers and the people in surrounding areas” (Manager). By saying “you have done this”; “if the plant is not here, we are not here”, Sharma has promoted a sense of pride and purpose” (Manager).

7. *From Favouritism to Fairness*

A culture of fairness in dealing with the workers and officers was created. The absence of a kitchen cabinet, coupled with group dialogues with the officers, was the first clue to the employees about the impending change in this direction. The first visible action taken was regarding the promotion policy. “I will only promote performance and merit. This policy was applied in the case of workers as well as managers” (Superintendent). Previously promotions were unfair. Those close to the General Manager and his family were given preference and used to rise (Manager-4).

The other major moves to inculcate the culture of fairness were actions taken on the issues of punctuality, vehicle parking, canteen coupons, and punching of the card by the office-bearers of the union. By closing the plant gate at 8.15 a.m., he ensured that not only workers, but also the officers

report on time. By making punching of cards by office-bearers of the union compulsory, and by having a uniform policy on canteen coupons, the culture of favouritism was more or less abolished. “Most of the people are with Sharma on these issues” (Manager). Further, a culture of equality of ideas was also inculcated. Soliciting ideas from the concerned groups of people, right down to the operators, gave a tremendous boost to the culture of equalisation of people at the idea level. In fact, Sharma said that very valuable ideas have come from the operators. Underlying equality of treatment of officers and workers was the tacit statement of the fact that “all are equal”.

8. *From Low Concern to High Commitment*

The commitment at the top level inspired the same among all the unit members. “No one, including myself, should take advantage of the plant” (Sharma). “Initially, when the plant was tripping frequently, Sharma was invariably the first to reach the plant. “He keeps track of the happenings at the plant. Therefore, other people also try to do this” (Manager 3, Superintendent 2).

To reduce wastage at the plant, many times he travels to Allahabad by the company bus, and not by car (Operator). “He himself is extremely punctual. He is committed to improve this plant. His basic aim is to improve production and reduce cost” (Deputy Manager). “He is not afraid of walking in and out of the plant. In fact, every Sunday he goes around and speaks directly to the shift engineers” (Superintendent). Many officers said: “when we watch him working, we feel even we should do the same”. Many workers said: “What a man, what concern and capacity he has for work”.

This culture is in contrast to the earlier one of indifference. “We got a feeling that the management was disinterested about the plant. The G.M. rarely visited the plant, never spoke of goals and enjoyed the facilities of his position. Whenever he visited the plant, he used to be followed by a coterie of people. He never came in touch with the workers; never went to the plant on his own” (Manager 3, Deputy Manager 6, Operator 8).

9. *From Isolation to Integration with Environment*

The culture of integration with environment has been a novel experiment. It has proved to be a seminal idea for promoting and maintaining peace and harmony in IFFCO— Phulpur. Describing the earlier situation, a superintendent said: “It was like Diwali at our plant, while the surrounding areas were steeped in total darkness”. This highlights the inequality and the contrast— the unit operating in prosperity without sharing this with the poverty-stricken environment. This was, indeed, a potentially explosive situation since the simmering resentment of the local population could have been craftily utilised by the union to fuel its ends.

Sharma viewed the situation from this perspective as well as from a macro perspective. He identified very strongly with U.P., and Allahabad, and wished to do what he could do for the upliftment of the people of this region. Money was spent by IFFCO— Phulpur on a massive scale for the development of the local area.

The officers of the plant were reoriented to think in terms of the people around the areas. "Initially, many people questioned this strategy. However, when the workers refused to start the plant in April 1985, and the local community offered help, all could realise, for the first time, the advantage of integrating the organisation with the local populace. It was the support of these people which helped us in times of crisis" (Manager). "They refused to gang up with the workers when the union asked them to do so. They treated the workers with contempt and applied silent pressure on them. During the strike period, they beat up a union leader for having misbehaved with the management" (Deputy Manager 4, Operator 7).

10. From Unworthiness to Self Worth

The workers of Phulpur plant had earned a bad name for themselves. In fact, it became difficult for them to get jobs anywhere else. Over a period of time, a certain belief about their psychology got ingrained in the minds of the officers. "The workers were considered to be mischief-mongers, and goondas" (Manager). It was also believed that "the plant can never succeed since people in the area do not work" (Manager). This prevalent belief resulted in officer-worker alienation. The officers never tried to get the workers to do their job.

The new General Manager had a very different point of view. He said: "The majority of the people here are basically good. It is a small minority that is spoiling them". With this belief in mind, he set about his task. One of the important steps he took was to tell the people: "You have achieved this", "this is your success". He never expressed any ill feeling. He used to say: "We will make this plant a great place to work. We will show to the people that plants can also run in this area".

After the first year of turmoil, he planned many things to improve the morale and self-worth. Many innovations (stripper reversal of the boiler) were indigenously done to make the workers and officers feel confident that they can do things well. On the energy conservation front, he relied on the ideas of the workers, and thus increased the sense of "self-worth". The process of increasing self-worth was, thus, through words as well as deeds. People were given a chance to prove their mettle. At the same time, they were given proper guidance to complete tasks successfully. At other plants, these tasks were entrusted to outside consultants. Compared to these plants, therefore, the Phulpur people began to reassess their own worth, and started valuing themselves positively.

11. From Self to Organisation and Nation

Sharma inculcated a sense of higher meaning and purpose in the people of Phulpur. The pre-occupation with, and concern for, self exhibited by the earlier regime was eliminated. He set about educating people through his talks at various gatherings. Initially, he told the workers: "The officers will leave and they will get jobs, but what about you? The plant will close and you will not get jobs anywhere else. What will happen to your children?" He

told them: “Demands are there, but we cannot stop work”, He impressed upon them the importance of keeping the plant running. He created some discomfort as well as provoked and challenged them by saying: “when I go out, I have to hang my head in shame, when everyone says that nothing can run in this area”

People accepted these values and worked hard because (a) he raised certain fundamental questions about the survival of the worker; and (b) he himself subscribed to these values and expressed this in action. An index of this is the people’s perception of his motivation. People say: “He is motivated by national feeling and family feeling... “He is patriotic, devoted to the cause of the country. What he does is for the nation. He does not take any personal benefits”.. “Works 20 hours a day. He is a clean man”. The sense of meaning and purpose which was created made the people accept his values. “We wanted to do what we could to help him” (Manager 4). “We wanted to prove that the plant can run” (Superintendent). People were thus pulled out from the morass of self pre-occupation to serve the organisation, and thus the nation.

12. From Indifference to Concern

The earlier apathy and indifference had served as a shock to the people: “We got the feeling that the management was not bothered whether the plant runs or stops. Whatever happened at the plant, the culprits were never identified and caught. No one cared or bothered about our problems. No one listened or did anything about it. People rarely saw the G.M. The present approach is in direct contrast to the earlier situation. Today any one can approach the G.M. directly” (Manager).

Sharma revived and strengthened the old culture of Phulpur. “There is now a family feeling and a bond in the organisation. He is so helpful that you put up any personal problem and he will try to solve it. He can go to any extent to give personal help, and that is why people have tremendous regard and feeling for him” (Superintendent). “Sharma knows most of the officers and their children by their names” (Manager). He has a strong concern for humanity. “He is always available. Any time we have a problem, we can approach him” (Deputy Manager). People have said that except for one issue that of wages (which in any case, is not within the G.M.’s power) they are happy. One of the senior managers narrated the story of how once a group of people from the surrounding areas came to the gates and said: “Give us work for fifteen days. We are starving” (Manager). Sharma immediately gave them odd jobs like grass-cutting and painting. As a result, not only within the plant, but even in the surrounding areas, there is a feeling that “this is our Saheb and this is our plant”.

13. From Power Inequality to Power Equalisation

The worker-management equation was lop-sided before Sharma had taken over as the General Manager. The management was at the mercy of the union. The officers could not resist the demands of the workers, and many things

were granted to workers just out of fear. Even then, there was sabotage of the plant and the management did not have the courage to take action against the union and workers. There was rampant overtime, and the management demonstrated its helplessness.

Within a few months of assuming charge as the General Manager, Sharma succeeded in shifting the balance of power in favour of management. Within a year, he consolidated and stabilised this shift. The workers and the union now understand that it is not easy to get their way, or behave in whatever way they want" (Manager). There is, today, a healthy respect for the management, and the workers obey the managers since the authority of the latter has been restored. This has been done by supporting and backing the officers. Besides this, today any worker can be charge-sheeted, and there can be a cut in the salary. These strategies have been adopted to demonstrate the firm stand of the management. It was absolutely essential for the management to regain the power to manage which was considerably eroded at one time. It could succeed because the stance of firmness was followed by equity, justice and fairness.

C. Process of Transformation and Change

From the foregoing discussions one may conclude that IFFCO— Phulpur has undergone a process of enormous cultural transformation. In fact, one can say that it has been a case of cultural metamorphosis. After experiencing such unprecedented organisational change and movement, one may be tempted to ask questions, such as: "What were the modes of changes? What strategies were evolved by the management? What were the response patterns from the people? These are pertinent questions and need to be discussed at length. These questions, it is true, have been examined and dealt with at different places, but that has been in a piece-meal fashion and, therefore, it does not provide a comprehensive and integrated picture of how transformation took place in IFFCO— Phulpur. The present section is devoted to achieve this. With a view to identifying the strategies, modes and process of change, in-depth interviews were conducted with 50 respondents. Based on their responses, a content-analysis has been done, and the results are presented in table 3.

Table 3 basically depicts the thirteen preponderant strategies used by the management for achieving organisational change in IFFCO— Phulpur. They all appear as the dominant modes of transformation because even the least adopted strategy— touching the ego through challenge— has been articulated by 66 per cent respondents. Another striking feature which emerges from this table is the multi-pronged approach of the management to initiate change, which, of course, is a very well thoughtout and powerful way of doing so. This is so because, in changing the organisation and its culture, there are a myraid of simultaneously operating variables which are invariably inter-dependent and interacting among themselves. The peculiarity of such a phenomenon is that the interactions among these variables are highly non-linear and, therefore, one must evolve multiple alternatives to tackle these problems and peculiarities.

Table 3: Strategies of Managing Change*n* = 50

<i>Modes of Change</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Sincerity of top man	48	96.00	1
Modelling	48	96.00	1
Power equalisation	47	94.00	2
Consultation and Participation	47	94.00	2
<i>Kutumbization</i>	47	94.00	2
Empowering and Support	43	86.00	3
Collectivisation and team work	40	80.00	4
Mass Education	40	80.00	4
Third party help	39	78.00	5
Sustaining through continuous reaffirmation and reinforcement	39	78.00	5
Continuity, novelty	39	78.05	5
Sense of purpose— clarity of mission, purpose and goal	38	76.00	6
Non threatening	35	70.00	7
Touching the ego through challenge	33	66.00	8

A further analysis of this table reveals that sincerity and commitment of the top management and modelling behaviour occupy the first place, followed by '*kutumbisation*', power equalisation strategy and the process of participation and consultation, their percentage being 96, 94, 94, and 94, respectively. These strategies are coupled with empowering and support, collectivisation and team work, and mass education. (They are ranked as 3rd, 4th, and 4th, respectively. The respective percentages of responses in these cases are 86, 80, and 80). Another strategy of change was of the strategy of reaffirmation and continual reinforcement. This strategy has been ranked as fifth. The strategy of combining transition with continuity and novelty has been another interesting strategy in IFFCO— Phulpur (RK 5) along with third party help (RK 5).

At this stage, one may experience a feeling of surprise to see how power equalisation is used as a strategy of change. However, by now, the readers might have got the full picture of the power inequality in IFFCO— Phulpur, and hence this strategy was quite imperative for managing the feeling of powerlessness on the part of the management. Moreover, along with this strategy, many other alternatives were simultaneously operative and that is why the negative consequences of this approach were powerfully rectified.

The strategies of participation and consultation, *kutumbisation*, empowering and supporting, collectivisation and team work, clarity of mission, purpose and goal, coupled with mass education, were extensively used to promote and demonstrate the meaning and purpose for the change and transformation that is taking place at Phulpur, besides reducing the fear and anxieties (among individuals) of being affected by the change process.

No wonder 70 per cent people saw the change as non-threatening. Further, because of mass education, touching the ego through challenges, reaffirmation and reinforcement, empowering attitudes, and *kutumbisation*, the process of change in IFFCO— Phulpur became a “community (IFFCO— Phulpur community) agenda” rather than the agenda of the G.M. People did demonstrate real zeal and enthusiasm to make the agenda of change a grand success. Inculcating change was perceived as a collective responsibility of the people, where all could contribute meaningfully to the growth and the development of the organisation.

PART IV

LEADERSHIP STYLE AND VALUE PROFILE

The analysis of the change process in IFFCO— Phulpur clearly brings out the preponderant role of the top management, the sincerity of the top man being ranked as number one, and being perceived by 96 per cent of the respondents. This indicates that the meaning for change basically emanates from the value framework and leadership style of the top management. The package of change can be quite desirable and meaningful, but unless the top man demonstrates sincerity and commitment to the purpose and philosophy of change, it would continue to be a blue-print.

The desire for change, therefore, must be reflected through the top man's actions and styles. It is in this background that we now propose to examine the leadership style and value framework of Sharma. The leadership style of Sharma has been examined at two levels: (1) the perceived level (by followers and by self) and (2) the actually operative level. This framework of analysis has been used with a view to finding out the degree of match or mismatch between the perceived and the actually operative leadership style of Sharma.

Part IV is designed to study, in section A, the leadership profile of Sharma at three levels: (1) the leadership profile perceived by the followers: (2) the self perceived leadership profile: and (3) the self perceived operative leadership style. The value profile of Sharma has been examined in Section B.

A. (1) Perceived Leadership Profile

Table 4 depicts the overall perceived leadership profile of Sharma. An analysis of this table reveals that Sharma's style is characterised preponderantly by not being afraid of taking risks to achieve results; capability to build a cohesive team; and empowering attitude i.e. making people feel that they are worthwhile and important for the organisation. These characteristics are ranked as number 1, 2, and 3, respectively, and their respective percentages are 71.08, 61.86, and 61.86. These qualities are followed by proper concern for the speed and quality of the work done; accessibility to any one who wants to see him; capability to evoke a sense of confidence and trust by his behaviour, and good planning. These traits are positioned as number 3, 4,

Table 4: Leadership Profile of Sharma*n* = 118

	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Not afraid of taking risks to achieve results	84	71.18	1
Demonstrates an empowering attitude i.e. makes people feel that they are worthwhile and important for the organisation	73	61.86	2
Is a good team builder capable of creating positive group feeling among members	73	61.86	2
Very particular about the speed and quality of work done	67	56.77	3
Is accessible to anyone who wants to see him	46	38.00	4
Evokes a sense of confidence and trust by his behaviour	42	35.60	5
Is a good planner	38	32.20	6
Does not lose his balance in the face of calamities	36	30.50	7
Is clear about the mission, purpose and goal of the organisation	33	27.96	8
Is quite open and receptive	32	27.11	9
Is intellectually of high calibre	26	22.03	10
Values and appreciates good work	24	20.33	11
Is a good boundary manager— environment such as government, politicians, heads of other organisations and departments	23	19.49	12
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	22	18.64	13
Technically very sound and knowledgeable	21	17.79	14
Consults relevant people before taking decisions concerning them and their department	21	17.79	14
Gives adequate responsibility for the job performance	19	16.10	15
Provides clear instructions of what to do and what not to do	17	14.40	16
Has care and concern for the individual's work as well as his personal problems	15	12.71	17
Encourages the total development and growth of people	14	11.86	18
Does not hesitate to point out, and even scold, when mistakes are committed by the people on the job	14	11.86	18
Not only tolerates mistakes while achieving results, but also protects people, if necessary	13	11.01	19
Protects and supports people when they need it	12	10.16	20
Gives people complete freedom to decide, evolve plans and strategies at work	10	8.47	21
Is innovative and creative	10	8.47	21
Is interested in the welfare and well being of people working in the organisation	9	7.62	22
Generally adheres to organisational rules, procedures and regulations	9	7.62	22

Table 4 contd.

	Frequency	Percentage	Rank
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	8	6.77	23
Treats organisational members like his brothers	6	5.08	24
Believes that real learning and growth take place when people explore and in the process also make mistakes	6	5.08	24
Believes in consensus building before taking a decision	3	2.54	25

5, and 6, respectively, their percentages being 56.8, 38.0, 35.6, and, 32.2. Not losing balance in the face of calamities; clarity of mission, purpose and goal of the organisation; openness and receptivity; and intellectual capability are assigned the ranks of 7, 8, 9, and 10, respectively. If we combine all these qualities and traits together, they account for 63.44 per cent of the total responses. A “big-brother” attitude has not been perceived as part of his style since it was responded to only by 3.3 per cent of people and, and in terms of ranking it is the last i.e. 24th [(i)].

From the foregoing analysis, the following major conclusions emerge about the leadership profile of Sharma:

1. Sharma has been perceived as a manager with tremendous risk-taking capability.
2. A manager who strongly believes in building a team and empowering people.
3. A person who has strong task orientation.
4. A man who does not lose his balance at the time of calamities.
5. A manager who is characterised with planning capability and clarity of organisational mission, goal and purpose.
6. In the overall analysis, Sharma emerges as a leader with tremendous symbiosis of risk-taking capability, team-building, strong task-orientation, receptivity and accessibility, coupled with clarity of organisational mission, purpose and goal along with planning competence.

The perceived leadership profile of Sharma has been presented across the top/senior management level and middle and lower management level in table 5. This has been done in order to examine the perceptual similarity across all the three categories. In the top level group, the capability to take risks has been ranked as number 1, followed by concern for speed and quality of work, capability to build a team and an empowering attitude. These qualities are ranked as 2nd, 3rd, and 3rd, respectively. All these items have been chosen by more than 60 per cent of the respondents. In the case of

Table 5: Leadership Profile of Sharma Across Managerial Hierarchy

Leadership Components	Top <i>n</i> = 18			Middle <i>n</i> = 33			Lower <i>n</i> = 67		
	Frequency	Percentage	Rank	Frequency	Percentage	Rank	Frequency	Percentage	Rank
Demonstrates and empowering attitude i.e. makes people feel that they are worthwhile and important for the organisation	11	61.11	3	19	57.60	3	43	64.20	3
Is a good team builder capable of generating positive group feelings among the members	11	61.11	3	17	51.50	4	45	67.20	2
Is a good boundary manager— environment such as government, politicians, heads of other organisations and departments	2	11.11	10	5	15.20	11	16	23.90	8
Not afraid of taking risks to achieve results	13	72.20	1	24	72.40	1	47	70.00	1
Does not lose his balance in the face of calamities	7	38.88	5	10	30.30	7	19	28.40	7
Is a good planner	2	11.11	10	9	27.30	8	27	40.30	5
Evokes a sense of confidence and trust by his behaviour	5	27.77	7	10	30.30	7	27	40.30	5
Gives people complete freedom to decide, evolve plans and strategies at work	2	11.11	10	2	6.10	14	6	9.00	17
Is quite open and receptive to new ideas from people	4	22.22	8	14	42.40	6	14	20.90	10
Is accessible to any one who wants to see him	10	55.55	4	15	45.50	5	21	31.30	6
Is innovative and creative	4	22.22	8	2	6.10	14	4	6.00	19
Is interested in the welfare and well being of the people working in the organisation	1	5.55	11	2	6.10	14	6	9.00	17
Is clear about the mission, purpose and goal of the organisation	4	22.22	8	14	42.40	6	15	22.40	9
Gives adequate responsibility for the job performance	4	22.22	8	5	15.20	11	10	14.90	13
Has care and concern for the individuals' work as well as his personal problems	1	5.55	11	4	12.10	12	10	14.90	13

Table 5 contd.

Leadership Components	Top n = 18			Middle n = 33			Lower n = 67		
	Frequency	Percentage	Rank	Frequency	Percentage	Rank	Frequency	Percentage	Rank
Very particular about the speed and quality of work done	12	66.67	2	22	66.70	2	33	49.30	4
Values and appreciates good work	3	16.66	9	8	24.20	9	13	19.40	11
Encourages the total development and growth of people	1	5.55	11	5	15.20	11	8	11.90	15
Provides clear instruction of what to do and what not to do	4	22.22	8	4	12.10	12	9	13.40	14
Is intellectually of high calibre	6	33.33	6	6	18.20	10	14	20.90	10
Protects and supports people when needed	1	5.55	11	2	6.10	14	9	13.40	14
Treats organisational members like his brothers	—	—	12	3	9.10	13	3	4.50	20
Technically very sound and knowledgeable	4	22.22	8	9	27.30	8	8	11.90	15
Does not hesitate to point out, and even scold when mistakes are committed by the people	3	16.66	9	4	12.10	12	7	10.40	16
Not only tolerates mistake while achieving results, but also protects people, if necessary	—	—	12	5	15.20	11	8	11.90	15
Believes that real learning and growth take place when people explore and in the process also make mistakes	2	11.11	10	—	—	16	4	6.00	19
Consults relevant people before taking decisions concerning them and their department	3	16.66	9	6	18.20	10	12	17.90	12
Believes in consensus building before taking a decision	—	—	12	1	3.00	15	2	3.00	21
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	4	22.22	8	3	9.10	13	15	22.40	9
Is totally logical and data based and does not believe in relating on the level of feeling and emotions	2	11.11	10	1	3.00	15	5	7.50	18
Generally adheres to organisational rules, procedures and regulations	—	—	12	1	3.00	15	8	11.90	15

middle management, the 1st and 2nd ranks are identical with to those of the top management group. Team-building, in this group, has been assigned rank 4, as against rank 3 in the former category. An examination of the perceived profile of leadership in the lower management group depicts all these four items in the first four categories. However, their ranks are different, except for the dimension— not afraid of taking risks. It has been ranked uniformly as number 1 in all the three groups.

Though there is similarity in the ranking patterns, yet minor variations are observed here and there. In order to test the perceptual similarities and heterogeneity across all the three categories, the values of 'rho' were computed and are presented in table 6. An analysis of this table reveals a significant perceptual similarity of the perceived leadership profile in all the three categories. The value of 'rho' in the case of top vs middle management group comes to 0.77. In the case of top level vs lower group, it works out to be 0.73; and in the category of middle management vs lower management it amounts to 0.86. All these values are significant at $p \leq 0.05$. In other words, there is homogeneity of perception about the leadership profile of Sharma in all the three groups.

Table 6: Rank Order Coefficient of Correlations Across Managerial Hierarchy

<i>Groups</i>	<i>n</i> <i>(Pairs of ranks)</i>	<i>df</i> <i>(n-2)</i>	<i>Ed2</i>	<i>rho</i>	<i>Level of sig. of</i> <i>correlation value</i>
Top vs middle	31	29	1,114.50	.775	.05
Middle vs lower	31	29	692.00	.860	.05
Lower vs top	31	29	1,323.25	.733	.05

'Rho' value to be significant at $p \leq 0.05$ level should be ≥ 0.36 .

2. Self Perceived Leadership Profile of Sharma

The self perceived leadership profile of Sharma has been presented in Table 7.

Table 7, presents the ten self perceived leadership qualities of Sharma. This table also depicts the ten qualities perceived by his followers in his style. An analysis of this table brings out a significant similarity between the self perceived profile and the profile perceived by others. The value of 'rho' in this case works out to be 0.83 which is significant at ≤ 0.05 . Findings such as these clearly indicate that there is a significant similarity in both the profiles.

An analysis of table 8 presents basically three important characteristics of Sharma's style:

- (1) Sharma's scores against non-effective styles are zero.
- (2) The primary style of Sharma is benevolent autocratic, followed by the developer and democratic.

Table 7: Perceived Vis-a-Vis Others' Perceived Leadership Profile of Sharma

<i>Leadership Components</i>	<i>Self Perceived</i>	<i>Perceived by others</i>
	Rank	Rank
Not afraid of taking risks	1	1
Very particular about the speed and quality of work done	2	4
Demonstrates an empowering attitude, makes people feel that they are worthwhile and important for the organisation	3	3
Is a good team-builder, capable of generating a positive group feeling among the members	4	2
Is accessible to anyone who wants to see him	5	5
Does not lose his balance in the face of calamities	6	7
Evokes a sense of confidence and trust by his behaviour	7	6
Is intellectually of high calibre	8	10
Is a good planner	9	8
Is clear about the mission, purpose and goal of the organisation	10	9

“Rho” = 0.83

‘rho’ to be significant at $p \leq 0.05$, should be ≥ 0.63 .

Table 8: Operative Leadership Style of Sharma

<i>Style</i>	<i>Score</i>	<i>Rank</i>
Deserter	00.00	—
Missionary	00.00	—
Autocrat	00.00	—
Compromiser	00.00	—
Bureaucrat	05.00	4
Developer	34.00	2
Benevolent Autocrat	35.00	1
Democrat	26.00	3

- (3) The difference (in score) between the benevolent-autocratic style and the developer is marginal.

The above characteristics bring out the following salient points about Sharma's leadership:

1. The zero score against non-effective styles indicates the complete absence of non-functional leader behaviour in Sharma's style.
2. The preponderance of benevolent-autocratic style indicates his high task-orientation, capability to take risks, and entrepreneurial quality.

3. The dominant benevolent-autocratic style also indicates enormous capability to combine rewards with performance. In other words, it indicates a strong will to promote a culture of task-based rewards.
4. The developer style brings out the quality of building and grooming people for higher responsibility through psychological support and protection, delegation of power and authority, and encouraging subordinates to take risks and experiment with new ideas.
5. The democratic style reflects a strong sense of value for participation, process of collectivisation, team-building and group decision-making process.

B. Value Profile of Sharma

Since values are the genesis of all managerial actions, no study on leadership would be complete without an in-depth value exploration of the leader. It is in this perspective that we have tried to explore the value framework of Sharma. Responding to our unstructured questions, Sharma made a series of value statements, some of which are mentioned below:

- “It is only the equality of power between the management and union which promotes a culture of healthy respect for each other”.
- “People have capability to rise to the higher cause, provided they see meaning and purpose in it”.
- “All good managerial actions emanate from the beliefs and values of the top management”.
- “People look up to the top as the model for all action and behaviour”.
- “Indians respond to the feeling-appeals more than the cognitive appeals. Touch their feelings and you have won them”.
- “Team-work produces enormous synergy for new experimentation and creativity”.
- “Man by nature is good”.
- “It is the leader who builds the organisation and society”.
- “If you want that the people should develop the feeling of belonging to you and the organisation, you must care for them beyond their work. The real man lies beyond the task framework”.
- “Your capability to punish a man depends upon your capability to love him”.
- “No ordinary human being would like to give his best, unless he sees that his efforts are linked with some rewards”.
- “Human beings have unlimited potentialities. It is up to the leader to utilise them”.
- “Failure is linked with performing actions and, therefore, an action-oriented leader must accept failure as part of life”.
- “If you do not finish the activity which you initiate, that activity itself will completely finish you”.

If we try to put together all the value statements of Sharma and synchronise them, a value profile emerges characterised by:

- (a) power equalisation through both the strategy of confrontation and collaboration,
- (b) no nonsense managerial quality,
- (c) high task and people orientation,
- (d) high risk-taking capability,
- (e) capability to generate super-ordinate goal for the followers,
- (f) skills to touch the emotive map of individuals,
- (g) team-building quality,
- (h) tremendous desire to explore new alternatives,
- (i) immense faith in the goodness of human beings.

Based on the perceived leadership profile by other, self perceived leadership profile and the leadership style and the value disposition of Sharma, we can draw some salient conclusions about the overall profile of Sharma. They are:

- Perceptiveness,
- Risk-seeking and entrepreneurial quality,
- Participativeness and collectivisation,
- Experimentation, innovation, and creativity,
- Fighting spirit,
- No-nonsense style,
- High task and people orientation,
- Sensing and foresightedness,
- Decisiveness,
- Supportiveness,
- Clarity of thought and action, and
- Commitment and sincerity.

NOTES

- (a) Iacocca, Lee. op.cit.
- (b) IFFCO— Phulpur, Indian Farmers Fertilizer Cooperative, has one unit each at Kandla, Kalol, Phulpur, and more recently at Aonla with head office at Delhi. The present case however focusses solely on the Phulpur unit.
- (c) Phulpur is located in a politically sensitive area. A study of the industrial relations situation in companies around Allahabad indicates tremendous amount of unrest. Not many public sector companies have been able to function successfully in this area because most of them are paralysed by industrial unrest.
- (d) Being a process plant, anything affecting one section can disrupt the functioning of the entire plant. For example, fluctuation in power has a highly disruptive impact on plant production.
- (e) This is an internal committee which deliberates and decides on promotions.

- (f) For the first time in the history of IFFCO—Phulpur, an outsider was brought as the union leader.
- (g) Sharma said: “I felt that the assessment of outside agencies would have a greater acceptance among the people. Consultants were therefore hired”.
- (h) The drop in sample size from 153 to 94 is because the culture instrument was administered in two phases. All the respondents who participated in the first phase were not available in the second phase of data collection.
- (i) The last rank comes to 24 and not 31, because more than one item in this profile have identical ranks.

APPENDIX — I

CAPACITY UTILISATION

<i>Year</i>	<i>Capacity Utilisation (%)</i>
1982-83	81.00
1983-84	65.20
1984-85	87.05
1985-86	90.91
1986-87	97.39

APPENDIX — II

PROFITS AT IFFCO—PHULPUR: 1982-83 — 86-87

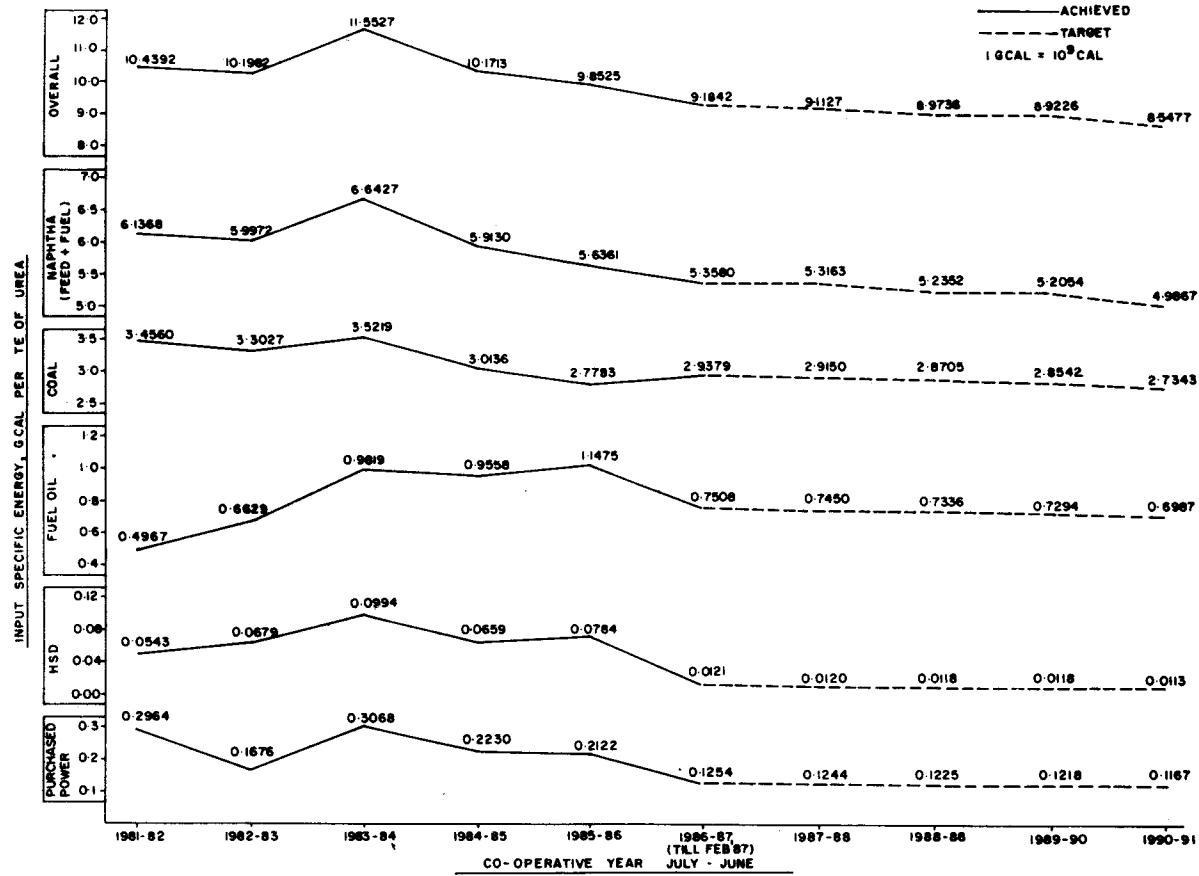
<i>Sl. No.</i>	<i>Year</i>	<i>Profit</i>	<i>Loss</i>
		(Rs. in lakhs)	(Rs. in lakhs)
1.	1982-83	1306.93	—
2.	1983-84	—	33.45
3.	1984-85	1386.27	—
4.	1985-86	1595.12	—
5.	1986-87 (provisional)	1398.00	—

APPENDIX — III

PRODUCTION IN TONNES

<i>Year</i>	<i>Production in tonnes</i>
1982-83	400960.30
1983-84	322754.50
1984-85	430918.00
1985-86	449986.70
1986-87	482071.90

APPENDIX IV: ENERGY EFFICIENCY LEVELS



APPENDIX — V

ENERGY CONSERVATION EFFORTS AT IFFCO— PHULPUR

<i>Ammonia Plant</i>	<i>Savings</i>		<i>Modification costs</i>
(a) Simultaneous pumping of hot and cold ammonia to urea plant	3.5 mt/hr. of 30 ata steam	Rs. 35 lakhs (annually)	Rs. 6.0 lakhs
(b) Increasing insulation thickness of various process and steam pipe lines	5 Gcal/hr. (est)	Rs. 9 lakhs (est)	
(c) Reducing the soot blowing duration for combustion air-heater	6 mt/day 39 ata steam 1400 Gcal/year	Rs. 3.5 lakhs	
(d) Reduction in let down of high pressure steam from 103 ata to 39 ata through control valves	.2 to .25 Gcal/hr. (est)		
(e) Reduction of compressed air venting at air compressor final discharge	1.5 to 2.0 mt./hr. of 39 ata steam equi. to 1.1 Gcal/hr. of energy		
(f) Reducing the stow-roll speed of stand-by steam turbines	1 mt./hr. of 39 ata steam		
<i>Urea Plant</i>			
(a) Ammonia recovery from waste water system		5.0 lakh/year	Rs. 2.0 lakhs
(b) Condensate pot for urea evaporator preheaters	1.5 Gcal/ hr.	13 lakhs/yr.	Rs. 1.7 lakhs
<i>Power Plant</i>			
(a) Reduction of blow down water from steam drum	1.5 Gcal/hr.	14 lakhs/yr.	Nil
(b) Optimised utilisation of fuel inputs in power plant	40 Gcal/hr.	30 lakhs/month	

TISCO— MAN AT THE CENTRE

INTRODUCTION

The transformation in TISCO is in many ways reminiscent of the renaissance movement in European society. The essence of this movement lay in the philosophy of freedom, equality, and liberty. Michealangelo, a great representative of the Renaissance movement, captured this philosophy very vividly in one of his master piece sculptures. On completing the statue, Michealangelo took his chisel, hammered at the statue and captioned it, “speak out”. This anecdote powerfully brings out the relevance of speaking out—to freedom, equality, and liberty, which are the touchstones fo change and transformation for any institution.

Regrettably, the Indian industrial scenario is overwhelmingly characterised more by differential hierarchy and status barriers rather than by equality of ideas, speech, and action. Such ethos countervails the very spirit of transformation and change. It is in this context that TISCO outshines many other industrial organisations in the Indian corporate world. Freedom, liberty and equality have been the core values of the organisational philosophy of TISCO. The person who is responsible for this is none other than Russi Mody, whose credo is, “speak out”. The entire TISCO case, in the present book, revolves around this theme.

The present case has been organised into three parts. Part I presents a brief profile of TISCO and highlights its major achievements in the post-take-over period of Mody; part II deals with various managerial strategies and action plans evolved for achieving corporate transformation; and part III examines the leadership and value profile of Mody. For the purpose of this case study, data were collected from 224 respondents. The sample profile is given below.

SAMPLE PROFILE

<i>Respondents</i>	<i>Frequency</i>	<i>Percentage</i>
Top management	30	13.40
Middle management	119	53.20
Lower management	75	33.40
Total	224	100.00

PART - I

TISCO

The Tata Iron and Steel Co. (TISCO), conceived by Sir Jamsetji Tata, was established in 1907 by his son Dorabji Tata. TISCO has been a legendary institution, a symbol of corporate excellence and professionalism in the Indian industrial world. It is not only a shining star in the otherwise bleak industrial scenario of Bihar, but also a jewel of the vast Tata empire. The steel complex is a two-million tonne per year integrated plant, producing the widest variety of steel available in India. It is nearly self-sufficient in raw materials, and produces 7 million tonnes of ore from its own mines. Besides, it also has its own collieries, power plants, engineering workshops, R&D wing and design offices.

TISCO has been headed by many distinguished personalities. An important indicator of its quality of management is the fact that, in the last 50 years, the company has not lost a single manday due to strikes. In the pre-1971 period, TISCO employees bagged 44 out of the 193 Shram Vir Awards. These achievements speak volumes about the quality of managerial process and corporate ethos. The company, however, scaled new heights of excellence under the stewardship of Mody.

The post-take-over period of Mody in TISCO has been characterised by many innovations, and a series of experimentations. Some of the achievements during Mody's regime are:

(i) TISCO is the only Indian company which has a remarkable record of achieving a series of corporate turnarounds and transformation in the organisations which it has acquired.

(ii) The company has gone in for mammoth acquisitions, diversification, take-overs and mergers. It has acquired a number of ailing companies in the last ten years— Tin Plate of India, Indian Tube Co., Bearings division of Metal Box, Special Steels— and successfully turned them around.

(iii) TISCO, in recent years, has brought under its umbrella a number of other subsidiaries as well— Ipitata Sponge Iron Ltd., Kumardhubi Metal Casting and Engineering Ltd., Ahmedabad Advance, Tataman, Tata Korf, and Tata Timken.

(iv) On culture parameters, there has been a significant shift in the post-take-over period of Mody. This is evident across all the culture components. In the pre-take-over period of Mody, the mean scores for all the culture parameters were found to be less than five on a seven-point scale. However, in the post-take-over period, they registered a significant growth— the mean score being around 6.90 on a seven-point scale. This has been the trend across all the culture dimensions (Table 2).

(v) The company achieved an enormous jump in capacity utilisation, from 89 per cent in 1969 to 100 per cent and above in the post-1975 period. It has peaked at 109 per cent capacity utilisation in 1987-88. This is an extraordinary achievement, especially since the plant is of 1921 vintage.

(vi) TISCO's performance in terms of profits has been extremely laudable. The Rs. 154.34 crores profit figure of 1987-88 has been the highest ever achieved, recording a growth of 67.5 per cent over 1986-87. Such a growth in both profits and capacity utilisation reveals an unprecedented achievement by any standard.

(vii) Delving into the history of TISCO, one finds dramatic shifts in the performance of its collieries during 1956-59— a period when corporate turn around was achieved. The same story was repeated in the iron ore mines during the 1965-68 period.

The turnaround in both the collieries and mines coincide with the period when Mody took charge of these as executive officer, and agent, respectively. The quantum jump in the capacity utilisation started with Mody's tenure as Director (operations) in 1969, Managing Director in 1975, and Chairman in 1985.

Numerous laurels and recognition have been bestowed on Mody for his managerial capability, style, and achievements. For his excellent track-record as a business leader, he has been awarded the Padma Bhushan in 1989. The B.M. Marg Poll, conducted on a sample of 212 directors and vice-presidents of the top public and private sector companies rated him as India's best chief executive in 1988-89. [1] *The Business World* [2] carried a cover feature on him in 1987. In 1986, the BBC featured him as one of the six money-spinners in the whole world, and ran the feature twice on TV at prime time. The film has been shown on French television and has also been published in book form.

What did Mody do to transform TISCO? How did he achieve it? Why do people think so highly about Mody? What has made him one of the legendary figures in the Indian corporate world?

Answers to these questions will help understand the process and dynamics of corporate transformation in TISCO. We now propose to focus on these questions. In order to discuss the distinctive and finer nuances of TISCO corporate transformation, and Mody's impact on the same, the present write-up has been classified into three phases: (i) 1969-74; (ii) 1975-80; and (iii) post-1980. These phases have been characterised by some distinctive managerial actions and organisational outcome.

Phase I has been the process of problem identification and action initiation; Phase II was marked by enormous growth in capacity utilisation, and was characterised primarily by consolidation of the changes initiated on various fronts for improving performance, productivity, and human satisfaction. Phase III, the phase of expansion and growth, is characterised by a spate of corporate acquisitions, take-overs and mergers. This classification has been made to highlight the evolutionary stages in TISCO transformation. It will, however, in reality, be difficult to give a step-by-step account of the activities in all the three phases, since there is tremendous amount of overlap in terms of action initiation in all the three phases.

A. Problem Identification [3] and Action Initiation

When Mody took over as Director (operations) in 1969, he felt that the plant performance of 89 per cent capacity utilisation was not too good. "I was not happy with the plant performance. Believe me, I was too restless. I used to ask myself— why not 100 per cent or more? In order to improve plant capacity utilisation, I started data search, using both the formal and informal channels of communication. I used to be at the plant at 6.30 a.m. everyday, walk around by myself and speak to people of various ranks, right down to the *khalasi* on the shop-floor" (Mody). A General Manager said: "Once, when I saw Mody walking in my area, I ran up to him, offering help. He refused my help and asked me to carry on and do my own work". He would go to a group of workers, introduce himself and ask them: "Tell me what are your problems" (General Superintendent). Through "management by walking", reaching and touching people, Mody got a direct feel of what was happening in the company (General Manager). "Parallelly, he constituted a three-man task force, comprising a mechanical engineer, a metallurgist, and an electrical engineer, for problem-identification. The task force members were told to "go to every department, examine what is happening, pay no heed to the conventional methods, but come back with ideas on how to improve operations in each department— whether it is in down-time, in production, involving investments... anything... the sky is the limit" (President). "So very good suggestions came out of this exercise. Week after week, Mody went through the suggestions and examined them in depth. He was prompt in decision-taking. He either rejected or accepted the action plans and then gave the go ahead signal for implementation" (President).

Through "management by wandering, reaching, and touching" a lot of formal and informal deliberations, committees and task-force reports, three critical areas were identified for major action thrusts— (a) Inter-departmental conflicts, (b) Maintenance, and (c) Technical.

(a) Inter-departmental Conflicts

Inter-departmental relations, especially between maintenance and production, were not very healthy. The maintenance personnel worked very hard and had fewer off days, and yet there was a wage inequity between the production and maintenance people. Thus, among maintenance personnel, there was a feeling of injustice and inequity. Besides this, people continued to work in the same stream they had started with, without any changes (General Manager, General Superintendent). There was no concept of job rotation between maintenance and operations. There was tunnelled-vision, and as such a helicopter-view of the entire corporate operations was missing. The focus was on the department, not on the company. There was no well articulated organisational goal, and hence the departmental goal used to get precedence over that of the organisation. This situation was more or less common in all the departments and across all the functions. The relationships across the hierarchy were also quite stiff. There used to be fear and apprehensions. No one dared to walk into a senior's office. People thought twice before saying

anything. They were even reluctant to talk about their problems for fear that this may be used against them (President, General Manager, General Superintendent, Superintendent-6, Manager-15, Supervisor-10).

(b) Maintenance

A number of people— managers (8), supervisors (10), superintendents (6), workers (12)— from the maintenance department said, “In the pre-1969 period, things were not in good shape here” “We were doing badly, production-wise, quality-wise, as well as rate-wise. We had a bad spell of poor quality raw materials, particularly coke, which is the basic raw material for operating the blast furnaces. Besides, the operating technology was also not quite good. The support facilities were inadequate. So the boys were not performing well” (President, General Manager). Spare parts of right quality were not available (Manager-4). Maintenance thrust was missing (Superintendent-5, Manager-8). The schedules of regular and preventive maintenance were not being adhered to (General Manager). “The boys in the maintenance department had many grudges against the management. They were demoralised, felt uncared for, and powerless. Power was with the operations, they were the kings, bosses, and decision-makers. They used to dictate to the maintenance people” (General Manager). “These problems might have been purely of psychological nature. However, they used to affect team work” (President).

(c) Technical level

It was found that in the absence of adequate track services there was no need to run six blast-furnaces. Talking to the shop floor workers, Mody concluded that they could run five furnaces and still produce the same amount of steel as before. Therefore, a decision was taken to run only five furnaces, and at the same time strengthen the support services, so that all five could function with the maximum efficiency (President, Vice-President, General Manager, Superintendent, Manager-4, and Supervisor-25).

In order to overcome the above mentioned problems, Mody initiated a series of action plans which are highlighted in the following paragraphs.

Managerial Action Plans

Maintenance: A Resource Development Cell was instituted, with a view to ensuring steady and timely inflow of spare parts without additional expenditure and to co-ordinate with the suppliers and producers of spare parts from places outside Jamshedpur (President, General Manager). An extra Rs. 10 crores was spent to boost maintenance activity. A lot of machines were overhauled. Old cranes were replaced by new ones. “Mody was very liberal about the expenditure on maintenance. He had a belief that plant capacity utilisation can never increase unless we tone up the maintenance. A lot of emphasis was placed on regular maintenance” (President, General Manager, Superintendent-10, Manager-8). Thus “whether a crane was working properly or not, it had to go down for maintenance on the planned date, production

or no production” (Mody). “Today our maintenance does not require too much of hard work. It has become more cybernetic in character. People are much more happy and effective now. Earlier, maintenance used to be a tough job” (General Manager, General Superintendent, Manager-4, Foreman-6).

Technology improvisation: TISCO technology is of 1921 vintage. Therefore, in many areas it has become outdated and obsolete. According to Mody, the only way TISCO could have survived was either through modernisation or by undertaking process improvement. Modernisation needed heavy investment in terms of foreign exchange and also careful long-term planning. Unfortunately, at that point of time, TISCO was not in a position to raise the required resources. Therefore, greater thrust was given to modifications and continuous process improvement till 1980. The post-1980 period, however, has been the period involving all the three critical aspects of technological improvement—process improvement, modifications and modernisation. In the 1981-84 period, new additions like a basic oxygen furnace shop, billet caster, vacuum area degassing, meerz, lime calcining kilns, a new oxygen plant and bar-forge shop were made. Additions have also been made during 1984-88 to improve processing at the raw materials stage. A sinter plant, a coke oven and a raw materials bedding and blending equipment have also been added. Another recent development has been the use of computers in process control, designing, engineering, and project monitoring.

Over the years, the engineering division (with a team of over 500 engineers looking after project planning and implementation), the R&D division as well as the growth shop (which has developed new steel plant equipment) have served as strong technical support to TISCO. Although the engineering division has existed since the pre-69 period, it has been strengthened enormously in the last decade (President, General Manager, Deputy General Manager, Manager-8, Foreman-4, Senior Engineer-5).

The steps taken towards maintenance, constant plant modification and modernisation have helped TISCO tremendously in increasing capacity utilisation and reducing costs. Over the years, this has been TISCO's strong point, compared to other steel plants operating in India, and helped it stay afloat amidst cost escalation of vital inputs. TISCO has also perfected project implementation, without time and cost overruns. This has been reflected in the fact that the engineering division has executed all the process improvement activities, plant modifications and modernisation much ahead of schedule.

Mody believes that excellence emanates from the creativity and ingenuity of human beings, that organisations are built and created by human beings and that they have the power to build or kill the organisation. It is in this perspective that many managerial actions were evolved at the management systems and culture levels.

B. Managerial Actions for Improving Organisational Structure and Systems

A series of actions were evolved for toning up organisational structure and systems. These actions are discussed under the following heads:

(a) Morning meetings and breakfast meetings: As Director (operations), Mody used to be at the blast furnace by 6.45 a.m. and expected the superintendents, executives and officers to be present. This was utilised mainly to raise problems and issues with a view to resolving them then and there. Then he used to organise breakfast meetings every morning at 10.00 a.m. All the superintendents of critical departments were asked to bring their own food, have a community breakfast at a central place inside the works and discuss matters in a relaxed atmosphere. Further, he started picking superintendents of troubled departments and sending them on holidays together to nearby places like Jodha for 2-3 days. They were sent at company expense and told by Mody: "Go and thrash out your problems; examine why your departments are not functioning too well; let me know what help you need, so that your plant utilisation and performance improves". The system of morning meetings is practised even today in many departments and divisions (General Manager, President, Superintendent-4, General Superintendent-7, Foreman-8, Manager-4).

(b) Transfer and job rotation: "One of the first things Mody did was to transfer eighteen superintendents (in charge of producing units) at one go. He intuitively judged which of them had good leadership qualities and shifted them to critical and problematic departments. This was a drastic shift from the earlier situation, when one's technical specialisation, whether sheet mills, flat products, or metallurgy, etc., determined one's career path. In fact, earlier, the concept of such shifts was not favoured. Therefore, this drastic change shook up the entire organisation" (President, General Manager).

Mody initiated systematisation of shifts and job rotation by moving officers up to the superintendent level every five years. This was done in order to relieve the monotony, especially for those people who were not promoted, and this helped reduce frustration. "Now people themselves are saying that 'we have worked for five to six years here, and we should be rotated' (General Manager). "This system has an additional advantage because it helps in career building. If you are rotated, you get the experience of 3 to 4 mills, and when you come as Assistant General Manager, you have a much wider perspective. Besides, such a system also helps people test their abilities to manage things. If you do well in 2-3 places, then the management develops confidence that this man will fit in any of the workshops" (General Manager). "At the micro level, within the maintenance department, a rotation system of duties every fortnight was introduced, whereby superintendents get two days of rest every fortnight, in contrast to the earlier situation of very few days off. This made the life of superintendents much easier and relaxed. This was also done with a view to reducing the stresses of superintendents" (General Manager).

(c) Training: Mody insisted on in-house training. There was mass exposure to training and management development programmes. Today, this company not only has five types of entry point training programmes, but also has five on-going technical and management development programmes for existing

employees— both workers and managers. A number of people have been sent outside Jamshedpur and abroad for various kinds of training. This process started when Mody took over as Director (Operations). However, it took a greater leap when he became the Managing Director. “There have been no limitations on money. People were sent all over the world for training. This knowledge has been used tremendously to the advantage of the company” (Vice-President, Personnel and Industrial Relations).

(d) Open door: Everyday, even today, Mody spends one hour for meeting people whenever he is in Jamshedpur. “I meet at least 25 people in one day. The Director (Personnel) is also present in this meeting for on-the-spot decisions. Failing an immediate decision, people are sent a written reply within a week. “Both positive and negative replies giving reasons for the decisions taken are sent out in a week’s time with my signature. In the first year (1969) itself, I sent personal replies to 3,600 people” (Mody). In addition to the morning meetings, Mody is available at home and on his rounds in the plant. Over a period of time, the style of open-door, immediate problem-solving and letter writing have been adopted by all the top level executives, (President, Vice-President-3, General Manager-1).

(e) Joint Consultative Machinery: This system was first introduced in 1956, after an agreement between TISCO and the Tata Workers’ Union. It consists of a three-tier structure of joint councils: (a) Joint Councils at the department level, in the works called JDC; (b) Joint Works Council (JWC) for the entire works and outside departments; and (c) the Joint Consultative Council of Management (JCCM) at the apex, covering the entire organisation at Jamshedpur.

The function of the JDC and JWC is to discuss departmental problems in order to make recommendations to the management. Each JDC has nominated members from both the sides, management, and union. There are 41 JDCs operating today covering the employees of the entire company. The JCCM provides a powerful forum for discussions about the working of the company (welfare, production, productivity, efficiency, etc.). The annual meetings of each JDC are forums where employees are offered opportunities to raise issues on various matters, which are answered either by the chairman of the council or by the senior officers of the company.

Although JDCs have been in existence since 1956, Mody made certain critical modifications in the system, by which the spirit behind it got fully expressed. Earlier, the questions to be raised were known to the executives in advance. As a result, they used to come prepared with answers. Mody changed the style and insisted that the questions are not to be disclosed in advance. An element of uncertainty was therefore introduced. Secondly, he also made it clear that any question could be raised, regardless of whether some other forums exist to deal with the issue or not. Thirdly, he insisted that answers have to be given by the concerned officer in the forum itself. Fourthly, he has made it a point to attend the annual meeting of more or less every JDC as chief guest. Lately, the JDCs have been further strengthened

by giving them some financial power— for safety (Rs. 10,000), and for expenditure on capital items (Rs. 5,000).

Every alternate year, the vice-chairman of a JDC (Union representative) presides over the JDC meetings. The chairman (management representative) functions as the vice-chairman. The annual JDC of a department is attended by all its members. They also finalise the yearly target of production and efficiency. JDCs have been used by Mody as powerful forums for exchange of ideas. It provides management an opportunity to share its problems and concern for the entire TISCO community. Such forums have also helped management in identifying the grass-root problems and their solutions. It has inculcated a spirit of co-partnership between the management and the union (Vice-President-3, President of the Union, Union Leader-10),

(f) Two-way Dialogue Systems: Mody introduced two kinds of dialogue systems—one at the senior level, and the other at the junior level. The junior dialogue sessions are organised once every three months where up to 3000 odd people assemble. People two levels below assistant department head and senior supervisors and above are entitled to participate. The senior dialogues are organised once a month where around 200 seniormost officers of the company participate. Each of the dialogue systems has one uniform code—anybody can ask any question and he must be given an appropriate answer.

“Open dialogue has been the brain child of Mody. It has introduced a new organisational culture and ethos— a spirit of inquiry, equality, freedom and liberty. Now, everyone feels that he is involved in building TISCO. There is a sense of co-partnership, a sense of belonging and a feeling of commitment. People feel that they now have a say in managing TISCO. Apart from these, it also provides an opportunity for psychological catharsis, unloading of anxieties, frustration and depression. Needless to say, these are important for psychological health” [Vice-President, (Personnel and Industrial Relations), President]. What Mody has done needs great courage and conviction. Many times we have seen Mody being besieged by both managers and workers” (Manager-12, Foreman-10, Superintendent-6, Union Leader-11).

(g) Task force and Committee Systems: The committee systems have been in existence since the pre-1969 period. However, their functional effectiveness has been increased subsequently by inculcating the true spirit of participation. This is basically to ensure the process of collective functioning, both in examining and solving problems at the management level as well as between the management and the union. Incidentally, today there are 24 joint committees in existence. Groups have been constituted for problem-identification as well as problem-solving. “Whenever there is a problem to be solved, committee of the relevant people is formed and their recommendations are seriously examined. For example, when the issue of delegation of power at superintendents’ level was raised, a committee of five superintendents was appointed to debate on the issue of the extent of their involvement in rewarding their subordinates” (President, General Manager).

The Capital Expenditure Control Committee (CECC), and a study group (a task force attached to this committee) examine matters pertaining to the technical schemes worked out by the various departments. Initially, the CECC screens the schemes, followed by the study group with members from different departments of which the president is the chairman. At both the forums, the concerned department head and representative are invited to present their views.

One of the latest committees to be appointed is the one for beautification of Jamshedpur town, members being the wives of senior executives. Yet another committee is the committee of management (post-1987), consisting of the Chairman, Joint Managing Director, and Executive Directors. They meet once a month to take up issues beyond the powers delegated to the Executive Directors (Vice-Presidents pre-1988). In fact, some senior officers quipped: "You name the topic, and we have a committee for it".

(h) Reward Systems: The reward system at TISCO is linked with performance. Promotion is given purely on merit, not by virtue of seniority. Reward is, thus, contingent upon the work done. An early example (1969-70) of this system has been the way in which Mody ensured the turnaround in one steel melting shop. When he first took over as Director (Operations), J J Irani (the present President) was Chief of Metallurgical Division. Mody told Irani: "Look Doctor, I want you to climb down from your perch and go as superintendent of that steel melting shop (which had never produced to capacity). I feel that you can bring the shop around. I won't interfere and will see that others do not interfere too. If you succeed, I will make you assistant general superintendent". True to his promise, "Mody made me A G S, when I succeeded in the assigned task" (President).

There are good departmental incentive schemes to encourage group performance. There is also a group-work related bonus. Every time a work group breaks the monthly record by 3 per cent, that group is allowed to go on a picnic at company expense. If the annual record is broken even by one tonne, all the relevant employees get a picnic. Then, there are the increments which superintendents can give. Small rewards of Rs. 50 or 100 or sweet packets are given by the superintendents to people off and on for a job well done. "Sometimes Mody sanctions safari suit pieces to all employees of a section or department which has done well, or sometimes a set of utensils each when there is some extraordinary performance" (Foreman-8, Manager-12, Union Leader-9, Worker-10). Besides this, the bonus percentage has been made unlimited. Now, people can get as much as 130-140 points bonus unlike earlier when the ceiling was placed on 66 points (General Manager, Superintendent-6, Foreman-8, Worker-10).

A gradeless system has now been put into operation (since the last two years). Earlier, increments used to be automatic depending upon one's grade. Now, there is no automatic increments system for all. On the other hand, an individual can get an increment of Rs. 500 depending upon his performance, whereas another man gets no increment at all if he has not reached the expected performance level. "This has brought a feeling among

TISCO employees that there is no place in this company for poor performers. This company will make all the efforts to look after high performers. There is a performance culture, a culture of excellence'' (General Manager, President, Vice-President-3, Superintendent-8, Manager-10, Foreman-8, Senior Engineer-6).

(i) Growth and Grooming: Mody has evolved a unique system by which high fliers are spotted and groomed. For those who show promise of potential, the sky is the limit as far as growth is concerned. Such people are initially attached to Mody and other seniors as executive assistants; then they are rotated across various departments to develop a comprehensive perspective. Of late, many promising people have been sent out to head TISCO subsidiaries. The tangible proof of growth opportunities with TISCO is the fact that all senior people in TISCO have grown from within (with one exception). Nearly one-third of the TISCO top management group are relatively young, being in their forties.

(j) Target Setting Systems: Initially target setting was done by the management. When Mody became the managing director, he initiated a system which could help evolve targets from down below. He has been advocating that targets should come up from the grass-roots level. The basic philosophy of TISCO is that everybody should know what the current targets are through the forum of JDC. A lot of progress has been made in this direction at the workers level. Needless to say, at the officers' level there is 100 per cent awareness of the targets (President, Executive Director-3, Union Leader-9, Worker-6, Superintendent-6, Manager-8, Foreman-4).

(k) Organisational Structure: The organisational structure of TISCO has undergone many changes (Appendices 1, 2, 3). According to the top management team (Chairman, President, Vice-President), changes in the structure were made in order to achieve a number of objectives:

- (i) Heavy accent on the divisional form of structure has been made with a view to increasing responsibility and pinpointing accountability;
- (ii) The top-heavy structure was adopted in order to offer growth opportunities to people. The creation of such posts as President and Vice-President was for the purpose of succession planning. It was also meant to groom people for higher responsibilities in view of a series of take-overs, mergers, expansion and diversification in TISCO;
- (iii) The creation of corporate planning division in the post-80 period was to provide impetus to diversification, expansion, take-overs, mergers and expansion.
- (iv) The narrow span of control (three) at the chairman's level was adopted to ensure operational autonomy and decentralised management functioning;
- (v) The creation of the management committee at the top reflects the process of collectivisation in decision-making.

- (vi) All along, the organisational structure of TISCO has been geared to facilitate task performance, smoothen co-ordination, building cohesive team and encourage the process of collectivity. It has also been built on the basic premise of decentralisation of administration with centralisation of monitoring.

In a nutshell, it may be said that the changes in organisation structure helped in:

- (a) succession planning
- (b) sharpening accountability
- (c) delegation of power and authority
- (d) role clarification
- (e) institutional arrangement to respond to environmental demand and challenge

Culture Building: Organisational system and structural change are internalised by individuals only through culture building. Structural and system changes devoid of culture transformation are short lived, since it does not inculcate a sense of ownership within individuals of the changes in the organisation. Culture building provides meaning and value to the changes in the structure, systems and processes. It is in this context that we propose now to study the process of culture building in TISCO. First, we examine the magnitude of culture change, and thereafter analyse the directionality of culture shift and the process of culture building.

Organisational Culture during Pre- and Post-take-over period of Mody

Table 1 present the perceived culture positioning of TISCO in the pre- and post-take-over period of Mody. An analysis of the table reveals a significant culture shift in the post-take-over period. This has been across all the culture parameters. The values of 't' are found to be significant at $p \leq 0.05$ in all the cases.

Table 2 depicts TISCO's culture scenario in the pre-and post-take-over period of Mody across the managerial hierarchy— Top, Middle, and Lower. An examination of this table demonstrates a significant culture change in the post-take-over period. Such a shift has been noticed in all the categories of management—top, middle, and lower, and also across all the culture parameters. This is reflected by the 't' values which are found to be significant at $p \leq 0.05$ in all the cases.

Findings such as these lead to the following conclusions:

- (i) There has been an enormous culture transformation in TISCO during the regime of Mody as the Managing Director and the Chairman.
- (ii) There is a perceptual similarity about culture shift in TISCO in all the three categories of management; and
- (iii) Such a shift has been found across all culture dimensions.

After presenting the culture scenario in TISCO and the magnitude of its transformation, we now highlight the directionality and focus of culture shift. The culture shift has been organised around 22 themes. All these themes are

Table 1: Overall Culture Means*n* = 150

	<i>Before</i>		<i>After</i>		<i>T* Value</i>
	<i>Mean</i>	<i>SD</i>	<i>Mean</i>	<i>SD</i>	
1. Communication and Information flow (A. Vertical, B. Horizontal) Restricted-Free Flow	3.91	.80	6.86	.35	44.00
2. Target setting process— Non-participative	3.97	.85	6.84	.39	40.26
3. Team work— Low-High	4.01	.89	6.84	.39	37.32
4. Role clarity— Low-High	4.02	.92	6.85	.37	36.75
5. Reward— Performance linkage non task-task linkage	4.03	.89	6.85	.37	37.84
6. Decision-making process— Centralised-Decentralised	4.05	.86	6.87	.36	39.26
7. Motivation and commitment— Low-High	4.34	.97	6.88	.35	32.41
8. Industrial Relations— Poor-Excellent	4.92	1.03	6.90	.32	24.25
9. Innovation/creativity— Low-High	4.03	.86	6.93	.26	40.34
10. Rules/Regulations— Rule focused-Result focused	4.29	.77	6.93	.26	40.01
11. Risk-taking— Risk-avoidance-Risk-taking	4.29	.77	6.91	.29	39.06
12. Problem-Solving— Slow-Quick	4.34	.79	6.91	.29	39.40
13. Conservative-Dynamic	4.53	.82	6.91	.31	35.70
14. Easy going-Firm	4.66	.87	6.93	.26	31.83
15. Concern for People— Low-High	4.81	.71	6.95	.23	38.30
16. Concern for task— Low-High	4.87	.75	6.95	.21	34.98

* 't' value to be significant at $p \leq 0.05$ should be ≥ 1.98 .

highly interdependent and inter-related. It would be conceptually desirable to combine them into fewer themes. However, such an approach would dilute many unique cultural nuances and we would, therefore, miss them by reducing the themes into fewer classifications. It is in this spirit that we have decided to have a larger classification and deal with them separately.

Directionality of Culture Shift and Culture Building

- 1 — From Secrecy to Openness
- 2 — From Inequality to Equality of ideas
- 3 — From Distancing to Proximity
- 4 — From Management by sitting to Management by Walking, Reaching, and Touching
- 5 — From Family to *Kutumb*
- 6 — From Welfare to Quality of Life

Table 2: Culture Means Across Managerial Hierarchy

	Top (n = 36)						Middle (n = 68)						Lower (n = 46)					
	Before Mean	SD	After Mean	SD	T* Value		Before Mean	SD	After Mean	SD	T** Value		Before Mean	SD	After Mean	SD	T*** Value	
1. Communication and Information flow (A. Vertical, B. Horizontal) Restricted-Free Flow	4.01	.16	6.81	.07	18.20		3.78	.79	6.84	.05	29.87		3.98	.69	6.93	.25	28.74	
2. Target setting process— Non-participative	4.44	.91	6.75	.50	16.80		3.71	.80	6.82	.39	30.04		4.00	.73	6.93	.25	26.81	
3. Team work— Low-High	4.61	.93	6.75	.44	15.40		3.68	.82	6.82	.39	29.31		4.02	.71	6.93	.25	25.20	
4. Role clarity— Low-High	4.69	.92	6.78	.49	16.20		3.59	.81	6.82	.37	29.65		4.13	.69	6.93	.25	25.40	
5. Reward— Performance linkage non task-task linkage	4.53	.94	6.81	.47	16.80		3.72	.84	6.82	.38	27.92		4.11	.71	6.93	.25	24.04	
6. Decision-making process— Centralised-Decentralised	4.44	.91	6.78	.49	16.20		3.76	.81	6.87	.81	30.14		4.18	.74	6.93	.25	24.26	
7. Motivation and commitment— Low-High	4.92	.81	6.83	.45	16.60		3.98	.97	6.87	.34	24.39		4.43	.87	6.93	.25	19.65	
8. Industrial Relations— Poor-Excellent	5.11	.79	6.87	.42	14.30		4.51	1.15	6.87	.34	17.17		5.37	.78	6.98	.15	14.10	
9. Innovation/creativity— Low-High	3.59	.10	6.89	.31	17.80		4.05	.86	6.93	.27	28.36		4.35	.57	6.96	.21	30.69	
10. Rules/Regulations— Rule focused-Result focused	4.72	.66	6.89	.31	18.70		4.09	.84	6.92	.27	27.31		4.27	.61	6.96	.21	27.60	
11. Risk-taking— Risk avoidance-Risk-taking	4.59	.84	6.89	.31	16.80		4.17	.89	6.91	.29	25.09		4.23	.60	6.93	.25	29.12	
12. Problem-Solving— Slow-Quick	4.83	.74	6.83	.38	17.80		4.13	.84	6.92	.27	28.08		4.27	.58	6.93	.25	28.59	
13. Conservative-Dynamic	4.98	.84	6.83	.45	14.70		4.32	.91	6.92	.27	24.30		4.48	.51	6.93	.25	30.52	
14. Easy going-Firm	5.11	.75	6.89	.31	15.70		4.32	1.03	6.94	.23	21.42		4.80	.40	6.93	.25	28.94	
15. Concern for People— Low-High	5.06	.75	6.94	.23	17.00		4.64	.82	6.94	.23	23.86		4.87	.34	6.96	.21	34.32	
16. Concern for task— Low-High	5.31	.71	6.97	.17	15.80		4.60	.87	6.94	.23	22.97		4.93	.33	6.96	.21	34.82	

* 't' value to be significant at $p \leq 0.05$, should be ≥ 2.03 .** 't' value to be significant at $p \leq 0.05$, should be ≥ 2.00 .*** 't' value to be significant at $p \leq 0.05$, should be ≥ 2.02 .

- 7 — From Centralisation to Decentralisation
- 8 — From Procedure to Result
- 9 — From Steady to Dynamic Action
- 10 — From Authority-based to Achievement-based Power
- 11 — From Punishment to Support
- 12 — From Low to High Risk-taking
- 13 — From Doing to Thinking
- 14 — From National to International Perspective
- 15 — High Culture of Trust
- 16 — Anticipatory Reward
- 17 — Equity, Fairness, and Justice
- 18 — From Control to Conscience
- 19 — Collectivisation and Team work
- 20 — Freedom and Autonomy
- 21 — Community Development
- 22 — From Separatedness to Togetherness

1. From Secrecy to Openness

When Mody took over as Director (Operations), he went all out to create an environment of openness— openness to suggestions, criticism, and information-sharing— so that nothing is hidden. All the interviewed people said that Mody brought with him a culture of openness: “While earlier it was a closed culture, now it is open. Whether he met officers, supervisors, or workers, he asked everybody to speak openly, even against the policy of the management. He encouraged two-way dialogues. Earlier, there was one way dialogue— through the JDC, management could convey what they wanted to. However there was no way to send information upwards” (Superintendent-4, Deputy Superintendent-8, Manager-10).

“People had inhibitions initially. They thought it was a management gimmick which might bounce back... big man wants to know your problems but he might use it against you” (Superintendent-3, Worker-10, Union Leader-8). “Over a period of 5 to 6 years, his credibility was built, that ‘he means what he says’. Gradually people started opening up and speaking their minds. When he became Managing Director, he introduced the junior and senior dialogue systems which really helped increase openness” (President, General Manager, Vice President-3, Superintendent-8, Manager-6, Union Leader-10).

He introduced an important modification in the JDC system— there could be questions on any issue regarding management policies without advance information, as was the case earlier. The concerned officer had to give the answer in the presence of all. “Earlier, people had to be very careful about what question they asked in which forum. If anyone asked a question which could be dealt with at another forum, the person used to be told “please ask this question at the appropriate forum”. However, this is not so now. Today, in the regime of Mody, management shows all sincerity to understand and solve your problems” (Union Leader-10, Worker-8). “In the initial stage,

we all used to feel threatened because of the unstructured nature of the JDC meeting. We felt that our power was being eroded through such unstructured questioning. Many of us, to be frank with you, were caught on the wrong foot. We fumbled since we did not have full facts and data. We thought these may go against us. However, it never happened. We were never scolded and punished for not answering questions appropriately. This brought a tremendous change in our attitude in support of the unstructured JDC. We could also see that many brilliant ideas were thrown up at such meetings, which later on helped us improve our performance" (Director-3, Superintendent-4, Manager-8).

"The culture of openness was also reinforced through the style of grievance-handling via the open-door forum. When people met Mody with grievances, whether about quarters, medical problems or whatever, the initial attempt was to give the answer right away. Failing this, however, each person was given a written reply within one week, whether positive or negative. A negative reply was also accompanied by reasons for it. Thus, there was no ambiguity at all" (Director-2). "One may not like the decision, but at least one gets a reply and this is the biggest advantage today" (Worker-5).

2. From Inequality to Equality of Ideas

Along with the culture of openness, came the ethos of equality of ideas. Earlier things flowed from top downwards and there was no scope for upward feedback. Many ideas, information and reactions were blocked. It was as if the top management was purely the thinker and the rest were all doers. When Mody joined, he did two things— (a) he started walking around, talking to people, and finding out first-hand what was happening; (b) he instilled the spirit of participation in the JDC and the dialogue sessions by encouraging the spirit of questioning. Not only did he do this, but he also "gave people a solemn commitment that these things would not be held against them" (General Manager, General Superintendent, Manager-8, Deputy Superintendent-10).

All the interviewed people told us that Mody is highly receptive to ideas and is a good listener. As a result, he always encourages idea expression, irrespective of the source. "Ideas are accepted provided you can back them up, support them and they are useful to the company. Now 'who says' has been replaced by 'what he says'. Thus, today the idea is important and not the person or the chair" (President, General Manager, Vice-President-3). A superintendent gave us an example of how he had influenced the management thinking on a non-remunerative modernisation proposal after it was approved. He said: "When I came to know that the scheme was pushed through, I thought it was too late to intervene. However, I expressed my thoughts at one forum before the Chairman and the President. I gave the logic and the facts. My idea was accepted. The implementation of the proposal was postponed. We had a subsequent brain-storming session. All the concerned people were called and we discussed for one full day and ultimately the scheme was dropped".

“Contradictions are readily examined today. There is a high level of receptivity. Even if my boss is not convinced, he listens, and consults others. This culture did not exist before. It came in with Mody. I don’t have any inhibitions. At any time, for any problem, I can go and talk to my General Manager. Even at the President’s level, I can ask for an appointment and I need not wait even for 24 hours” (Manager). “It does not take much time to get things through to the top management. So there is a lot of pleasure in working here” (Manager-6, Foreman-8). “You are expected to differ, to interact, rather than toe the line all the time” (Manager). No idea gets choked here irrespective of the level it comes from. There is an institutionalised framework to see that the idea is noticed, considered and dealt with. Mody played a big role in shaping the culture of equality of ideas. The forum of JDC, other committees and task forces were evolved to accentuate this philosophy.

3. From Distancing to Proximity

An important culture shift after Mody’s take over was on the dimension of reaching out to people, and making them experience a feeling of warmth and closeness. The invisible barriers of hierarchy were reduced considerably. “Mody goes around the plant, shakes hands with workers, never mind if they have dirty hands... He would sit under a banyan tree and talk with them. He increased the emotional contact with workers and this has a big impact on them” (Management-11, Union Leader-9, Worker-4). “He has the ability to come down and communicate at any level... he won’t hesitate to join the queue at the canteen for a cup of tea. This cuts a lot of ice with people” (Vice-President-2, President, General Manager).

“Whatever position you hold in the company, you cannot but be directly in touch and influenced by Mody. He cuts through the line and gets a good feel of what people are doing, what are their aspirations and expectations. The JDC and dialogue sessions have achieved a very important thing, since they cut across all the barriers between managers, supervisors, workers and Chairman” (Deputy Superintendent-4, Foreman-8, Manager-10). “Whatever he does, he gives a personal touch. For instance, he remembers your birthday and a letter wishing you is delivered to you on that day. At least, 200-250 people are wished in this way every year” (Managing Director of a subsidiary).

One of the superintendents, describing the earlier situation, said: “It was highly job-focused. There was not much place for feelings and emotions. There were no congenial relationships like we have now. Those were the days when we used to be scared to enter the department head’s room. Our culture was hierarchical. The officers did not mix freely with people. It was a problem even for a senior officer to see the director in charge”. When Mody took over, he first started the open-door policy. Now, this culture exists in the entire organisation. Anybody can walk into anybody’s room. If someone peeps through the glass and finds that a superior officer is free, he can walk in. There is no need to take permission. Nobody is conscious of his status” (Manager-8, Superintendent-10, Foreman-11).

4. *From Management by sitting to Management by Walking, Reaching and Touching*

After assuming charge as Director (Operations), Mody started walking to the mill, meeting people, talking to them and enquiring about their problems. He never allowed officers to escort him. He used to introduce himself to the workers, talk to them and that is how he got a feel of the overall plant and its problems. This was also one way of double checking the opinions and information he received from the officers. He thus built an instant rapport with the workers. For instance, he would go and talk for 10 minutes to the man who presses a button on a shear. Secondly, he used to go to various departments, observe how many people were late, and how many were coming on time although he never said anything. Even now, he walks to the mill when he has the time. "Recently, he called some of us and told us, 'this area is bad, that part is shabby'". Initially, he used to walk around almost 3-4 times a week. Now, he does this less frequently. When he initially took over as Director (operations), he had instilled a unique system which helped percolate the MBW style. Officers were given two hours of work time to walk around on the shop floor, to talk to workers, find out their problems, and sort them out, at the shop-floor level itself. Only those which could not be solved at that level were allowed to go higher up" (Executive Director-3, General Manager, Superintendent-4, Manager-9, Foreman-10). MBW has been a powerful way of reaching out, feeling the pulse of people and reducing status barriers. Besides, it makes people alert about minor details and enables quick, free and frank flow of information. A sense of alertness is also achieved because no one knows where he will visit next. This culture has been in marked contrast to the earlier management culture of maintaining distance, being conscious of status and hierarchy and lack of mixing with people.

5. *From Family to Kutumb*

TISCO has always been well known for its familial culture, its welfare facilities and the concern for the well being of its employees. This culture has, however, been converted into one of *Kutumb*— with strong and well knit emotional bonds. The feeling of belonging has a new dimension to it— that of a sense of pride and dignity to belong to the larger community of TISCO, cutting across functional and departmental boundaries. This sense of belonging is quite different from the earlier style which was quite feudalistic and had a '*Mai Bap*' orientation. Also, the loyalty of the people was more to the department and less to the organisation. Groups used to operate around functions, departments, region, caste, etc. Today, however, people think first of TISCO and then other considerations come to their mind (President, Vice-President-3, General Manager, General Superintendent, Manager-7, Union Leader-5, Worker-8).

At various social functions, Mody mingles easily with people. "He picks up a worker's child and plays with it. Earlier, he used to visit workers' houses also. He has no hang ups about queueing up with workers for a cup of tea. That is why we have a place for him in our hearts. Even today he is ready

to go if invited to do an *udhghatan*” (Union Leader-7, Worker-10). “When people are in trouble we go out of our way to help. We have had instances when people had sickness which had to be treated abroad and we have helped. There is no end to the extent to which the organisation goes to see that people are well looked after. This is the change brought about by Mody” (Manager-10, Foreman-7, Deputy Superintendent-10). According to a Trade Union Leader: “He treats people like his family members”

One superintendent narrated an incident of a colleague who was seriously injured in an accident in 1974. “I could not find my boss; so I went to Mody who was playing golf at that time. When I told him about the accident, he instructed the aviator to take him by plane to Calcutta. He saw to it that a doctor accompanied him. For him, we are all equal... No discrimination based on religion, region, caste, and hierarchy”. Another officer told us: “my wife was admitted to the hospital for delivery. We were told that she could not get a private ward for some procedural reasons. I was so desperate that I approached Mody in his house and told him the problem. He got it solved with just one phone call. That is the amount of care he has for us”. These instances, as well as introduction of the open-door policy, being available at any time, helped people feel that there is care and concern here since we all belong to one *Kutumb*.

An executive director narrated another story worth noting from the point of *Kutumb* culture: “I used to think this open-door system is a waste of time. After all, in many cases all that we can say is ‘no’. So why sit and listen to these guys and waste time. But Mody had told all of us to do it. He told me: ‘look, it helps to get to know people’s problems and that man feels happier.’ I realised this fact a little later. In many cases, I used to write regret letters (as Executive Officer) saying ‘Sorry I can’t help you for such and such reasons. Once I visited a worker’s house, he proudly brought out a bunch of carefully preserved letters. I found that all of them were regret letters, some from Mody and some from me. When I queried him on this, he replied: ‘Saheb, at least Mody saab has sent me a reply and you have written to me’. That is when I realised that the issue is not only solving the problem, but allowing a man to let off steam, by talking to someone in a position of authority”. According to another executive director: “the dialogues are like safety valves, where emotions are let off, apart from its other benefits”

Mody has introduced a sense of equity, fairness and impartiality in treating people, which are extremely important factors for managing a *Kutumb*. He clearly demarcates between work and play. People he socialises with or plays bridge with are not necessarily the people who get any special favours at work. People who have risen have done so on the strength of their own demonstrated capabilities. Even if he dislikes a person, but the man is good at his work, his promotions are not affected. The Vice-President (Personnel and Industrial Relations) told us: “I remember that in front of a group of workers. Mody has also fulfilled a fundamental duty as the head of the *Kutumb*. Like the *karta* he has groomed a number of people for taking up higher positions. He gives people all the exposure and support they need. He is not afraid that

They might make mistakes” (General Manager, Vice-President-3). “His style of grooming people is to throw them into smaller problems, and not into big ones in which you might get drowned. Once you cope with the problem in a certain way, then you are thrown into a bigger problem. It is a process of grooming, exposure and autonomy in doses” (President, Vice-President-3).

The grooming has often been through a ring side view of Mody’s style. One of the directors narrated a powerful story which has changed his life and that of many other top management leaders: “My first job was executive assistant to him, looking after colliery administration, and that’s when it happened. Normally, my first instinct when faced with a group of people is to run away. Mody created in me the strength to go towards the group. A roaring mob at the gate expects to be lathi-charged and whisked off to jail. If the gates are opened and people are asked to walk in, they hesitate. In those days, Mody used to smoke a big cigar and his first action on reaching the crowd was to look around and ask: “Matches Lao” (Give me a match box). When I reached for my pocket, he hissed— ‘Bloody idiot, I did not ask you’. This was his way of getting close to the crowd, to make them feel, ‘I am not against you.’ The murmur would go around in the crowd— ‘Saab ko matches chahiye’” (Saab needs a match box) and they used to fish out one for him. He spent a good 10-15 minutes on that cigar, lighting it and puffing at it several times. Then he returned the match box to the owner, and thanked him in Hindi. By now, the angry crowd got a feeling that this man is asking something of us. It is symbolic— the request for the match box. Then he asked: ‘Okay, now tell me what do you want.’ Although he could barely speak Hindi, he got himself understood. He turned to one of the officers and said: ‘check up if there is *mithai* (sweets) and bring some for all the people. Then he turned to the crowd again and said: ‘Look, I realise you have problems and I have come here to understand your problems, but I can’t talk to 30-40 people. You designate 2-3 people as your leaders and ask them to come and speak to me. I will be sitting in that office over there. Then, he turned to me and said— ‘Have you learnt a lesson?— Don’t shy away from the crowd, try to understand; if you don’t understand, how the hell will you reach a solution? I have done this type of thing myself when I took over as Managing Director in Tinplate of India, which was in big trouble at that time. It really helped in developing rapport with the masses”.

6. From Welfare to Quality of Life

TISCO has always been a good pay master and has many firsts to its credit in the area of giving benefits to workers before they were made compulsory by legislation by the government. “We spend money on the town and our people” (Director). This reflects the focus on other things besides production. “The get-up of offices has shown a remarkable improvement in the post-take-over period of Mody. He used to visit places, just drop in, walk about, peep into the toilets and make sure that cleanliness is maintained. If he saw dirt or cobwebs anywhere, he brought it to the notice of the division head. So he started giving major attention to minor details which we felt were not so important in our day-to-day life” (General Manager).

He has been very particular about the town. "He goes around the town, to see what is happening where" (Director Town). One day, he suddenly decided that we must have vapour lamps like in Delhi and Bombay. From the next day onwards we started working on it. Money was not the consideration, but the fact that something beautiful has been installed in Jamshedpur (as in other big cities) was important. He spent lakhs on tree plantation— "Let's change the natural topography of this place and beautify it" (Director Town). If town demands for electricity are high, he says: 'it's good— if you need more, produce more' (Chief Town Administrator). We have also spent money on medical facilities. Prior to him, we did not have adequate facilities. When this point was raised with him, he immediately realised and said: "yes, this is acceptable without calculating how much it would cost" (Director Town). According to a group of trade union representatives (4): "The best doctors have been brought to our hospital. A brain scanner has also been installed here".

"Once when Mody visited the plant (at Tinplate of India) and saw people pushing heavy loads in handcarts, he said, "This has to change, we are in modern times; buy better technology. These workers will not refuse to push their carts because their job depends on it. So, I must intervene on their behalf" (Chairman, Tin Plate of India). Recently (1988), he said at a JDC: "I visualise a society where workers come to work in their own cars. My people should have more than they had yesterday— if you had a cooler yesterday, today you must have an A.C. If you have a cycle, you must have a scooter, if a scooter, then you must have a car." Not only does he like a good life style, he likes his officers and workers to have the same— therefore, loans have been given for furniture, house maintenance, etc. (Deputy Superintendent-9, Manager-10, Foreman-7). Underlying the emphasis on the quality of life is the credo that "workers must also live like human beings" (Mody).

7. From Centralisation to Decentralisation

All the interviewed officers (30), workers (10) and trade union leaders (5), said that there has been a remarkable power decentralisation in the post-1969 era, and more so after 1975. When he took over as Managing Director, one of the first things he did was to give a lot of authority to the superintendents (key people of each unit) and made them accountable for their actions. He gave them power and authority which was earlier denied to them. Earlier, they had to consult the general superintendent to give an increment to any of the workmen, supervisors and others. Today these powers have been enhanced in terms of (a) increase in the number of increments the superintendents can give annually and (b) a grant to give incentives and small momentoes in recognition of group performance. This was done on the basis of the recommendations of a committee of superintendents which looked into this matter.

People at the senior levels feel that 'he is not the type who would breathe down ones neck when one is working'... "When I was sent to head 'x'

company, I was told by Mody to consult him on two things— the dividend, and any new change in the wage agreement. Once in a while when we meet, he asks, “how are things”. Even when I was a director earlier, I used to put up a note to him regarding certain matters saying I would deal with it. There was no interference at all... He never gets niggardly about details, the money involved, etc. He gives you a free hand, but if you mess it up, you get rapped” (Vice-President). The latest decentralisation move has been at the level of the executive directors. Earlier, they used to report to the President. Now they have been placed in sole charge of their divisions. Once a month, the executive directors meet the committee of management and matters beyond the power of executive directors are discussed here.

8. From Procedure to Result

Earlier, things were more bound by procedures and rules and regulations. We were conservative and predictable (Vice-President-3, President, General Manager, General Superintendent). “We used to weep internally because of the rules and regulations. This culture was changed to a more result-oriented one. The decisions now come very promptly. Once we have clearly decided or outlined our policies, we are very clear in what direction we have to go. There is no delay in movement due to red tape” (President). “A person must be allowed to expand outside his area if he can, and if he has the ability, as long as it benefits the company. There are no boundaries for a person to work or suggestions to make or the area of responsibility, so long as you don’t step on others toes” (President). This orientation has helped people to focus more on results. Introduction of performance and merit-based rewards has further accentuated the culture of result orientation in TISCO. “If you have gone beyond your powers and committed a blunder, you are forgiven, provided your intentions are honest. Even if you have taken a wrong decision, it is tolerated, but if you have taken no decision at all, this is not tolerated” (Vice President-3, President, Chairman of Subsidiaries-2, Manager-6). “Today we have realised that rules and regulations are there, but we are not slaves to rules”.

9. From Steady to Dynamic Action

The pre-69 period was characterised by a steady pace of doing things, content with maintaining the *status quo*. Things were predictable and people felt secure and stable. When Mody took over, he shook up the entire company by shifting eighteen superintendents at one go. The bewildered managing director’s observation at that time reveals the pace of the earlier situation: He said, “18 changes in one go? Why I made only one change in a year!” “After 1974, things became uncertain and unpredictable. We were thrown into a situation in which it was difficult to estimate what is going to happen next. Nothing was predictable anymore” (Vice-President-2, General Manager). “Today the company moves at 78 r.p.m. rather than 33 ½ r.p.m. this is the prevailing atmosphere here. “Any thing can move,” is the message which all the top executives have imbibed” (President, Vice-President-3, General Manager).

The dynamism which has been infused in the company did create a mild level of stress. According to Mody, changes have to be made, so that people feel that something is happening all the time. Mody, however, also feels that human touch and recognition can significantly smoothen the stress (Vice President— Personnel and Industrial Relations). The dynamism is being used to fuel people's performance and aspirations towards excellence in quality of output and life. "We believe in quality of dealings, customer service, human relations and are constantly moving towards excellence in these things. People are enthused and are working towards more and more and better and better" (Superintendent-4, Manager-3). "Although our capacity utilisation is good, yet we are not close to the international records". This self introspection, drive and action indicates the dynamism in TISCO culture.

On its part, the JDC also keeps people on their toes. There is no scope for any complacency, since people have to answer questions of lower power holders in public. Besides this, the JDC has given many good ideas and suggestions which have been implemented from time to time. The culture of dynamism and the constant striving for bigger goals is reflected in the following comment: "In the good old days, we used to talk of Rs. 50 crores profit for the year and everyone said it is fantastic. Now, we talk about Rs. 50 crores profit for the month. This change has come about in the 80s" (Vice-President-3, Manager-8, Union Leaders-2).

10. From Authority-Based to Achievement-Based Power

"The power balance in TISCO has moved from centering around seniority to merit and achievement. Promotions beyond a point are not automatic. One has to prove oneself by delivering the goods. Other forms of rewards like bonus and increments have also been very clearly linked with performance. High performance (at both tasks and leadership levels) has been clearly linked with growth. There have been dozens of examples of people who have risen fast based on their own abilities. Cutting across hierarchy is accepted in functioning, provided people have organisational interests at heart and they do not step on others' toes in the process. All these have given a clear message that what counts in TISCO is merit and achievement" (President, Vice-President-3, General Manager, Managers-6, Superintendent-5).

11. From Punishment to Support for Innovation

In the previous environment of *status quo* and conservatism, innovation was not encouraged. People were quite scared to venture out and try new ideas. Mody, however, has changed this culture totally. People are now encouraged to do things in new ways and go in for the latest technology if it would help improve results. The decentralisation and increased autonomy, coupled with performance based rewards, have further encouraged people to innovate and try out new ideas. Added to this is the attitude towards errors or mistakes. There is full support if things misfire, provided one has acted to the best of one's ability. Failing this, or if the mistake is repeated, there is no support (Manager-10, Foreman-8).

“Mody is very receptive to ideas and loves to examine and support them. For example, he knows nothing about computerisation and he concedes that he knows nothing, but he is prepared to listen. Once he is convinced, he supports us to the hilt” (General Manager). “There is no fear of making mistakes in TISCO today. We are willing to change the arm because we are not afraid to make mistakes. We all know that we can get support even if we have committed blunders, provided our intentions are good” (Manager-6, Deputy Superintendent-8). “The management receptivity is so high that if I can convince the top management group on an idea, they take it up very seriously” (Manager). “Mody is a great experimenter. You give him a good idea and if he sees that there is something in it, he squeezes the last bit out of it. He is one of those who never lets a good idea go past” (Vice-President-2).

12. From Low to High Risk-Taking

The encouragement and support of innovation, the emphasis on achievement and the focus on excellence have spawned another culture— that of risk-taking. “People go ahead and plunge into new areas, because the work culture is highly conducive to risk-taking. This culture is a distinct 1980s characteristic. In a way, risk-taking has become the norm rather than the exception today in TISCO. It is expected and accepted, especially at the top level. In a way, ‘fortune favours the brave’. and TISCO has been favoured since it ventured out” (President, Vice-President-2, General Manager, General Superintendent).

13. From Doing to Thinking

The constant focus on training, innovation and excellence have shifted the focus in TISCO from following orders, to thinking and reflection. There is pressure to think because one is open to questioning in the JDC. “On the other hand, the existence of forums like JDC and dialogue sessions make people feel that their opinions are worthwhile and valued. People, therefore, make efforts to think and express what they observe. There is further encouragement because its management is receptive, and there is no constraint on finance. Further, people have been assured that there is no penalty for speaking out one’s mind” (Manager-8, Director-4, General Manager, Vice-President, Union Leader-7).

14. From National to International Perspective

Mody has introduced an international perspective in TISCO. He has instilled a frame of reference and criterion of achievement for TISCO, not of national level but of international level. This is reflected in the fact that:

- (a) People have been sent to the best steel industries to observe, learn and come back with suggestions.
- (b) While talking about the quality of life of TISCO employees, Mody compares with the best in the world.

- (c) Executives in TISCO, while being justifiably proud about the capacity utilisation levels they have achieved, nevertheless tend to compare it with world standards and say that they have far to go.
- (d) Even within the company, there is encouragement to go in for more and more sophisticated technology.
- (e) TISCO has recently taken over the international operations of Tatas and they have recently turned the corner.
- (f) The company moved into exports in 1986-87, starting with a Rs. 4 crore worth of turnover, which moved to Rs. 23 crores in 1987-88, and has zoomed to Rs. 92 crores in 1988-89.

15. Culture of High Trust

The culture of openness and receptivity in TISCO is paralleled by a culture of high trust. Most of the interviewed people (30) said: "He is a very trusting person; has terrific faith in human nature; he would rather believe in the goodness of people as opposed to the belief that people are evil. Treat people well and they will respond to your need is the belief of Mody". Placing trust basically means that there is no breathing down one's neck. Secondly, it means that the man above does not bother with the minor or routine details, but focuses on larger issues. The extent of decentralisation of authority combined with accountability is ample testimony to the culture of trust which prevails in TISCO. In Mody's case he has by and large actualised his beliefs about the goodness of human nature by creating an environment and space in which the best in human nature can flower in the climate of trust (President, Vice-President-2, General Manager).

16. Anticipatory Reward

Mody's philosophy has been to reward the deserving cases, to give gracefully to workers rather than have it wrested from them by force. In fact, sometimes he goes to the extent of giving more than is demanded. The Vice-President (Personnel and Industrial Relations) narrated the following incidents: Around 1974, the union had raised the issue of minimum wage saying that they will agree to Rs. 500. "I briefed Mody that Rs. 475 will be sufficient, but no more. At the meeting, Mody asked: 'What are they demanding? Rs. 500 Sir, was the reply. Mody said : O.K. let's make Rs. 505 as the minimum wage. In 1987, the same issue cropped up in a negotiation in Calcutta. The union did not expect more than Rs. 1000. Mody said: 'O.K. gentlemen, whether you demand or not, the minimum wage in Calcutta will be Rs. 1200.' When I expressed shock, Mody said, 'I care for the welfare of my workers. I am more of a socialist than you are'. The psychology behind this strategy is not only giving a human touch, but also making workers feel that it is not the union, but the management who has been the giver. Thus, the loyalty of the workers to management is very high" [Vice-President (Personnel and Industrial Relations)].

When records are broken by a unit, there are on-the-spot sanctions of gifts— utensils, suit pieces or whatever. There is the concept of increment and unlimited bonus, both linked to performance. Besides this, the linkage between performance and career growth is also very clear (Manager-12, Union Leader-8, Foremen-6). According to a manager, since these things are adhered to quite scrupulously, “we go ahead with our tasks knowing that what is legitimate will be given to us”. Union leaders (8) said: “sometimes when the management gives us more than we ask, we have nothing to say. Since our goals are the same as that of the management, there is no need for us to prove our strength to the workers”. The trade union leader said to us: “The management is so generous that if I demand more things today, I may not have much left to ask after sometime” (Union President). This amply reflects the reward culture prevailing in TISCO.

17. Culture of Equity, Fairness and Justice

Historically, TISCO has the distinction of being a just company. Mody has striven hard to further perpetuate this culture. The credo of the company has been that justice should be done and even if there is a 5 per cent chance, this possibility must be explored. There is one famous case narrated by the Vice-President, (Personnel and Industrial Relations), of how justice was done to a worker. “An operator had dashed the crane into the gantry and caused damage worth lakhs of rupees. A charge-sheet was issued and an inquiry was instituted; the man was about to be dismissed. By chance, the case caught the attention of Mody. He asked the concerned people to make inquiries about his past record, number of years of service, good worker or not, etc. No one had bothered about these things, having agreed that the magnitude of the offence was such that it deserved a dismissal. Mody found that the man had put in 26 years of service and was an honest and punctual worker; and single handedly operated more levels in the crane than could normally be operated by one individual. Mody then called the operator and said: ‘I heard you are going to be dismissed? The operator replied— ‘I made a mistake, Sir, I pressed a wrong lever’. Mody said: ‘you don’t worry, you will not be dismissed, but be careful in future’. This really reinforced the concept of justice, and it had an electrifying effect on the people.” ‘I consider this to be natural justice’ (Mody).

The concept of fairness and justice operates not only in TISCO, but efforts are made to transmit the basic principles into the subsidiaries as well. During the negotiations prior to the take-over of the ‘Bearing Division’ of the Metal Box Co., the medical allowance issue featured quite prominently. The union wanted the annual lump sum grant of Rs. 400 to be increased. Mody said that money will be given only if one falls sick, but not otherwise. However, whatever be the cost of treatment and the time taken to cure a patient, TISCO would bear it (Vice-President). The sense of equity and fairness is also extended to the customer. “Although, TISCO is in a seller’s market, yet we are very conscious of the quality of the product. If a defective piece has been sold, and a complaint is made, the company replaces the product” (Vice-President-3, President, General Manager).

18. From Control to Conscience

The earlier culture was characterised more by control of people through rules, regulations, and fear of punishment. It was, therefore, more restrictive and less conducive to individual initiative. Mody revolutionised this culture. An atmosphere of fearlessness was introduced by him. "We know that if we have acted to the best of our ability, even if we have created a blunder, we will be forgiven". This fearless atmosphere was coupled with treating individuals with dignity. Gradually, by taking care of people, focusing on giving more, a loyalty was bred and a desire to work for the organisation was created (Union Leader-8, Manager-6). In addition to this, great emphasis was laid on mental honesty. "He is more particular about the truth of the matter than our toeing management's line". He upholds honesty. Even if a wrong decision has been taken by him, he will change without any ego hang ups. He wants you to be honest even at the level of the thought process although he is not moral in a conventional sense. This is conveyed through his own action" (Vice-President-3, Managing Director of Subsidiary-2, President, General Manager). According to the Vice-President (Personnel and Industrial Relations): "The rule here is very clear. The moment we come to know that something incorrect is taking place, we investigate and take action. This is done right down to the bottom line." "We try for honesty in dealings in human relations, with our men and with our customers" (President).

"Even intentionally stealing Rs. 5 is not liked here. I have seen people who have unintentionally caused heavy losses to the company but they have been pardoned. The emphasis laid on truth and honesty has shifted the locus of volition within the individual. He has to be true to his conscience when taking actions. The openness to questioning in the various forums is a very good way of making people self controlled because if they err, they are bound to be questioned in public. This acts as a fantastic check, indirectly ensuring that people discipline themselves. The psychological dimension which gets activated is not fear of punishment but the possibility of loss of face before colleagues, superiors and subordinates" (Union Leader-10, Manager-12, Superintendent-6).

19. Collectivisation and Team Work

The process of collectivisation and team work has always been a way of life in TISCO. "This is the core philosophy of TISCO management" (President, Vice-President-3, General Manager, Manager-4). It has, however, been further accentuated through grass-root participation in decision-making and target setting. To promote group work in TISCO, the incentive is linked to group performance. "The concept of task forces, committees, dialogue sessions and JDCs have given further impetus to the process of collectivisation and team feeling in TISCO" (President).

Over the years, greater focus is being put on consensus. One of the managers cited a recent example of how one superintendent protested before Mody that he had not been involved in a particular problem analysis. Now

it has been said that things have to be thrashed out by the group of people involved and there should be complete consensus— not even one dissenting note. “When there are differences of opinion on any issue, there is a system of brain storming which can go on for a whole day to sort out the problem and generate consensus” (Manager-4, Superintendent-4). The dialogue sessions are a great forum for inculcating group problem-solving, since many new ideas are debated as a group and then given serious consideration. “In such dialogues sessions, things come to light, many new ideas are accepted and many new solutions are taken up” (Superintendent-8). “Committees are appointed in order to analyse, examine and solve problems collectively. Job rotation has also helped generate group feeling, since now people perceive things in a broader perspective. This has brought a desire to understand each other’s problems and help them” (Vice-President, President, Superintendent-6, Manager-4).

20. Freedom and Autonomy

A culture of freedom and autonomy has been created through delegation of powers, on the one hand, and supportive stance of the top management, on the other. There is no interference at all by the top. People have the autonomy and freedom to act. “We work in our own ways, we do not duplicate but complement each other in style and functioning” (President). People make full use of the autonomy because they know that the credo is to work to the best of one’s ability. Once people have proved themselves, they are given the full freedom to operate” (Manager-6, Superintendent-8, Foremen-4). One officer (Superintendent) narrated an instance which clearly reflects the extent of freedom of action TISCO officers enjoy. When he was conducting interviews for promotions in his department, he received a phone call from Mody asking him to pay attention to a particular candidate. The officer found that the candidate was not at all suitable for the post for which the interviews were being held. After the interview, he told Mody that he could not promote the candidate citing the above reason. Mody accepted his decision without any rancour.

The supportive environment induces fearlessness and encourages people to take risks. In a way, this helps people make the maximum use of the delegated powers and also ask for more. “People now ask the management to give so and so support, in exchange for which they promise a particular result. People are allowed to flower— each one is given the feeling that he is the person who can deliver the goods and he is the master of the whole show” (General Manager-8, Superintendent-11, Manager-7, Senior Engineer-6).

21. Community Development

TISCO can boast of a long tradition of active involvement in the development of its own people, as well as of the surrounding community. As far back as 1918, a dozen cooperative credit societies had been set up to stop exploitation by money lenders. A series of community development and social

welfare programmes were started by Tata Steel in December 1958 for socio-cultural integration and community development. Mody has further intensified these activities. Today twelve community development centres are flourishing in Jamshedpur, covering five lakh people. The earlier focus used to be the development of civic amenities. In response to present day problems, the focus however, now shifted to tackling the problem of unemployment through vocational training of the youth.

The various activities of the community development department include: (a) promotion of arts and crafts through exhibitions and competitions; (b) running music and dance classes as well as organising functions at festival times; (c) encouraging athletics and games; (d) promoting medical care; and (e) building educational facilities. A Joint Committee for adivasi affairs has been set up by TISCO. Since 1974, Mody has been giving adivasi welfare a strong boost. A budget of Rs. 15-20 lakhs was given right away for building schools, digging wells and building community centres in rural areas. A full fledged department was set up in 1982 for effective administration of adivasi welfare programmes. Today the programmes directly benefit more than one lakh adivasis and harijans operating through nine centres. In 1979, the Tata Steel Rural Development Society was set up with 32 villages under its wing. Today, it looks after 230 villages. In 1980, the company launched a five-year rural development plan, an ambitious welfare programme at an estimated cost of Rs. 1.5 crores. The major thrust of the programme has been to initiate activities like agriculture extension, animal husbandry, rural industry, forestry, rural engineering, education, health and family planning, village cooperatives, and mahila samithis.

According to the Director (Personnel), Mody feels that the glitter and light of Jamshedpur will be swallowed by the darkness and poverty around, if we are not going to throw some light on, and share some of our affluence and expertise with, the less fortunate people living around us.

22. From Separatedness to Togetherness

At one time, the culture of TISCO was characterised by class distinctions. The welfare orientation towards the workers had a tinge of charity and served to reinforce the feeling of 'management' and 'worker'. Even the JDCs which existed in the pre-75 period were more oriented to top-down communication. Mody, after taking over as the Managing Director, strived to instill a sense of togetherness and break the class barriers. He inculcated a philosophy—the right to speak, the right to be heard and the right to a better quality of life. This he actualised by making modifications in the JDC as discussed earlier; and by grass-root participation in the decision-making process. Mody has given a sense of dignity to all the employees, a feeling of partnership, a sense of relatendess, and pride in being a member of the TISCO *kutumb*.

The feelings among the workers provide testimony to the way this togetherness has been actualised. According to the trade union leaders: "Both the union and management work for the same goals. There is no confrontation although we do disagree on many issues. Mody listens to us

and we listen to him. Today, the management and union are on the same plane. Compared to pre-74 period, the understanding among the two groups has grown. Mody has been free and frank with the union and there are no secrets'' (Trade Union Leader-10). The management-worker barrier that ''I am the giver, you are the asker'' has reduced very much. People, especially those whom Mody has trained, have sympathy and listen carefully'' (Worker-10, Union Leader-8).

The culture shift which occurred in TISCO has basically centered around valuing human beings and human dignity. The individual in TISCO is not lost in the vast sea of humanity. He is not like a cog in the wheel. There is a sense of self worth, belonging, and involvement, as against alienation and meaninglessness. The creation of various forums cutting across hierarchy for expression of opinions and feelings, as well as the receptivity of the top management, have helped in creating a sense of belonging in TISCO people. They now find that their voices are heard and actions are taken.

PART III

MANAGEMENT OF CHANGE AND LEADERSHIP AND VALUE PROFILE

Management of Change

A study of the culture and ethos prevailing in TISCO reflects many unique characteristics: TISCO work culture is a prime example of industrial democracy at its best. It has indeed institutionalised democracy by incorporating the credo 'Speak Out' into every aspect of work life. It is a symbol of the humanisation of work culture where the human being is given precedence over all other things. There is a culture of risk-taking, experimentation, innovation, and a striving for excellence. As a consequence, the prevailing work value among the employees is more, ''what can I give, rather than what can I get from the company.'' People exude a sense of partnership and pride in belonging to the TISCO *kutumb*. They are charged with a sense of purpose and mission, leading to the collective channelisation of human energies for organisational achievement. People are hopeful and confident of a bright future.

Coming face to face with this culture metamorphosis rouses one's curiosity to understand— what were the modes of change? What was the dominant style of the chief executive for effecting transformation? What were the philosophical and value underpinnings? How did people respond? Many of these questions have been answered in the above write-up, albeit in a piecemeal fashion. The present section aims to provide a comprehensive picture of the change modes, the leadership style and the value profile of the chief executive.

In-depth discussions and interviews were conducted with 50 respondents belonging to the management, union, and workers' categories to understand the process of change in TISCO. The results of the content analysis of the responses are now presented.

Table 3 indicates the modes of change management utilised in TISCO during the post-take-over period of Mody as the Managing Director and the Chairman. An analysis of this table reveals that all the modes of change have been quite prominently used in TISCO. This is reflected by the fact that even the least adopted mode—novelty coupled with continuity—has been perceived by more than three-fourths of the interviewed sample. Thus, the approach to change initiation in TISCO has obviously been multi-pronged, since so many modes have been simultaneously utilised.

Table 3: Strategies for Managing Change

N = 50

<i>Modes Utilised</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Sincerity of the top man	48	96.00	1
Modelling behaviour	48	96.00	1
<i>Kutumbization</i>	48	96.00	1
Consultation and participation	45	90.00	2
Empowering	42	84.00	3
Collectivisation and team work	40	80.00	4
Novelty coupled with continuity	38	76.00	5

A further examination of this table indicates the preponderance of 'sincerity of the top man', 'modelling behaviour', and 'kutumbisation'. All these modes are ranked as number one, having been perceived by 96 per cent of the interviewees. These modes are followed by "consultation and participation", "empowering", "collectivisation and team work," and "novelty coupled with continuity". These processes are ranked as 2, 3, 4, and, 5, respectively.

All the above articulated modes of change in TISCO can broadly be classified into three categories: (1) leader-centered; (2) collectivisation and participation-centered; and (3) stability-centered. The first category includes modes like sincerity of the top man, modelling behaviour, *kutumbisation*, and empowering. The second consists of consultation and participation, and collectivisation and team work, while the third, comprises novelty coupled with continuity. This classification reveals that the dominant change strategy in TISCO has been leader-centered, followed by participation and collectivisation-centered. The leader-centered approach, however, does not mean directive, authoritative and assertive leader behaviour. In the present context, it means sincerity and commitment, setting precedence through actions, a *karta* style and empowering and supportive behaviour. Needless to say, if this leader-profile is coupled with participation, consultation, involvement, and collectivisation, people start seeing meaning and purpose in the change efforts. Besides they internalise the values, develop a sense of ownership and, therefore, become co-partners on their own volition in the transformation efforts. The sense of identification and voluntary copartnership help bring down the anxiety and fear which normally emanate from any change initiation.

Mody could succeed in making people see the sincerity of the top man for initiating change through the process of credibility building. "His 'yes' means 'yes' and 'no' means 'no', his honesty, fair mindedness and straight forwardness made people realise that he is a man full of sincerity of purpose and honesty in action" (President, Vice-President-3, General Manager-1, Manager-8, Union Leader-10). Mody evolved a style of management by walking, reaching, and touching. This style had tremendous psychological power on people. They started feeling that today there is a man who belongs to them, who has interest in them, who is prepared to understand their problems, and who will make genuine and honest efforts to solve them" (President, General Superintendent, Superintendent-6, Managers-11). Because of this, people started considering Mody as an empowering and supportive leader. A feeling of belonging to TISCO and a sense of pride in being a member of the TISCO *Kutumb* has been developed. "Mody has been a model leader in the sense that he never asks others to practice something which he himself does not practice" (Union President). The process of participation and collectivisation, through JDCs, task forces and committees, brought a sense of self-worth and ownership in being an equal partner in the process of building TISCO.

Leadership and Value Profile of Mody

Paradigmatically speaking, the process and direction of change is significantly influenced by the style and value profile of the transformational leaders. Their value profiles strongly govern their strategies for transformation. This section examines the (1) perceived leadership profile of Mody, both overall and across the managerial hierarchy, (2) self perceived leadership profile, (3) actual operative leadership style, and (4) value profile of Mody.

1. (a) Perceived Leadership Profile of Mody (By followers)- Overall

Table 4 depicts the leadership profile of Mody as perceived by his followers. An analysis of this table reveals that Mody's leadership profile is preponderantly characterised by empowering attitude, followed by risk-taking capability. These qualities are selected by 81.7 per cent and 76.8 per cent respondents, respectively, their ranks being 1 and 2. These characteristics are followed by clarity of mission, purpose and goal, not losing balance in the face of calamities, and attitude of care and concern for the individual's work as well as his personal problems. These parameters are ranked as third, fourth, and fifth, respectively. Accessibility, receptivity, capability to build a team, evoking trust and confidence and boundary management skills are assigned sixth, seventh, eighth, ninth, and, tenth rank, respectively. If these qualities are combined together, they account for 74.5 per cent of the total sample response. Adhering to organisational rules, procedures and regulations is not perceived as part of Mody's leadership profile. This quality has been ticked by only one respondent and has been ranked 25th.

Table 4: Leadership Profile of Russi Modi*n* = 224

<i>Leadership Components</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Demonstrates an empowering attitude, i.e. makes people feel that they are worthwhile and important for the organisation	183	81.70	1
Not afraid of taking risks to achieve results	172	76.80	2
Is clear about the mission, purpose and goal of the organisation	165	73.70	3
Does not lose his balance in the face of calamities	161	71.90	4
Has care and concern for the individual's work as well as his personal problems.	154	68.80	5
Is accessible to any one who wants to see him	141	62.90	6
Is quite open and receptive to new ideas from people	91	40.60	7
Is a good team builder capable of generating positive group feelings among the members	72	32.10	8
Evokes a sense of confidence and trust by his behaviour	62	27.70	9
Is a good boundary manager—environment, such as government politicians, heads of other organisations and departments	58	25.90	10
Is interested in the welfare and well being of the people working in the organisation	51	22.80	11
Is innovative and creative	44	19.60	12
Is a good planner	38	17.00	13
Values and appreciates good work	35	15.60	14
Gives people complete freedom to decide, evolve plans and strategies at work	28	12.50	15
Very particular about the speed and quality of work done	23	10.30	16
Is intellectually of a high calibre	19	8.50	17
Believes that real learning and growth take place when people explore and in the process also makes mistakes	17	7.60	18
Gives adequate responsibility for the job performance.	14	6.30	19
Encourages the total development and growth of people	7	3.10	20
Provides clear instructions of what to do and what not to do	6	2.70	21
Protects and supports people when needed	6	2.70	21

Table 4 contd.

<i>Leadership Components</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Does not hesitate to point out, and even scold, when mistakes are committed by the people on the job	6	2.70	21
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	6	2.70	21
Believes in consensus building before taking a decision	4	1.80	22
Treats organisational members like his brothers	3	0.90	24
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	2	0.90	24
Technically very sound and knowledgeable	2	0.90	24
Not only tolerates mistakes while achieving results, but also protects people, if necessary	1	0.40	25
Generally adheres to organisational rules, procedures and regulations	1	0.40	25
Consults relevant people before taking decisions concerning them and their departments	0	0.00	26

b) Perceived Style of Mody (by the followers) Across Managerial Hierarchy

Tables 5 and 6 present the perceived style of Mody by the followers across managerial hierarchy. An examination of these tables brings out a significant perceptual similarity in all the three categories of management— top, middle and lower. This has been reflected by the fact that ‘t’ values are significant at $p \leq 0.05$ in all the three cases. The values of ‘t’ are 0.85 in the case of top-middle, 0.84 in the case of top-lower, and 0.96 in the case middle-lower category. As mentioned, all these scores are significant at $p \leq 0.05$.

2. Self Perceived Leadership Profile of Mody

Table 7 demonstrates the self perceived profile of Mody along with the dimensions perceived by the followers. This table reveals that Mody sees himself basically as a risk-taker. This quality has been ranked by Mody as number one, followed by empowering attitude, not losing balance in the face of calamities, and clarity of mission, goal, and purpose, their ranks being 2nd, 3rd, and, 4th, respectively. Skills of boundary management, which have been ranked by the followers as 10, have been ranked by Mody as 8. Though this table reveals some variations here and there, an overall analysis brings out a significant perceptual similarity between the self perceived profile and that seen by the followers. This is reflected by the fact that the value of ‘t’ in this case works out to b 0.87 which is significant at $p \leq 0.05$.

Table 5: Leadership Profile of Mody Across Managerial Hierarchy

<i>Leadership Components</i>	<i>Top 30</i>			<i>Middle 119</i>			<i>Lower 75</i>		
	<i>Frequ-Perce</i>	<i>ncy tage</i>	<i>Rank</i>	<i>Frequ-Perce</i>	<i>ncy tage</i>	<i>Rank</i>	<i>Frequ-Perce</i>	<i>ncy tage</i>	<i>Rank</i>
1	2	3	4	5	6	7	8	9	10
Demonstrates an empowering attitude, i.e. makes people feel that they are worthwhile and important for the organisation	30	100.00	1	96	80.70	1	57	76.00	4
Is a good team builder capable of generating positive group feelings among the members	21	70.00	4	27	22.70	11	24	32.00	7
Is a good boundary manager-environment, such as government, politicians, heads of other organisations and departments	5	16.70	10	40	33.60	7	13	17.30	11
Not afraid of taking risks to achieve results	27	90.00	2	83	69.70	3	62	82.70	1
Does not lose his balance in the face of calamities	19	63.30	6	83	69.70	3	59	78.70	3
Is a good planner	8	26.70	9	20	16.80	13	10	13.30	13
Evokes a sense of confidence and trust by his behaviour	9	30.00	8	36	30.30	8	17	22.70	10
Give people complete freedom to decide and evolve plans and strategies at work	3	10.00	11	17	14.30	14	8	10.70	15
Is quite open and receptive to new ideas from people	20	66.70	5	48	40.30	6	23	30.70	8
Is accessible to any one who wants to see him	19	63.30	6	71	59.70	5	51	68.00	6
Is innovative and creative	9	30.00	8	25	21.00	12	10	13.30	13
Is interested in the welfare and well being of the people working in the organisation	—	—	12	30	25.20	9	21	28.00	9
Is clear about the mission, purpose and goal of the organisation	22	73.30	3	90	75.60	2	53	70.70	5
Gives adequate responsibility for the job performance	—	—	12	11	9.20	16	3	4.00	18
Has care and concern for the individual's work as well as his personal problems	18	60.00	7	76	63.90	4	60	80.00	2
Very particular about the speed and quality of work done	—	—	12	12	10.10	15	11	14.70	12

Table 5 contd.

1	2	3	4	5	6	7	8	9	10
Values and appreciates good work	—	—	12	29	24.40	10	6	8.00	16
Encourages the total development and growth of people	—	—	12	4	3.40	19	3	4.00	18
Provides clear instructions of what to do and what not to do	—	—	12	3	2.50	20	3	4.00	18
Is intellectually of high calibre	—	—	12	9	7.60	17	10	13.30	13
Protects and supports people when needed	—	—	12	2	1.70	21	4	5.30	17
Treats organisational members like his brothers	—	—	12	1	1.70	21	1	1.30	20
Technically very sound and knowledgeable	—	—	12	1	0.80	22	1	1.30	20
Does not hesitate to point out and even scold when mistakes are committed by the people on the job	—	—	12	4	3.40	19	2	2.70	19
Not only tolerates mistakes while achieving results, but also protects people, if necessary	—	—	12	1	0.80	22	—	—	21
Believes that real learning and growth take place when people explore and in the process also make mistakes	—	—	12	8	6.70	18	9	12.00	14
Consults relevant people before taking decisions concerning them and their departments	—	—	12	—	—	23	—	—	21
Believes in consensus building before taking a decision	—	—	12	2	1.70	21	2	2.70	19
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	—	—	12	4	3.40	19	2	2.70	19
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	—	—	12	1	0.80	22	1	1.30	20
Generally adheres to organisational rules, procedures and regulations	—	—	12	1	0.80	22	—	—	21

Table 6: Rank Order Coefficient of Correlation Across Managerial Hierarchy

<i>Group</i>	<i>n</i> <i>(Pairs of ranks)</i>	<i>df</i> <i>(n-2)</i>	<i>ED2</i>	<i>Level of significance of correlation value</i>	
Top vs middle	31	29	766.50	0.85	0.05
Middle vs lower	31	29	254.50	0.96	0.05
Top vs lower	31	29	809.50	0.84	0.05

'rho' to be significant at $p \leq 0.05$, should be ≥ 0.35 .

Table 7: Self-Perceived vs Others' Perceived Leadership Profile of Mody

<i>Leadership Components</i>	<i>Mody</i>	<i>Others</i>
Demonstrates an empowering attitude i.e. makes people feel that they are worthwhile and important people for the organisation	2	1
Not afraid of taking risks to achieve results	1	2
Is clear about the mission, purpose and goals of the organisation	4	3
Does not lose his balance in the face of calamities	3	4
Has care and concern for the individual's work as well as his personal problems	7	5
Is accesible to any one who wants to see him	5	6
Is quite open and receptive to new ideas from people	9	7
Evokes a sense of confidence and trust by his behaviour	10	9
Is a good boundary manager—environment, such as governement, politicians, heads of other organisations and departments	8	10
Is a good team builder, capable of generating positive group feelings among the members	6	8

'rho' = 0.87.

'rho' to be significant at 0.05 level, should be 0.35.

3. Leadership Style of Mody

Mody's leadership style is presented in table 8. An analysis of this table reveals the following important characteristics of Mody's style:

- (i) The dominant style of Mody is benevolent-autocratic, followed by the developer and democratic styles;
- (ii) There is only marginal scoring (5) against the bureaucratic style;
- (iii) Mody has scored zero across all the non-functional styles—deserter, missionary, autocrat and compromiser.

Table 8: Operative Leadership Style of Mody

Leadership Style	Mody	
	Score	Rank
Deserter	00.00	—
Missionary	00.00	—
Autocrat	00.00	—
Compromiser	00.00	—
Bureaucrat	15.00	4
Developer	30.00	2
Benevolent	45.00	1
Democrat	20.00	3

If the findings of tables 4, 5, 6, 7, and, 8 are combined together, the following salient features emerge about the profile of Mody.

- Mody's profile is primarily characterised by high task orientation, risk-taking capability, and capacity to maintain balance in the face of calamities. This has been reflected by his dominant leadership style—benevolent-autocrat. This is further substantiated by his first choice of leadership quality— not afraid of taking risks (Table 7). The quality of not losing balance is ranked as 3 by Mody, which is again a pretty high rank (Table 7). Risk-taking capability has also featured very high (Rk 2) in the profile generated by the followers.
- The dominant benevolent-autocratic style also reveals Mody's capability to evolve a performance-based reward culture— a culture where merit and performance are recognised and rewarded.
- The zero score against all the four non-functional styles indicates the complete absence of dysfunctional behaviour in Mody's leadership profile.

Value Profile of Mody

The value profile of Mody had been evolved from two sources— (i) from the value statements articulated by Mody himself, and (ii) value perceptions of the followers. First we list out some of the value expressions articulated by Mody and his followers and then try to evolve a comprehensive value profile based on these value expressions.

(a) Value Expressions about Mody by the Followers

Some of the value statements made by the followers about Mody are listed below:

Mody believes in:

- 'Equality of ideas'
- 'Giving people before they demand'
- 'Freedom, autonomy and decentralisation'
- 'Risk-taking, being bold and courageous'
- 'Frankness, authenticity and absolute honesty'
- 'Openness and receptivity'
- 'Experimenting with all new ideas'
- 'Pursuit of excellence'
- 'Caring and nurturing'
- 'Grooming, developing and helping people'
- 'All the good things of life'
- 'Team work, participation and process of collectivisation'
- 'Not punishing people for making mistakes provided their intentions have been good'
- 'Linking rewards with performance'
- 'Innate human goodness'
- 'Human dignity'
- 'Having a strong union'
- 'Do unto others what you would have them do unto you'
- 'Doing things for the poor and unfortunate people'
- 'No limits, no boundaries to anything'
- 'Fairness, equity and justice'
- 'Spontaneity'
- 'Breaking rules for the sake of results'
- 'Being unconventional'

Value Statements by Mody

- Trust begets trust
- One must speak out his mind
- There is no limit for excellence
- Risk-taking is the first pre-requisite to be a leader
- Freedom and autonomy for action is the basic premise of leadership
- Treat people well, they will take care of your work
- A real giving is one which is given without demanding
- One must enjoy and test out all things in life
- Some amount of uncertainty is important for better task performance
- A good team is the backbone of a great organisation
- I believe in experimenting with all new ideas
- It is never too late to learn new things
- If you raise the level of workers, they take pride in their work

- Life is full of ups and downs and one should accept it the way it comes
- One should focus on the idea and not the source
- No human being would like to be treated like dirt
- My strength lies in my men
- You cannot achieve anything when your men are not happy
- I believe in management by walking, reaching and talking
- Rules are made to be broken by the managers... only clerks follow the rules
- I do not believe in following the beaten track
- You cannot be a leader unless you have a philosophy towards life
- Philosophy is a great motivating factor
- I do not believe in caste, community and religion. For me all human beings are equal.

If we try to combine all these statements together, the following salient features in the value profile of Mody emerge:

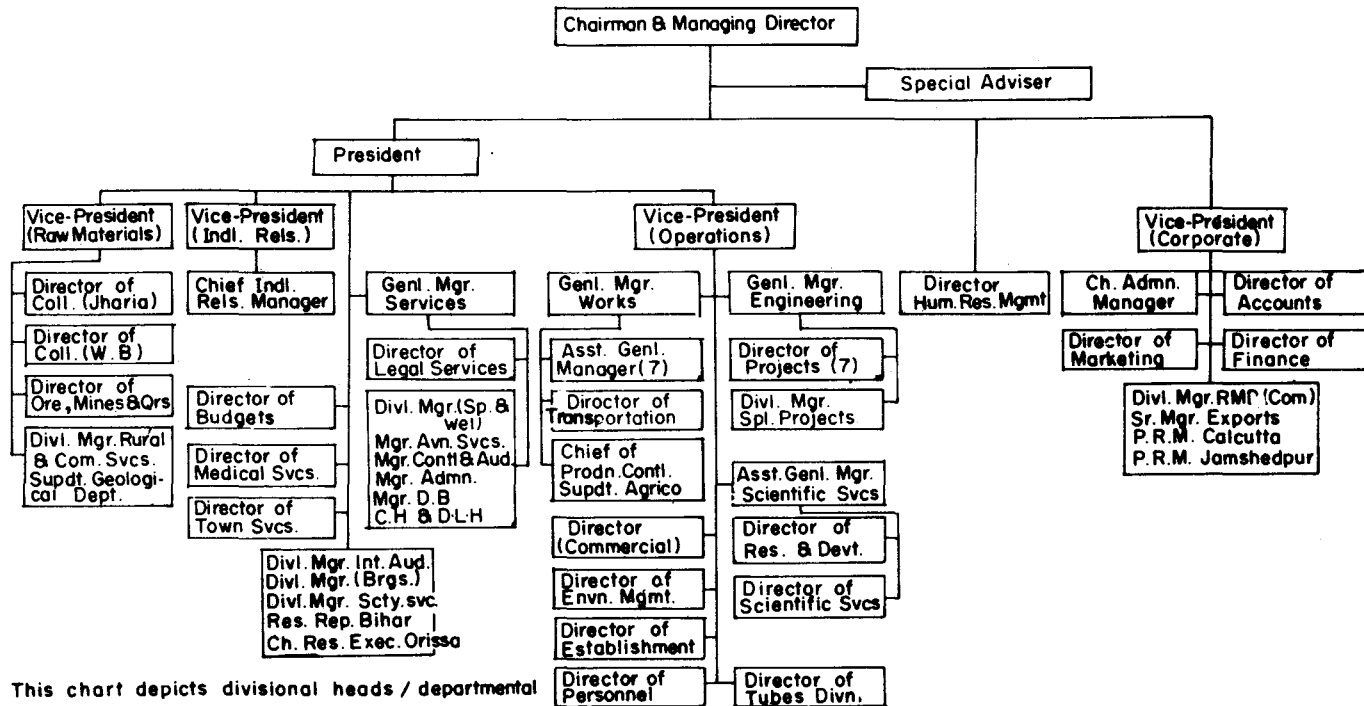
- Risk-taker— who is courageous and prepared to face any risk and uncertainty
- Experimentor— who believes in creativity and openness
- Loving, caring and trusting— who is sensitive to human feelings and emotions and places a lot of trust in human goodness
- Cosmopolitan— who is liberal and broad minded
- Unconventional— who does not follow the beaten track, for whom novelty and newness are important in life.
- Delegator, developer and groomer— one who believes in grooming people through decentralization.
- Team builder— who believes in collectivization and team work
- Receptive and open— who operates from an unbiased state of mind
- Philosophical— who has a strong philosophical orientation towards life
- Excellence— who believes in pursuit of excellence and excellence alone
- Task and result oriented, achiever— who believes in achieving values.

NOTES

- (1) BM— Marg poll— *Business World*, 1988.
- (2) *Business World*, April 27-May 10, 1987.
- (3) Given the time span and phases of transformation in TISCO, it is evident that problem identification and solution is a continuous process. We have observed that the first effort (described above) was made by Mody. Subsequently, however, because of the various institutional arrangements evolved and strengthened by Mody, problem identification and solution seeking became a part of the managerial methods of TISCO.

APPENDIX I: ORGANISATION CHART OF TISCO IN 1988

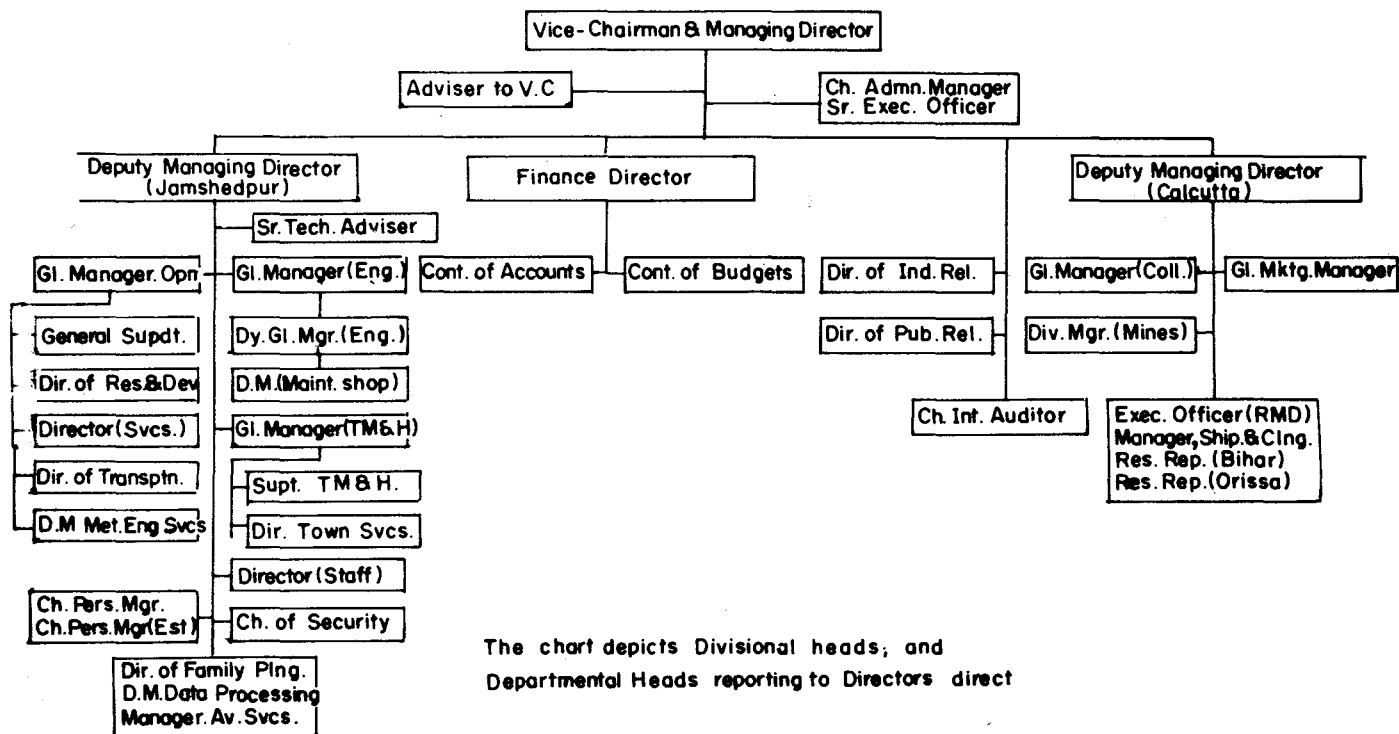
THE TATA IRON AND STEEL COMPANY LIMITED, JAMSHEDPUR
Organisation Chart (1988)



APPENDIX II: ORGANISATION CHART OF TISCO IN 1981

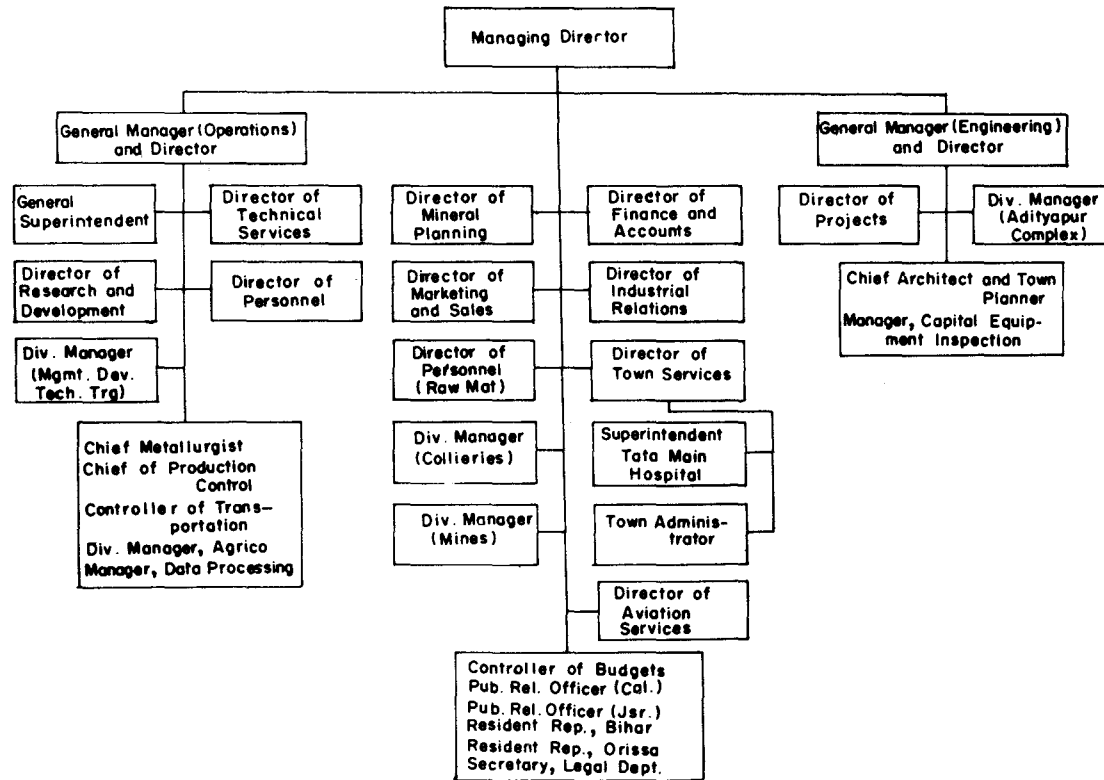
THE TATA IRON & STEEL COMPANY, LIMITED, JAMSHEDPUR

Organisation Chart (1981)



APPENDIX III: ORGANISATION CHART OF TISCO IN 1975

THE TATA IRON AND STEEL COMPANY LIMITED



Transformational Leaders: A Study of Their Profile

Introduction and Background

In spite of a vast reservoir of human and physical resources, India has belied the growth and development hopes of many. Economic performance, productivity and the general level of efficiency in the corporate sector have not been upto expectations. This stands out in sharp contrast to the corporate sector in other nations. For instance, Japan, endowed with lesser natural resources, started from scratch and today ranks as the world leader in automobiles and electronic goods. Even Korea has outpaced India. The question now is why and how?

In search of an answer to this peculiar growth and performance dilemma between the developed nations and India, a number of socio-politico-economic and historical hypotheses have been propounded. None of these, however, adequately explains the reasons for India's poor economic performance. A macro-level physical and human resource-wise comparison of business organisations in India with those of successful countries like Japan, America, Germany, France, and Korea reveals that there are not many yawning gaps; however, the glaring point of difference lies in the management systems, styles, and processes. While successful countries have developed management styles in consonance with their own cultural ethos and experiences, India has been importing the "latest" in management systems and styles. The Indian business world has seen the American phase, followed by the Japanese craze. Perhaps a time will come when there will be a fascination for the Taiwanese or even the Burmese styles of management!

Management systems and processes in India are sadly a queer cocktail without any unique and distinctive focus. Right from the post-independence phase of development, there has not been any adequate or serious grass-root effort to evolve management processes that are true to the Indian ethos, culture and experiences. The experiences of successes are not adequately examined, not because we do not have the culture of excellence in the Indian corporate world, but because of our lack of adequate awareness and understanding about the experimentations of excellence in Indian organisations. There are many organisations where one can see the culture

of excellence. However, unfortunately, they are not documented and, therefore, many of us are not aware of our managerial experimentation, creativity and innovation.

In fact, the success of Japan in managing her economy and the enterprise system lies in “Japanising” the management process and styles within the framework of the Japanese ethos, culture and experiences. Perhaps the secret of Korea’s success also lies in the use of indigenous well-tested styles as opposed to the imported ones.

In our search for the best, the persistent tendency has been to look everywhere but within. Looking within not only has philosophical connotations along the lines of the hoary Upanishadic tradition, but it also makes sense from a psychosocial perspective. An insight into our cultural milieu, norms, values and styles of corporate functioning will help us evolve styles and management systems which are best suited to our organisational requirements. Foisting styles alien to the existing way of life and thereby implicitly imposing foreign values, styles, and norms of behaviour is bound to create discord. In terms of system’s thinking, the social entity being a living and organic system, simply rejects that which is too discordant and incongruent.

Business organisations in India not only import management systems, but compound this error by changing them with every change in fashion. Such an approach invariably leads to a cynical branding of management systems and styles as new gimmicks emerging from academic ivory towers. Many companies are nonplussed by the failure of the “sure-fire” management success formulae from Harvard, Oxford or Tokyo. Rather than blindly adopting the imported management systems, we would be better off if we were to attempt to make the change at the root itself— evolve culturally tested and functionally experienced management systems and styles. Today, the time has come to highlight the contributions made by some corporate leaders, who, through their courage and conviction, achieved enormous success and transformed the corporate culture and ethos of their organisations.

It would be worthwhile here to recall a question that some one had put to Mahatma Gandhi: “Bapuji, you have been educated in England, and come from a fairly rich family. What then did tempt you to lead the life of a naked *Fakir*?” To this, Gandhi’s reply was; “This great country never cared for the language of kings and emperors. It always, however, bowed and expressed reverence to fakirs and saints”. Gandhi’s response provides us useful insights into one of the vital paradigms on leadership— the paradigm of compatibility between the leader’s image and the followers’ expectations.

Since the followers expectations regarding the leaders’ styles are manifestations of certain culturally valued behaviour, it is desirable to study it in order to evolve a model of managerial style, which could be culturally consistent and functional in the Indian context. Virtually, no work in India is available on this phenomenon. The present work of ours, to some extent, aims at bridging this gap. This chapter has been designed to examine (a) the perceived leadership profile of the successful transformational leaders; (b) the idealised profile of transformational leaders in India; and (c) to compare

both with a view to exploring the homogeneity or divergence between them. The perceived leadership profile has been studied in terms of self perception and the perception of followers. Besides, this section also analyses the leadership styles (self perceived and operative) and the value dispositions of the transformational leaders. The idealised leadership profile of transformational leaders has been examined across corporate ownership, managerial hierarchy, age, early socialisation, and parental styles.

PART - A

Perceived Leadership Profile

Table 1 presents the overall perceived leadership profile of all the five transformational leaders. An analysis of this table reveals that the style of the transformational leaders is characterised preponderantly by 'empowering attitude', 'not afraid of taking risks to achieve results', 'clarity of mission, purpose and goal of the organisation', 'capability to build an effective team' and not losing 'balance in the face of calamities'. These characteristics are ranked 1, 2, 3, 4, and 5, and their respective percentages are 74.50, 57.34,

Table 1: Perceived Profile of Transformational Leaders (Overall)

n = 804

<i>Leadership Components</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Demonstrates an empowering attitude i.e. makes people feel that they are worthwhile and important for the organisation.	599	74.50	1
Not afraid of taking risks to achieve results.	461	57.34	2
Is clear about the mission, purpose and goal of the organisation.	446	55.47	3
Is a good team builder capable of generating positive group feeling among the members.	415	51.62	4
Does not lose his balance in the face of calamities.	382	47.51	5
Is a good boundary manager—environment such as government, politicians, heads of other organisations, and departments.	373	46.39	6
Has care and concern for the individuals' work as well as his personal problems.	316	39.30	7
Is quite open and receptive to new ideas from people.	301	37.44	8
Is a good planner.	294	36.57	9
Evokes a sense of confidence and trust by his behaviour	292	36.32	10

Table 1 contd.

<i>Leadership Components</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Is accessible to any one who wants to see him	287	35.70	11
Gives people complete freedom to decide, evolve plans and strategies at work	221	27.49	12
Very particular about the speed and quality of work done.	192	23.88	13
Is innovative and creative	147	18.28	14
Is interested in the welfare and well being of the people working in the organisation	133	16.54	15
Values and appreciates good work	115	14.30	16
Gives adequate responsibility for job performance	101	12.56	17
Is intellectually of high calibre	94	11.69	18
Encourages the total development and growth of people	70	8.70	19
Provides clear instructions on what to do and what not to do	55	6.84	20
Protects and supports people when needed	52	6.46	21
Technically very sound and knowledgeable	47	5.85	22
Consults relevant people before taking decisions concerning them and their department	43	5.35	23
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	41	5.10	24
Does not hesitate to point out and even scold when mistakes are committed by people	39	4.85	25
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	37	4.62	26
Believes that real learning and growth take place when people explore and in the process also make mistakes	32	3.98	27
Not only tolerates mistakes while achieving results, but also protects people if necessary	26	3.23	28
Generally adheres to organisational rules, procedures and regulations	24	2.99	29
Treats organisational members like his brothers	22	2.74	30
Believes in consensus building before taking a decision	18	2.24	31

55.47, 51.62, and 47.51. These qualities are followed by capability to manage the boundary effectively— (environment management, such as politicians, heads of other organisation), attitude of 'care and concern for both individual work as well as personal problems', 'openness and receptivity' to new ideas from people, being 'a good planner' and evoking a 'sense of confidence and trust' in people. These traits are positioned 6, 7, 8, 9, and 10, respectively, their percentages being 46.39, 39.30, 37.44, 36.57, and 36.32. Totalling of the frequencies across the first 10 items indicates that they account for approximately two-thirds of the total responses.

Tables 2a and 2b present the perceived leadership profile of the transformational leaders across managerial hierarchy. An analysis of these tables reveals a significant homogeneity in the perceived leadership profile of the transformational leaders across managerial hierarchy. The values of the 'rho' are found to be significant in all the managerial categories— top-middle, top-lower, and middle-lower. This indicates a perceptual similarity about the leadership profile in all the groups of management.

Table 2a: Perceived Profile of Transformational Leaders Levelwise

Leadership Components	<i>n</i> = 115 <i>Top management</i>			<i>n</i> = 467 <i>Middle management</i>			<i>n</i> = 222 <i>Lower management</i>		
	Frequ-Perce		Rank	Frequ-Perce		Rank	Frequ-Perce		Rank
	ency	tage		ency	tage		ency	tage	
1	2	3	4	5	6	7	8	9	10
Demonstrates an empowering attitude, i.e. makes people feel that they are worthwhile and important for the organisation	90	78.26	1	340	72.80	1	169	76.12	1
Is a good team builder capable of generating positive group feelings among the members	76	66.08	2	220	47.10	5	119	53.60	3
Is a good boundary manager—environment, such as government, politicians, heads of other organisations and departments	48	41.17	7	240	51.39	3	85	38.30	9
Not afraid of taking risks to achieve results	71	61.17	3	233	49.89	4	157	70.72	2
Does not lose his balance in the face of calamities	56	48.69	5	214	45.82	6	112	50.45	4
Is a good planner	44	38.26	9	170	36.40	9	80	36.03	10
Evokes a sense of confidence and trust by his behaviour	46	40.00	8	159	34.05	10	87	39.18	8

Table 2a contd.

1	2	3	4	5	6	7	8	9	10
Gives people complete freedom to decide, and evolve plans and strategies at work	28	24.34	12	155	33.19	11	38	17.11	14
Is quite open and receptive to new ideas from people	50	43.47	6	193	41.32	8	38	26.12	11
Is accessible to any one who wants to see him	44	38.26	9	151	32.33	12	92	41.14	7
Is innovative and creative	31	26.95	11	79	16.91	15	37	16.66	15
Is interested in the welfare and well being of the people working in the organisation	7	6.08	17	83	17.77	14	43	19.36	13
Is clear about the mission, purpose and goal of the organisation	66	57.39	4	280	59.95	2	100	45.05	5
Gives adequate responsibility for the job performance	17	14.78	14	66	14.13	17	18	8.10	19
Has care and concern for the individuals' work as well as his personal problems	40	34.78	10	178	38.11	7	98	44.14	6
Very particular about the speed and quality of work done	21	18.26	13	117	25.05	13	54	24.32	12
Values and appreciates good work	11	9.56	15	78	16.70	16	26	11.71	17
Encourages the total development and growth of the people	8	6.95	16	47	10.06	19	15	6.75	21
Provides clear instructions on what to do and what not to do	7	6.08	17	30	6.42	21	18	8.10	19
Is intellectually of high calibre	11	9.56	15	55	11.77	18	28	12.61	16
Protects and supports people needed	6	5.21	18	26	5.56	22	20	9.00	18
Treats organisational members like his brothers	2	1.73	22	16	3.42	27	4	1.80	28
Technically very sound and knowledgeable	5	4.34	19	32	6.85	20	10	4.50	24
Does not hesitate to point out and even scold when mistakes are committed by the people	5	4.34	19	25	5.35	23	9	4.05	25
Not only tolerates mistakes while achieving results, but also protects people if necessary	3	2.60	21	13	2.78	29	10	4.50	24

Table 2a *contd.*

1	2	3	4	5	6	7	8	9	10
Believes that real learning and growth take place when people explore and in the process also make mistakes	3	2.60	21	12	2.56	30	17	7.65	20
Consults relevant people before taking decisions concerning them and their department	6	5.21	18	23	4.92	24	14	6.30	22
Believes in consensus building before taking a decision	4	3.47	20	9	1.92	31	5	2.25	27
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	6	5.21	18	17	3.64	26	18	8.10	19
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	5	4.34	19	21	4.50	25	11	4.95	23
Generally adheres to organisational rules, procedures and regulations	1	0.86	23	15	3.21	28	8	3.60	26

Table 2b: Rank Order— Coefficient of Correlations Across Managerial Hierarchy

Groups	<i>n</i> (pair of ranks)	<i>df</i> (<i>n</i> -2)	<i>ED2</i>	<i>rho</i>	Level of Significance of Correlation value
Top vs middle	31	29	186.00	0.96	.05
Middle vs lower	31	29	356.60	0.93	.05
Top vs lower	31	29	265.00	0.95	.05

The 'rho' value to be significant of $p \leq 0.05$ should be ≥ 0.36 .

In Table 3, the pair-wise rank order coefficient of correlations are presented across the five transformational leaders. This was done in order to explore the degree of homogeneity among the perceived successful (transformational) leadership profiles. An examination of this table indicates a significant perceptual similarity: in other words, the traits ranking of all the five leadership profiles have been found to be highly similar. All the values of 'rho' have been found to be significant at $p \leq 0.05$ level.

**Table 3: Rank-Order Coefficient of Correlations
Across the Transformational Leader Profiles**

<i>Chief Executive</i>	<i>df</i> <i>n</i>	<i>ED</i> ²	<i>rho</i> <i>(n-2)</i>	<i>Level of Significance</i> <i>of Correlation value at</i>	
Sharma vs Mody	31	29	1747.50	.648	.05
Sharma vs Sinha	31	29	1652.50	.667	.05
Raghavan vs Mody	31	29	597.00	.880	.05
Raghavan vs Sharma	31	29	2029.00	.591	.05
Raghavan vs Sinha	31	29	617.25	.875	.05
Jain vs Sinha	31	29	844.00	.830	.05
Jain vs Mody	31	29	1268.00	.744	.05
Jain vs Raghavan	31	29	1226.00	.752	.05
Jain vs Sharma	31	29	1606.00	.676	.05
Sinha vs Mody	31	29	652.00	.868	.05

— The 'rho' value to be significant at $p \leq 0.05$ should be ≥ 0.36 .

— 'rho' values have been calculated on the basis of the data presented in Appendix I.

Table 4 presents the self perceived leadership profiles of the transformational leaders. The self perceived profile forms a clear cluster of 14 selected items. Of these, four qualities have been chosen by all the five leaders, four by four, three by three, two by two, and one by one leader. In other words, even in the selected items, some items have featured very prominently, while the others only marginally.

A further analysis of this table demonstrates the preponderance of the 'empowering attitude'. This occupies the pride of place, its rank being number 1. It has been followed by 'capability to build a team', 'not losing balance', and 'evoking a sense of confidence', their ranks being 2, 3, and, 4, respectively. These leadership characteristics are chosen by all the five transformational leaders. 'Not afraid of taking risks', 'good boundary management', 'clarity of mission, goal and purpose, and 'planning' capability are assigned ranks 5, 6, 7, and, 8, respectively. This cluster of items has not been chosen by all the transformational leaders. Other qualities like 'accessibility', 'granting autonomy and freedom', 'care and concern', being particular about the speed and quality of work' and 'intellectual capability' are of low priority in terms of the self perceptions of the five leaders.

Table 5 depicts the self-perceived, operative leadership styles of all the transformational leaders chosen for this study. An examination of this table reveals the dominance of the developer style over the others. This has been followed by the benevolent autocratic and democratic styles, their ranks being 2, and 3, respectively. In all the five profiles, the bureaucratic style occupies the 4th rank. The contribution of this style to the total leadership profile is, however, quite insignificant, its percentage being only 6.00. A further analysis of this table indicates that of all the transformational leaders, three operate primarily on the developer style, while two on the benevolent-autocratic style. None of the five transformational leaders work primarily

Table 4: Self Perceived Profile of the Transformational Leaders

<i>Leadership components</i>	<i>Mody</i>	<i>Raghavan</i>	<i>Jain</i>	<i>Sinha</i>	<i>Sharma</i>	<i>Rank [(a)]</i>
Demonstrates an empowering attitude i.e. makes people feel that they are worthwhile and important for the organisation	2	1	1	1	3	1
Is a good team builder capable of generating positive group feelings among the members	6	9	2	2	4	2
Does not lose his balance in the face of calamities	3	5	9	8	6	3
Evokes a sense of confidence and trust by his behaviour	10	7	8	6	7	4
Not afraid of taking risks to achieve results	1	4	—	3	1	5
Is a good boundary manager— environment such as government, politicians, heads of other organisations and departments	8	2	4	5	—	6
Is clear about the mission purpose and goal of the organisation	4	6	3	—	10	7
Is a good planner	—	8	5	4	9	8
Is accessible to any one who wants to see him	5	—	—	9	5	9
Gives people complete freedom to decide	—	10	7	7	—	10
Has care and concern for the individual's work as well as his personal problems	7	3	—	—	—	11
Is quite open and receptive to new ideas from people	9	—	6	10	—	11
Very particular about the speed and quality of work done	—	—	10	—	2	11
Is intellectually of high calibre	—	—	—	8	1	12

through the democratic style, as indicated by the fact that this style has been ranked by each leader as either second or third in order of importance.

Another landmark finding in this regard has been the zero scores against the four dysfunctional styles— deserter, missionary, autocrat, and compromiser. This is a very crucial finding when we compare this with the earlier study of Singh (15), where the top management of the Indian corporate sector scored 25.4 against these four styles.

Table 5: Leadership Style of Transformation Leaders

<i>Leadership Style</i> (Self-perceived, Operative)	<i>Mody</i> Score	<i>Rk</i>	<i>Raghavan</i> Score	<i>Rk</i>	<i>Jain</i> Score	<i>Rk</i>	<i>Sinha</i> Score	<i>Rk</i>	<i>Sharma</i> Score	<i>RK</i>	<i>Total</i>	<i>%</i>	<i>Rank</i>
Deserter	00.00	-	00.00	-	00.00	-	00.00	-	00.00	-	0.0	0.0	-
Missionary	00.00	-	00.00	-	00.00	-	00.00	-	00.00	-	0.0	0.0	-
Autocrat	00.00	-	00.00	-	00.00	-	00.00	-	00.00	-	0.0	0.0	-
Compromiser	00.00	-	00.00	-	00.00	-	00.00	-	00.00	-	0.0	0.0	-
Bureaucrat	05.00	4	06.00	4	10.00	4	4.00	4	5.00	4	30.00	6.0	4
Developer	30.00	2	40.00	1	40.00	1	45.00	1	34.00	2	189.00	37.80	1
Benevolent-Autocrat	45.00	1	22.00	3	20.00	3	30.00	2	35.00	1	152.00	30.40	2
Democrat	20.00	3	32.00	2	30.00	2	21.00	3	26.00	3	129.00	25.80	3

PART - B

Table 6 displays the idealised leadership profile of the transformational leaders (GM and above) as perceived by the Indian managers. The purpose of examining the idealised profile of the transformational leader here is to compare it with that of the perceived profile of the successful transformational leaders. Such an analysis, it is assumed, will help bring out the degree of homogeneity or divergence between the desired and the actual perceived profile. The compatibility between the two profiles will perhaps help generate a high degree of harmony between them and reduce perceptual barriers [(b)]. Further, it also indicates a high degree of sensitivity on the part of the transformational leaders to the expected demands of the followers.

An analysis of this table demonstrates the preponderance of 'team building', 'clarity of the mission, purpose and goal of the organisation', 'empowering attitude and not losing 'balance in the face of calamities'. These profile traits are ranked as 1, 2, 3, and 4, and their respective percentages work out to be 54.7, 45.8, 42.06, and 40.00. These qualities are coupled with evoking a 'sense of confidence' (rk 5), 'care and concern for the peoples' work as well as their personal problems' (rk 6), 'openness and receptivity' (rk 7), and 'encouraging total development and growth of people as human beings' (rk 8). Two of the items giving people 'freedom to decide and evolve plans and strategies at work' and considering 'mistakes at work to be a part of the total learning process' but not tolerating repeated mistakes due to carelessness are positioned as ninth. Consulting 'relevant people' and involving them in decision-making process has been ranked tenth. If all these responses are put together, they account for approximately 57.00 per cent of the total response.

Table 6: Idealised Leadership Profile of Transformational Leaders*n* = 413

<i>Leadership components</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Is a good team builder capable of generating positive group feeling among the members	226	54.70	1
Is clear about the mission, purpose and goal of the organisation	189	45.80	2
Demonstrates an empowering attitude, i.e. makes people feel that they are worthwhile and important for the organisation	176	42.60	3
Does not lose his balance in the face of calamities	163	40.00	4
Evokes a sense of confidence and trust by his behaviour	150	36.30	5
Has care and concern for the individual's work as well as his personal problems	136	32.90	6
Is quite open and receptive to new ideas	129	31.20	7
Encourages the total development and growth of people	124	30.80	8
Gives people complete freedom to decide, evolve plans and strategies at work	119	28.80	9
Considers genuine mistakes at work to be part of the learning process but does not tolerate repeated mistakes due to carelessness	119	28.80	9
Consults relevant people before taking decisions concerning them and their departments	115	27.80	10
Gives adequate responsibility for the job performance	112	27.10	11
Not afraid of taking risks to achieve results	110	26.60	12
Values and appreciates good work	97	23.50	13
Is a good boundary manager—environment, such as government, politicians, heads of other organisations and departments	84	20.30	14
Not only tolerates mistakes while achieving results, but also protects people if necessary	84	20.30	14
Provides clear instructions of what to do and what not to do	83	20.10	15
Believes that real learning and growth take place when people explore and in the process also make mistakes	82	19.90	16

Table 6 contd.

<i>Leadership components</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Rank</i>
Very particular about the speed and quality of work	79	19.10	17
Protects and supports people when needed	72	17.40	18
Technically very sound and knowledgeable	66	16.00	19
Is a good planner	64	15.80	20
Is innovative and creative	50	12.10	21
Does not hesitate to point out and even scold when mistakes are committed by the people on the job	47	11.40	22
Is interested in the welfare and well being of people working in the organisation	44	10.70	23
Is accessible to any one who want to see him	37	9.00	24
Believes in consensus building before taking a decision	36	8.70	25
Is intellectually of a high calibre	34	8.20	26
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	32	7.70	27
Generally adheres to organisational rules, procedures and regulations	26	6.30	28
Treats organisational members like his brothers	13	3.10	29

Tables 7-11 examine idealised transformational leadership profiles across corporate ownership (public versus private sector), managerial hierarchy, age, childhood environment (village, town, and city), and parental behaviour. A scrutiny of these tables brings out a significant preferred similarity in the idealised leadership profiles of transformational leaders across the above mentioned variables, the values of 'rho' being significant at $p \leq 0.05$ in all

Table 7: Idealised Leadership Profile: Rank Order Coefficient of Correlations Across Sector

<i>Groups</i>	<i>n</i>	<i>df (n-2)</i>	<i>D</i>	<i>rho</i>	<i>Level of significance</i>
Private vs Public	31	29	1227.75	0.74	0.05

'rho' to be significant $p \leq 0.05$ should be ≥ 0.36 .

Table 8: Idealised Leadership Profile: Rank Order Coefficient of Correlations Across Hierarchy

<i>Groups</i>	<i>n</i>	<i>df</i> (<i>n</i> -2)	<i>D</i>	<i>rho</i>	<i>Level of</i> <i>significance</i>
1. Chief executive vs General manager	31	29	707.5	0.86	0.05
2. Chief executive vs Head of department	31	29	1957.0	0.61	0.05
3. General manager vs Head of department	31	29	16555.0	0.67	0.05

'rho' to be significant $p \leq 0.05$ should be ≥ 0.36

Table 9: Idealised Leadership Profile: Rank Order Coefficient of Correlations Across Age

<i>Groups</i>	<i>n</i>	<i>df</i> (<i>n</i> -2)	<i>D</i>	<i>rho</i>	<i>Level of</i> <i>significance</i>
1. 30-40 years vs 41-50 years	31	29	490.50	0.90	0.05
2. 41-50 years vs 51 yrs and above	31	29	260.0	0.95	0.05
3. 30-40 years vs 51 yrs and above	31	29	726.75	0.85	0.05

'rho' to be significant $p \leq 0.05$ should be ≥ 0.36

Table 10: Idealised Leadership Profile: Rank Order Coefficient of Correlations Across Early Environment

<i>Groups</i>	<i>n</i>	<i>df</i> (<i>n</i> -2)	<i>D</i>	<i>rho</i>	<i>Level of</i> <i>significance</i>
City vs Village	31	29	460.5	0.91	0.05
Town vs Village	31	29	494.5	0.90	0.05
City vs Town	31	29	289	0.94	0.05

'rho' to be significant $p \leq 0.05$ should be ≥ 0.36

Table 11: Idealised Leadership Profile: Rank Order Coefficient of Correlations Across Paternal Behaviour (Degree of Strictness)

<i>Groups</i>	<i>n</i>	<i>df</i> (<i>n-2</i>)	<i>D</i>	<i>rho</i>	<i>Level of</i> <i>significance</i>
A. PATERNAL BEHAVIOUR					
Low vs Medium	31	29	569.5	0.89	0.05
Low vs High	31	29	502.5	0.90	0.05
Medium vs High	31	29	341.5	0.93	0.05
B. MATERNAL BEHAVIOUR					
Low vs Medium	31	29	357.25	0.93	0.05
Low vs High	31	29	1587	0.68	0.05
Medium vs High	31	29	1114.75	0.78	0.05

'rho' to be significant $p \leq 0.05$ should be ≥ 0.36

Note: See Appendix II to VII for the raw data of Tables 7 to 11. the cases. In other words, managerial preferences regarding the idealised leader are homogeneous, irrespective of differences in organisational and personal level socialising variables.

PART C

Table 12 presents the rank order coefficient of correlations in order to examine the degree of similarity and divergence between the idealised and the perceived profiles of the transformational leaders. An examination of this table reveals a significant similarity between both the profiles, the value of 'rho' being 0.52 which is significant at $p \leq 0.05$ level. Findings such as these indicate the high degree of sensitivity among the transformational leaders to the desire and expectations of the organisational members.

PART D

The manner in which transformational leaders respond to their surroundings is primarily affected by their values and beliefs. In fact, the genesis of most human action lies in one's own beliefs and value systems. Value has been

Table 12: Idealised Rank Order Coefficient of Correlations Between Idealised and Perceived Successful [(c)] Leadership Profile

<i>Groups</i>	<i>n</i>	<i>df</i> (<i>n</i> -2)	<i>D</i>	<i>rho</i>	<i>Level of</i> <i>significance</i> <i>at</i>
Idealised profile vs Perceived (successful) transformational leadership profile	31	29	1948.5	0.52	≤ 0.05

'rho' to be significant $p \leq 0.05$ should be ≤ 0.36

defined as "a conception of the desirable" (10). It has also been viewed as "a set of belief systems upon which a man acts by preference" (1). According to Rokeach, a value is an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence. A value system is an enduring organisation of beliefs concerning preferable modes of conduct and states of existence along a continuum of relative importance.

All values thus have a cognitive and directional quality. They uphold standards and are the norms by which human beings are influenced in their choices among alternative courses of action. When values are explicit and fully conceptualised, they become the criteria for judgment, preference and choices. However, even when they are implicit and unreflective, they continue to guide human decisions and actions.

Paradigmatically speaking, there is a clear linkage between philosophy of life, values, attitudes, and leadership styles. Philosophy of life forms the core of the human psyche, out of which emanate ones values and beliefs. These determine the attitudes one holds, which subsequently influences one's style and managerial actions.

Social scientists (1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20) have extensively examined the contributions of human values to social structure and growth. For instance, the roots of modern capitalism have been explained (18) in terms of the ascetic protestant ethic, which emphasises hard work and a puritanical life style.

In Parson's analysis (13), the differences in the level of economic achievement between societies poised at various stages of growth has been accounted for by the prevalence of achievement values, universalism, and specificity in the developed societies. McClelland's (11) basic thesis on differential growth and development of societies across the ages is also grounded in a value framework—power, achievement, and affiliation motivation.

On the Indian industrial scenario, the prevalence of helplessness, normlessness, and meaninglessness have been attributed to the dichotomy between the professed and operative value (15). Therefore, while attempting

to predict and understand human behaviour, one should have an insight into the dynamics of both the espoused and operative values. The dichotomy between the espoused and operative values, especially in the case of leaders, can create disenchantment among the followers, since the leaders are expected to provide a role model in the organisation. Viewed in this perspective, no study on the leadership phenomenon can be complete without an examination of the value profile of leaders (15).

A myriad of categories have been posited while examining human values. For the purpose of the present study, we have generated a value classification, the details of which are presented in Appendix VIII.

The value orientations of the five leaders have been presented in Table 13. This table has been constructed on the basis of a content analysis of (a) perceptions of followers through their opinions and responses to the structured questionnaire on leadership, (b) self perceptions of the leaders articulated through value statements, and (c) self perceived leadership profile and style.

Table 13: Value Profile of Transformational Leaders

<i>Value Dimension</i>	<i>Jain</i>	<i>Mody</i>	<i>Sinha</i>	<i>Raghavan</i>	<i>Sharma</i>
Humanistic	/	/	/	/	/
Ethical-moral	/	/	/	/	/
Spiritual	/	/	/	/	/
Existential	/	/	/	/	/
Material	—	—	—	—	—
Affiliation-group orientation	/	/	/	/	/
Individualistic	—	—	—	—	—
Machiavellian	—	—	—	—	—
Hedonistic	—	—	—	—	—
Puritanical	—	—	—	—	—
Power orientation	/	/	/	/	/
Achievement orientation	/	/	/	/	/
Entrepreneurial orientation	/	/	/	/	/
Conservative	—	—	—	—	—
Democratic participative	/	/	/	/	
Authoritarian	—	—	—	—	—
Sacrifice	/	/	/	/	/
Assertive	/	/	/	/	/
Pragmatic	/	/	/	/	/
Idealistic	/	/	/	/	/

An analysis of this table indicates that all the five leaders have a more or less similar value orientation. In fact, there is a strong clustering of all the five leaders, both in terms of total presence as well as total absence across various values dimensions. A further analysis of this table indicates that humanistic, ethical—moral existential, affiliation, power, achievement, spiritual, entrepreneurial, modernity, democratic, sacrifice, assertiveness, pragmatic, and idealistic value dimensions, characterise all the five leaders. As against these, materialistic, individualistic, machiavellian, hedonistic, puritanical, conservative and authoritarian values are neither perceived by the followers nor by the leaders themselves. In fact, while describing the leaders and also responding on the structured leadership questionnaire, the followers did not mention any qualities which could fit in the latter cluster of values mentioned above. Similarly, the five leaders did not mention value statements consistent with the said cluster of values in the interviews.

It would be worthwhile at this juncture to compare the value profile of the transformational leaders in our study with that of successful managers studied by England. (4) England found that there is homogeneity in value preferences of successful managers (and likewise in the low success managerial group). In his study, successful leaders have been characterised by dynamic action, pragmatism, achievement orientation, influential relationships, duty and power consciousness. Leaders who were not so successful were found to be characterised by passivity, security orientation, maintaining *status quo*, affection and pleasure preference. A comparison of these findings with ours reveals an overlap in the value preferences of England's successful managers and our transformational leaders.

Conclusions

From the foregoing analysis one can draw the following conclusions:

1. Out of the ten preponderant perceived qualities of transformational leadership, six fall under the category of person-centred or people-focused. In contrast, one quality is in the class of future vision and planning, one entrepreneurial capability, one being environment analyser. In other words, the transformational leaders tend to operate overwhelmingly via the person-centred approach. Of course, they also combine the other qualities mentioned above which, needless to say, are role prerequisites at that level. The transformational leaders perceive their capability basically in terms of managing human beings through empowering attitude, team building and evoking a sense of confidence—all person-centred leadership qualities. These person-centred leadership qualities are appropriately coupled with entrepreneurial risk-taking, not losing balance, skills of boundary management, clarity of organisational goals and capability to plan for the future.
2. There is a perceptual similarity about the leadership profile of the transformational leaders across the managerial hierarchy.
3. The present study also reveals a significant homogeneity in the profiles of all the five transformational leaders.

4. The expected idealised transformational leadership profile indicates a decisive demand for person-centred leadership. Out of ten top ranked qualities, eight leadership qualities belong to the person-centred category. This reflects that, in the Indian context, sensitivity to people's expectations is a *sine quo non* for being a transformational leader.
5. This study also reveals that there is a significant homogeneity in the idealised leadership profile of transformational leaders, regardless of various organisational and personal level socialising variables.
6. It also bring out a significant homogeneity between the idealised and the actual perceived leadership profiles, thereby indicating an enormous sensitivity of transformational leaders to the followers' expectations.
7. If we try to combine these findings together, we can say that transformational leaders operate through multiple leadership skills—human, organisational, environmental, and psychological.
8. If we put together the findings regarding the self and other perceived profile, leadership styles of transformational leaders, and the expected idealised profile of the transformational leaders, we can observe that in all the categories of findings, the person-focus qualities have occupied the primary position.
9. All the transformational leaders are characterised by humanistic, ethical, moral, existential, affiliation, power, achievement, entrepreneurial, modernity, democratic, sacrifice, assertiveness, pragmatic and idealistic value dimensions. None of them subscribe to materialistic, individualistic, hedonistic, conservative, authoritarian, and machiavellian values.

NOTES

- (a) In order to calculate the ranks, the items have been classified into five categories. Categorisation of the items has been done solely on the basis of the frequency of items chosen by the transformational leaders, the first consisting of four items chosen by the five leaders, the second comprising four items selected by the four leaders. As against these, the third category includes three qualities chosen by three leaders. The remaining one item has been selected by one leader out of the five. After classifying the items into five categories, they were multiplied by the total sum of the ranks given by the transformational leaders against each item.

Since the five items in the first category were chosen by the five transformational leaders, number five has been multiplied by the summation of ranks assigned by the leaders against each item. For example, in the case of item 'empowering' the sum total of the assigned ranks work out to be eight. In this case, five, therefore, has been multiplied by eight. The same procedure has been adopted for items in category 2, 3, 4 and 5. Needless to say, the higher the product value, the lower the weightage attached. Thus, the lowest value automatically gets the rank 1— in this case, the highest rank is one.

- (b) The higher the degree of congruence between subordinates' expectations and leader profile, the greater the success of the leader. For details regarding this concept, see Singh P. and Bhandarker A. From Cultural Ethos to Organisational Milieu, *Indian Management*, October, 1988.
- (c) 'Successful'— This term has been used to distinguish it from the 'idealised'. 'Successful leadership profile is the same as the perceived 'Transformational' leadership Profile (by the followers).
- (d) See Appendix VIII for operational definitions.

In Appendices II to VII sample size has varied from the overall sample (413). The drop in sample size is owing to the fact that some respondents have not mentioned all the details of their background and hence their leadership profile data could not be utilised in demographic analysis.

APPENDIX I - LEADERSHIP PROFILES OF THE FIVE TRANSFORMATIONAL LEADERS

Item No.	SHARMA (n = 118)			MODY (n = 224)			SINHA (n = 112)			RAGHAVAN (n = 149)			JAIN (n = 201)		
	Frequency	Percentage	Rank	Frequency	Percentage	Rank	Frequency	Percentage	Rank	Frequency	Percentage	Rank	Frequency	Percentage	Rank
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	73	61.86	2	183	81.69	1	91	81.30	1	111	74.49	1	141	70.10	1
2	73	61.86	2	72	32.14	8	90	80.40	2	58	38.90	8	122	60.70	3
3	23	19.49	12	58	25.89	10	72	64.30	3	110	73.80	2	110	54.70	4
4	84	71.18	1	172	76.78	2	70	62.50	4	110	73.80	2	25	12.40	17
5	36	30.50	7	161	71.87	4	66	58.90	5	66	44.30	6	53	26.40	10
6	38	32.20	6	38	16.96	13	58	51.80	6	71	47.70	5	89	44.30	7
7	42	35.59	5	62	27.67	9	52	46.40	7	64	43.00	7	72	35.80	8
8	10	8.47	21	28	12.50	15	35	31.30	8	52	34.90	9	96	47.80	6
9	32	27.11	9	91	40.62	7	27	24.00	9	42	28.20	11	109	54.20	5
10	46	38.98	4	141	62.94	6	26	23.20	10	38	25.50	12	36	17.90	12
11	10	8.47	21	44	19.64	12	23	20.50	11	46	30.90	10	24	11.90	18
12	9	7.62	22	51	22.76	11	19	17.00	12	21	14.10	14	33	16.40	14
13	33	27.11	8	165	73.66	3	18	16.10	13	94	63.10	4	136	67.70	2
14	19	16.10	15	14	6.25	19	18	16.10	13	12	8.10	16	38	18.90	11
15	15	12.71	17	154	68.75	5	17	15.20	14	102	68.50	3	28	13.90	16
16	67	56.77	3	23	10.26	16	15	13.40	15	32	21.50	13	55	27.40	9
17	24	20.33	11	35	15.62	14	15	13.40	15	9	6.00	18	32	15.90	15
18	14	11.86	18	7	3.12	20	12	10.70	16	2	1.30	22	35	17.40	13
19	17	14.40	16	6	2.67	21	11	9.80	17	3	2.00	21	18	9.00	20
20	26	22.03	10	19	8.48	17	10	8.90	18	11	7.40	17	28	13.90	16
21	12	10.16	20	6	2.67	21	9	8.00	19	15	10.10	15	10	5.00	24
22	6	5.08	24	3	1.33	23	6	5.40	20	4	2.70	20	3	1.50	27

Appendix I contd.

Item No.	SHARMA (n = 118)			MODY (n = 224)			SINHA (n = 112)			RAGHAVAN (n = 149)			JAIN (n = 201)		
	Frequency	Percentage	Rank	Frequency	Percentage	Rank	Frequency	Percentage	Rank	Frequency	Percentage	Rank	Frequency	Percentage	Rank
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
23	21	17.79	14	2	0.89	24	6	5.40	20	—	—	24	18	9.00	20
24	14	11.86	18	6	2.67	21	4	3.60	21	—	—	24	15	7.50	21
25	13	11.01	19	1	0.44	25	4	3.60	21	3	2.00	21	5	2.50	26
26	6	5.08	24	17	7.58	18	3	2.70	22	3	2.00	21	3	1.50	27
27	21	17.79	14	—	—	26	3	2.70	22	1	0.70	23	18	9.00	20
28	3	2.54	25	4	1.78	22	3	2.70	22	—	—	24	8	4.00	25
29	22	18.64	13	6	2.67	21	1	0.90	23	1	0.70	23	11	5.50	23
30	8	6.77	23	2	0.89	24	—	—	24	5	3.40	19	22	10.90	19
31	9	7.62	22	1	0.44	25	—	—	24	—	—	24	14	7.00	22

* For items kindly see Appendix B-1 (Chapter 1)

APPENDIX II
EXPECTED IDEALISED TRANSFORMATIONAL LEADERSHIP PROFILE:
SECTORWISE DISTRIBUTION

n = 408

<i>Leadership Components</i>	<i>Public sector</i>			<i>Private sector</i>			<i>Cooperative sector</i>		
	<i>n</i> = 364			<i>n</i> = 24			<i>n</i> = 20		
	<i>Frequ-Perce</i>	<i>ncy-Rank</i>	<i>ency tage</i>	<i>Frequ-Perce</i>	<i>ncy-Rank</i>	<i>ency tage</i>	<i>Frequ-Perce</i>	<i>ncy-Rank</i>	<i>ency tage</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Is a good team builder capable of generating positive group feelings among the members	240	56.00	1	12	50.00	3	10	00.00	3
Is clear about the mission, purpose and goal of the organisation	167	45.90	2	14	58.30	2	6	30.70	7
Demonstrates an empowering attitude, i.e. makes people feel that they are worthwhile and important for the organisation	153	42.00	3	9	37.50	5	12	60.00	1
Does not lose his balance in the face of calamities	139	38.20	4	16	66.70	1	5	25.00	8
Evokes a sense of confidence and trust by his behaviour	132	36.30	5	9	37.50	5	7	35.00	6
Has care and concern for the individual's work as well as his personal problems	119	32.70	6	4	16.70	10	11	5.50	2
Is quite open and receptive to new ideas	110	30.20	8	11	45.80	4	5	25.00	8
Encourages the total development and growth of the people	117	32.10	7	3	12.50	11	2	10.00	11
Gives people complete freedom to decide, evolve plans and strategies at work	107	29.40	9	7	29.20	7	4	20.00	9
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	110	30.20	8	4	16.70	10	4	20.00	9
Consults relevant people before taking decisions concerning them and their departments	103	28.30	10	4	16.70	10	4	20.00	9
Gives adequate responsibility for the job performance	103	28.30	10	4	16.70	10	4	20.00	9
Not afraid of taking risks to achieve results	91	25.00	11	8	33.30	6	10	50.00	3

Appendix II contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Values and appreciates good work	84	23.10	12	3	12.50	11	8	40.00	5
Is a good boundary manager— environment such as government, politicians, heads of other organisations and departments	80	22.00	13	3	12.50	11	1	5.00	13
Not only tolerates mistakes while achieving results but also protects people if necessary	76	20.90	14	1	4.20	13	6	30.00	7
Provides clear instructions on what to do and what not to do	74	20.30	15	5	20.80	9	2	10.00	11
Believes that real learning and growth take place when people explore and in the process also make mistakes	74	20.30	15	7	29.20	7	—	—	—
Very particular about the speed and quality of work done	68	18.70	16	9	37.50	5	2	10.00	11
Protects and supports people when needed	60	16.50	17	4	16.70	10	8	40.00	5
Technically very sound and knowledgeable	51	14.00	19	6	25.00	8	9	45.00	4
Is a good planner	56	15.40	18	3	12.50	11	5	25.00	8
Is innovative and creative	44	12.10	20	3	12.50	1	2	10.00	11
Does not hesitate to point out and even scold when mistakes are committed by the people on the job	38	10.40	22	2	8.30	12	6	30.00	7
Is interested in the welfare and well being of the people working in the organisation	39	10.70	21	2	8.30	12	3	15.00	10
Is accessible to any one who wants to see him	36	9.90	23	1	4.20	13	—	—	—
Believes in consensus building before taking a decision	32	8.80	24	2	8.30	12	2	10.00	11
Is intellectually of high calibre	29	8.00	26	5	20.80	9	—	—	—
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	30	8.20	25	2	8.30	12	—	—	—
Generally adheres to organisational rules, procedures and regulations	25	6.90	27	1	4.20	13	—	—	—
Treats organisational members like his brothers	11	3.00	28	1	4.20	13	1	5.00	12

APPENDIX III
EXPECTED IDEALISED TRANSFORMATIONAL LEADERSHIP PROFILE:
ACROSS MANAGERIAL HIERARCHY

<i>Leadership Components</i>	<i>Top Level (n = 64)</i>			<i>Middle Level (n = 305)</i>			<i>Lower Level (n = 44)</i>		
	Frequ- ency	Perce- ntage	Rank	Frequ- ency	Perce- ntage	Rank	Frequ- ency	Perce- ntage	Rank
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Is a good team builder capable of generating positive group feelings among the members	28	43.80	1	179	58.70	1	19	44.20	2
Is clear about the mission, purpose and goal of the organisation	25	39.10	3	146	47.90	2	18	41.90	3
Demonstrates an empowering attitude, i.e. makes people feel that they are worthwhile and important for the organisation	26	40.60	2	122	40.00	4	28	65.10	1
Does not lose his balance in the face of calamities	25	39.10	3	128	42.00	3	10	23.30	9
Evokes a sense of confidence and trust by his behaviour	25	39.10	3	113	37.00	5	12	27.90	7
Has care and concern for the individual's work as well as his personal problems	20	31.30	5	100	32.80	6	16	37.20	4
Is quite open and receptive to new ideas	20	31.30	5	98	32.10	7	11	25.60	8
Encourages the total development and growth of the people	19	29.70	6	92	30.20	8	13	30.20	6
Gives people complete freedom to decide, evolve plans and strategies at work	18	28.10	7	87	28.50	11	14	32.60	5
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	15	23.40	8	91	29.80	9	13	20.20	6
Consults relevant people before taking decisions concerning them and their departments	21	32.80	4	86	28.20	12	8	18.60	11
Gives adequate responsibility for the job performance	13	20.30	10	90	29.50	10	9	20.90	10
Not afraid of taking risks to achieve results	21	32.80	4	71	23.30	13	18	41.90	3

Appendix III contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Values and appreciates good work	19	29.70	6	65	21.30	16	13	20.10	6
Is a good boundary manager— environment such as government, politicians, heads of other organisations and departments	28	43.80	1	54	17.70	19	2	4.70	16
Not only tolerates mistakes while achieving results but also protects people if necessary	12	18.80	11	58	19.00	18	14	32.60	5
Provides clear instructions on what to do and what not to do	9	14.10	13	67	22.00	14	7	16.30	12
Believes that real learning and growth take place when people explore and in the process also make mistakes	13	20.30	10	66	21.60	15	3	7.00	15
Very particular about the speed and quality of work done	14	21.90	9	62	20.30	17	3	7.00	15
Protects and supports people when needed	10	15.60	12	51	16.70	20	11	25.60	8
Technically very sound and knowledgeable	8	12.50	14	40	13.10	22	18	41.90	3
Is a good planner	8	12.50	14	46	15.10	21	10	23.30	9
Is innovative and creative	12	18.80	11	33	10.80	23	5	11.60	13
Does not hesitate to point out and even scold when mistakes are committed by the people on the job	9	14.10	13	26	8.50	27	12	27.90	7
Is interested in the welfare and well being of the people working in the organisation	8	12.50	14	32	10.50	24	4	9.30	14
Is accessible to any one who wants to see him	3	4.70	17	32	10.50	24	2	4.70	16
Believes in consensus building before taking a decision	6	9.40	15	26	8.50	27	4	9.30	14
Is intellectually of high calibre	4	6.30	16	30	9.80	25	—	—	17
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	4	6.30	16	28	9.20	26	—	—	18
Generally adheres to organisational rules, procedures and regulations	6	9.40	15	18	5.90	28	2	4.70	16
Treats organisational members like his brothers	1	1.60	18	10	3.30	29	2	4.70	16

APPENDIX IV
EXPECTED IDEALISED TRANSFORMATIONAL LEADERSHIP PROFILE: ACROSS MANAGERIAL AGE
(n = 407)

<i>Leadership Components</i>	<i>Group 1 (25-34 years)</i>			<i>Group 2 (35-40 years)</i>			<i>Group 3 (41-50 years)</i>			<i>Group 4 (above 50 years)</i>		
	<i>n = 13</i>			<i>n = 80</i>			<i>n = 230</i>			<i>n = 84</i>		
	<i>Frequ- ency</i>	<i>Perce- ntage</i>	<i>Rank</i>	<i>Frequ- ency</i>	<i>Perce- ntage</i>	<i>Rank</i>	<i>Frequ- ency</i>	<i>Perce- ntage</i>	<i>Rank</i>	<i>Frequ- ency</i>	<i>Perce- ntage</i>	<i>Rank</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Is a good team builder capable of generating positive group feelings among the members	9	69.20	1	44	55.00	1	135	58.70	1	36	2.90	1
Is clear about the mission, purpose and goal of the organisation	4	30.80	5	39	48.80	2	108	47.00	2	35	41.70	3
Demonstrates an empowering attitude, i.e. makes people feel that they are worthwhile and important for the organisation	9	69.20	1	26	32.50	6	98	42.60	3	40	47.60	1
Does not lose his balance in the face of calamities	4	30.80	5	28	35.00	4	97	42.20	3	31	36.90	4
Evokes a sense of confidence and trust by his behaviour	5	38.50	4	27	33.80	5	91	39.60	4	26	31.00	7
Has care and concern for the individual's work as well as his personal problems	6	46.20	3	20	25.00	10	78	33.90	5	31	36.90	4

Appendix IV contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Is quite open and receptive to new ideas	5	38.50	4	31	38.80	3	65	28.30	8	26	31.00	7
Encourages the total development and growth of the people	1	7.70	—	22	27.50	8	70	30.40	7	28	33.30	5
Gives people complete freedom to decide, evolve plans and strategies at work	3	23.10	6	19	23.80	11	72	31.30	6	25	29.80	8
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	7	53.80	2	26	32.50	6	62	27.00	10	22	26.20	10
Consults relevant people before taking decisions concerning them and their departments	2	15.40	—	21	26.30	9	63	27.40	9	27	32.10	6
Gives adequate responsibility for the job performance	3	23.10	6	19	23.80	11	63	27.40	9	26	31.00	7
Not afraid of taking risks to achieve results	4	30.80	5	23	28.80	7	56	24.30	12	25	29.80	8
Values and appreciates good work	4	30.80	5	14	17.50	13	57	24.80	11	21	25.00	11
Is a good boundary manager—environment such as government, politicians, heads of other organisations and departments	2	15.40	7	19	23.80	11	44	19.10	15	18	21.40	12

Appendix IV contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Not only tolerate mistakes while achieving results but also protects people if necessary	2	15.40	7	13	16.30	14	46	20.00	13	22	26.20	10
Provides clear instructions on what to do and what not to do	1	7.70	8	18	22.50	12	39	17.00	18	24	28.60	9
Believes that real learning and growth take place when people explore and in the process also make mistakes	1	7.70	8	21	26.30	9	45	19.60	14	12	14.30	15
Very particular about the speed and quality of work done	4	30.80	5	14	17.50	13	43	18.70	16	18	21.40	12
Protects and support people when needed	3	23.10	—	11	13.80	16	42	18.30	17	15	17.90	13
Technically very sound and knowledgeable	5	38.50	5	11	13.80	16	36	15.70	19	14	16.70	14
Is a good planner	3	23.10	6	20	25.00	10	31	13.50	20	10	11.90	17
Is innovative and creative	—	—	—	11	13.80	16	29	12.60	21	9	10.70	18
Does not hesitate to point out and even scold when mistakes are committed by the people on the job	1	7.70	8	10	12.50	17	25	10.90	22	11	13.10	16
Is interested in the welfare and well being of the people working in the organisation	—	—	—	11	13.80	16	23	10.00	23	10	11.90	17

Appendix IV contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Is accessible to any one who wants to see him	1	7.70	8	7	8.80	19	18	7.80	24	10	11.90	17
Believes in consensus building before taking a decision	1	7.70	8	8	10.00	18	18	7.80	24	9	10.70	18
Is intellectually of high calibre	1	7.70	8	12	15.00	15	16	7.00	25	5	6.00	20
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	—	—	—	5	6.30	21	23	10.00	23	4	4.80	21
Generally adheres to organisational rules, procedures and regulations	—	—	—	6	7.50	20	14	6.10	26	6	7.10	19
Treats organisational members like his brothers	—	—	—	5	6.30	21	7	3.20	27	1	1.20	22

* Out of a total 413 respondents six have not stated their age

APPENDIX V
EXPECTED IDEALISED TRANSFORMATIONAL LEADERSHIP PROFILE:
ACROSS EARLY ENVIRONMENT

n = 402

<i>Leadership Components</i>	<i>City n = 160</i>			<i>Town n = 441</i>			<i>Village n = 101</i>		
	Frequ- ency	Perce- ntage	Rank	Frequ- ency	Perce- ntage	Rank	Frequ- ency	Perce- ntage	Rank
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Is a good team builder capable of generating positive group feelings among the members	88	55.00	1	69	48.90	1	63	62.40	1
Is clear about the mission, purpose and goal of the organisation	73	45.60	2	60	42.60	3	51	50.50	2
Demonstrates an empowering attitude, i.e. makes people feel that they are worthwhile and important for the organisation	64	40.00	4	62	44.00	2	45	44.60	3
Does not lose his balance in the face of calamities	66	41.30	3	60	42.60	3	31	30.70	7
Evokes a sense of confidence and trust by his behaviour	58	36.30	6	55	39.00	4	35	34.70	4
Has care and concern for the individual's work as well as his personal problems	59	36.90	5	38	27.00	11	34	33.70	5
Is quite open and receptive to new ideas	52	32.50	7	50	35.50	5	24	23.80	12
Encourages the total development and growth of the people	50	31.30	8	44	31.20	7	27	26.70	9
Gives people complete freedom to decide, evolve plans and strategies at work	43	26.90	12	46	32.60	6	26	25.70	7
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	49	30.60	9	38	27.00	11	31	30.70	7
Consults relevant people before taking decisions concerning them and their departments	40	25.00	13	42	29.80	8	32	31.70	6
Gives adequate responsibility for the job performance	8	30.00	10	41	29.10	9	2	21.80	13
Not afraid of taking risks to achieve results	4	27.50	11	40	28.40	10	24	23.80	12

Appendix V contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Values and appreciates good work	35	21.90	14	34	24.10	12	26	25.70	10
Is a good boundary manager— environment such as government, politicians, heads of other organisations and departments	32	20.00	15	27	19.10	14	25	24.80	11
Not only tolerates mistakes while achieving results but also protects people if necessary	27	16.90	17	26	18.40	15	29	28.70	8
Provides clear instructions on what to do and what not to do	29	18.10	16	33	23.40	13	17	16.80	14
Believes that real learning and growth take place when people explore and in the process also make mistakes	29	18.10	16	33	23.40	13	17	16.80	14
Very particular about the speed and quality of work done	29	18.10	16	24	17.00	16	24	23.80	12
Protects and supports people when needed	20	12.50	19	33	23.40	13	17	16.80	14
Technically very sound and knowledgeable	27	16.90	17	22	15.60	17	16	15.80	15
Is a good planner	26	16.30	18	26	18.40	15	11	10.00	18
Is innovative and creative	26	16.30	18	15	10.60	18	8	7.90	19
Does not hesitate to point out and even scold when mistakes are committed by the people on the job	15	9.40	22	17	12.10	17	13	12.90	16
Is interested in the welfare and well being of the people working in the organisation	17	10.60	21	15	10.60	18	11	10.90	18
Is accessible to any one who wants to see him	18	11.30	20	10	7.10	20	7	6.90	20
Believes in consensus building before taking a decision	10	6.30	25	14	9.90	19	12	11.90	17
Is intellectually of high calibre	18	11.30	20	10	7.10	20	6	5.90	21
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	13	8.10	23	8	5.70	21	11	10.90	18
Generally adheres to organisational rules, procedures and regulations	12	7.50	24	7	5.00	22	6	5.90	21
Treats organisational members like his brothers	4	2.50	26	1	0.70	23	6	5.90	21

APPENDIX VI
EXPECTED IDEALISED TRANSFORMATIONAL LEADERSHIP PROFILE:
ACROSS PATERNAL BEHAVIOUR

n = 393

<i>Leadership Components</i>	<i>Low n = 74</i>			<i>Medium n = 237</i>			<i>High n = 82</i>		
	Frequ- ency	Perce- ntage	Rank	Frequ- ency	Perce- ntage	Rank	Frequ- ency	Perce- ntage	Rank
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Is a good team builder capable of generating positive group feelings among the members	46	62.20	1	128	54.00	1	47	57.30	1
Is clear about the mission, purpose and goal of the organisation	34	45.90	2	115	48.50	2	31	37.80	3
Demonstrates an empowering attitude, i.e. makes people feel that they are worthwhile and important for the organisation	34	45.90	2	104	43.90	3	32	39.00	2
Does not lose his balance in the face of calamities	25	33.80	4	99	41.80	4	32	39.00	2
Evokes a sense of confidence and trust by his behaviour	25	33.80	4	90	38.00	5	28	34.10	5
Has care and concern for the individual's work as well as his personal problems	28	37.80	3	73	30.80	7	27	32.90	6
Is quite open and receptive to new ideas	16	21.60	11	75	31.60	6	30	36.60	4
Encourages the total development and growth of the people	23	31.10	6	69	29.10	8	27	32.90	6
Gives people complete freedom to decide, evolve plans and strategies at work	22	29.70	7	62	26.20	9	31	37.80	3
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	16	21.60	11	73	30.80	7	26	31.70	7
Consults relevant people before taking decisions concerning them and their departments	24	32.40	5	61	25.70	10	24	29.30	8
Gives adequate responsibility for the job performance	17	23.00	10	73	30.80	7	16	19.50	12
Not afraid of taking risks to achieve results	20	27.00	8	62	26.20	9	22	26.80	9

Appendix VI contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Values and appreciates good work	18	24.30	9	51	21.50	12	22	26.80	9
Is a good boundary manager— environment such as government, politicians, heads of other organisations and departments	13	17.60	12	50	21.10	12	19	23.20	10
Not only tolerates mistakes while achieving results but also protects people if necessary	18	24.30	9	46	19.40	13	16	19.50	12
Provides clear instructions on what to do and what not to do	13	17.60	12	57	24.10	11	12	14.60	15
Believes that real learning and growth take place when people explore and in the process also make mistakes	16	21.60	11	44	18.60	14	17	20.70	11
Very particular about the speed and quality of work done	10	13.50	14	52	21.90	12	13	15.90	14
Protects and supports people when needed	18	24.30	9	35	14.80	16	13	15.90	14
Technically very sound and knowledgeable	11	14.90	13	36	15.20	15	13	15.90	14
Is a good planner	16	21.60	11	36	15.20	15	10	12.20	16
Is innovative and creative	10	13.50	14	21	8.90	19	15	18.30	13
Does not hesitate to point out and even scold when mistakes are committed by the people on the job	9	12.20	15	25	10.50	17	8	9.80	18
Is interested in the welfare and well being of the people working in the organisation	10	13.50	14	25	10.50	17	8	9.80	18
Is accessible to any one who wants to see him	9	12.20	15	20	8.40	20	8	9.80	18
Believes in consensus building before taking a decision	7	9.50	16	22	9.30	18	6	7.30	20
Is intellectually of high calibre	6	8.10	17	19	8.00	21	7	8.50	19
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	1	1.40	20	20	8.40	20	9	11.00	17
Generally adheres to organisational rules, procedures and regulations	3	4.10	19	20	8.40	20	3	3.70	21
Treats organisational members like his brothers	4	5.40	18	5	2.10	22	3	3.70	21

* Out of the total 413 respondents, 10 respondents have not stated parental attitude

APPENDIX VII
EXPECTED IDEALISED TRANSFORMATIONAL LEADERSHIP PROFILE:
ACROSS MATERNAL BEHAVIOUR

n = 403

<i>Leadership Components</i>	<i>Low n=35</i>			<i>Medium n=224</i>			<i>High n=24</i>		
	Frequency	Percentage	Rank	Frequency	Percentage	Rank	Frequency	Percentage	Rank
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Is a good team builder capable of generating positive group feelings among the members	72	53.30	1	137	56.10	1	13	54.20	1
Is clear about the mission, purpose and goal of the organisation	58	43.00	2	114	46.70	2	12	50.00	2
Demonstrates an empowering attitude, i.e. makes people feel that they are worthwhile and important for the organisation	57	42.20	3	107	43.90	3	7	29.20	4
Does not lose his balance in the face of calamities	42	31.10	6	105	43.00	4	12	50.00	2
Evokes a sense of confidence and trust by his behaviour	44	32.60	4	99	40.60	5	6	25.00	5
Has care and concern for the individual's work as well as his personal problems	40	29.60	7	88	36.10	6	6	25.00	5
Is quite open and receptive to new ideas	39	28.90	8	80	32.80	7	4	16.70	7
Encourages the total development and growth of the people	35	25.90	10	80	32.80	7	8	33.30	3
Gives people complete freedom to decide, evolve plans and strategies at work	40	29.60	7	69	28.30	9	8	33.30	3
Considers genuine mistakes at work to be part of the learning process, but does not tolerate repeated mistakes due to carelessness	42	31.10	6	68	27.90	10	7	29.20	4
Consults relevant people before taking decisions concerning them and their departments	36	26.70	9	70	28.70	8	7	29.20	4
Gives adequate responsibility for the job performance	43	31.90	5	61	25.00	12	4	16.70	7
Not afraid of taking risks to achieve results	35	25.90	10	63	25.80	11	6	25.00	5

Appendix VII contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Values and appreciates good work	39	28.90	8	21	20.90	14	5	20.80	6
Is a good boundary manager— environment such as government, politicians, heads of other organisations and departments	21	15.60	15	58	23.80	13	5	20.80	6
Not only tolerates mistakes while achieving results but also protects people if necessary	34	25.20	11	43	17.60	17	6	25.00	5
Provides clear instructions on what to do and what not to do	31	23.00	12	45	18.40	16	5	20.50	6
Believes that real learning and growth take place when people explore and in the process also make mistakes	31	23.00	12	47	19.30	15	3	12.50	8
Very particular about the speed and quality of work done	34	25.20	11	40	16.40	18	3	12.50	8
Protects and supports people when needed	26	19.30	14	39	16.00	19	7	29.20	4
Technically very sound and knowledgeable	27	20.00	13	36	14.80	20	2	8.30	9
Is a good planner	19	14.10	16	39	16.00	19	6	25.00	4
Is innovative and creative	14	10.40	18	29	11.90	20	3	12.50	8
Does not hesitate to point out and even scold when mistakes are committed by the people on the job	9	6.70	21	31	12.70	21	5	20.80	6
Is interested in the welfare and well being of the people working in the organisation	14	10.40	18	25	10.20	23	3	12.50	8
Is accessible to any one who wants to see him	13	9.60	19	19	7.80	26	5	20.80	6
Believes in consensus building before taking a decision	11	8.10	20	21	8.60	25	4	16.70	7
Is intellectually of high calibre	7	5.20	22	23	9.40	24	3	12.50	8
Is totally logical and data based and does not believe in relating on the level of feelings and emotions	15	11.10	17	16	6.60	27	—	—	11
Generally adheres to organisational rules, procedures and regulations	11	8.10	20	14	5.70	28	1	4.20	10
Treats organisational members like his brothers	6	4.40	23	5	2.00	29	2	8.30	9

APPENDIX VIII***Operational Definitions of Value Dimensions***

1	Humanistic	:	Faith, trust, confidence and belief in goodness of mankind
2	Ethical-Moral	:	Belief in socially evolved standards or norms like fairness, equity, justice, truth, etc
3	Spiritual	:	Basic belief in positive life principle which transcends materialistic and worldly aspects of human life
4	Existential	:	Belief in creating meaning in life, despite its inherent purposelessness, futility and meaninglessness
5	Materialistic	:	Belief in amassing material assets
6	Affiliation	:	Belief in relating with people
7	Individualistic	:	Belief in working for self
8	Machiavellian	:	Belief in manipulation for self-aggrandisement
9	Hedonistic	:	Self-indulgence and pleasure seeking
10	Puritanical	:	Self torture and punishment
11	Power orientation	:	Belief in influencing the course of action
12	Achievement	:	Perpetual pursuit and action orientation in order to reach higher and higher goals
13	Entrepreneurial	:	Belief in constant exploration of new possibilities, alternatives and risk-taking
14	Conservative	:	Belief in tradition, <i>status quo</i> and maintenance orientation
15	Modernity	:	Belief in newness and change
16	Democratic	:	Belief in participation, collectivisation, involvement and sharing.
17	Authoritarian	:	Non-sharing of power and authority
18	Sacrifice	:	Transcending self interest for the benefit of others
19	Assertiveness	:	Taking charge of the situation
20	Pragmatic	:	Reality orientation, practical, down to earth
21	Idealistic	:	Belief in upholding the higher principles of life

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Corporate Transformation: Modes and Processes

In Chapters 2 and 3, we made efforts to highlight the magnitude of culture shift and transformation, which took place at various organisational dimensions and levels. In Chapter 3, we also attempted to study the leadership profiles and value predispositions of the transformational leaders. At this stage, one may be tempted to ask such questions as: how was the transformation achieved? what strategies were adopted to manage organisational members' anxieties and fears arising out of the transformational process? what were the basic foci? whether the adopted modes were in congruence with the cultural ethos and imperatives and what were the phases of transformation? In the present chapter, we propose to examine these questions. This chapter has been divided into four parts: Part I examines the concepts of change and transformation; Part II focuses on cultural imperatives for the management of change and transformation; Part III attempts to study the process of transformation adopted in all the five organisations vis-a-vis the cultural dimensions analysed in Part II. This has been done with a view to identifying the extent of the leaders' sensitivity to respond to the above mentioned cultural imperatives. Finally, Part IV delineates the phases of transformation undergone by the organisations across the various change parameters.

PART I

The one permanent certainty in life is the continuity of change. Human and organisational history provides ample testimony to the fact that only those who are most adaptable to change in their context have survived. The systems need for stability and security might make it militate against change to no effect howsoever, since change is a concomitant of the living organism, and not a matter of choice (1, 4, 30).

If change is so intractable, impelling and pervasive, then the only available recourse is to manage it optimally. Avoidance of, and withdrawal from, facing this reality is tantamount to ostrich like behaviour. Needless to say, in the long-term such a style becomes dysfunctional and may pose a threat to one's very survival. Organisations and individuals, therefore, in their own interest must learn to cope effectively with the "permanently convulsive environment"

(36, pp x) which is full of overwhelming shifts in technology, market environment, changing social order, basic assumptions, meaning and values. All these forces subvert many strategic assumptions of even the best run firms (36), and hence there is a compelling need to manage these forces.

The capacity of the organisation to change gears and make a paradigmatic shift depends upon its capacity to continuously "transform". Thus, there is need for a continuous renewal so as to gain an edge over competitors and deal proactively with the environment. An organisation striving for effectiveness and excellence will have to transform itself, re-examine, change and reinforce values, plan requisite goals, and strategies. These modes help the organisation in optimising organisational resources and increasing human satisfaction.

We should like to point out that there is no short-cut to do this but to cope effectively with change and thereby continue to be excellent. In fact, one thinker (36) adopts a radical posture when he says that one has to change because increasingly the very survival of institutions is at stake. According to him: "some firms are already beyond rescue; they are organisational dinosaurs". Organisations must revamp themselves or "they will become exhibits in the museum of corporate dinosaurs" (36).

Management scientists and scholars have differentiated organisational change into two broad types. Table 1 lists the classification put forth by various authors which we have broadly categorised into two classes— (a) change and (b) transformation.

Table 1: Classification of Change and Transformation Concepts

<i>Author</i>	<i>(a) Change</i>	<i>(b) Transformation</i>
Lindblom (59)	Branch change	Root change
Griener (72)	Evolutionary change	Revolutionary change
Grabow & Heskin (73)	Rational change	Radical change
Slater (74)	Superficial change	Real change
Watzlawick, Weakland and Fisch (74)	First order change	Second order change
Levy	First order change	Second order change
Golembiewski Billingsley and Yeager (76)	Alpha change	Gamma change
Hernes (76)	Transition	Transformational
Kindler (79)	Incremental change	Transformational
Meyerson and Martin (87)	Incremental change	Revolutionary change
Sheldon (80)	Normal change	Paradigm change
Fry and Srivastava (88)	Novelty	Transition
Tushman <i>et al</i> (86)	Incremental change	Discontinuous/frame breaking change

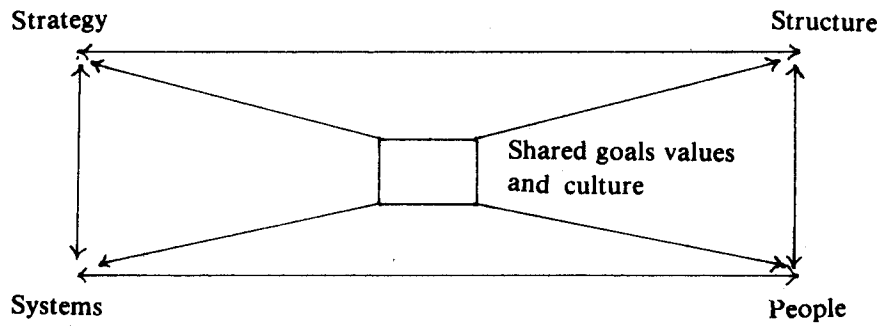
The concepts listed under the former category refer to only limited, incremental change efforts or changes on single organisational dimensions. In a way, these are minor changes that the organisation routinely adopts in response to internal and external environmental pressures. These changes tend

to be cosmetic in nature. In contrast, the second category—transformation focuses on fundamental, holistic and multiple changes on multiple dimensions, at multiple levels, occurring more or less simultaneously. Transformation thus encompasses incremental changes as well.

The above discussion makes it evident that transformation is a holistic phenomenon as opposed to incremental change. In order to achieve transformation, therefore, the focus ought to be on a shift on all the organisational dimensions— the strategy, structure, systems, people, shared goals, values, and culture.

Diagram 1 depicts the various organisational parameters and the linkages among them.

Diagram 1



The direction and quantum of change as well as the mode and order of change introduction will vary according to the organisational context, stage of growth, and its cultural milieu. The strategy of transformation which is functional in one organisation can be counter productive if applied blindly in an organisation operating in a different context and culture. However, we do not suggest that there can be no commonality in the process of transformation across organisations and cultures. We are simply highlighting the dysfunctionality of blind duplication of change strategies, besides also emphasising the need to be sensitive to the cultural nuances of the organisation with a view to adopting a judicious mix of strategies for its transformation. We strongly believe that, by and large, effective change strategies and processes are culture-specific. Viewed in this perspective, we now propose to examine certain cultural imperatives operating in the Indian society. This will help highlight the implications of cultural imperatives for the management of change.

PART II

At this juncture, it would be appropriate to mention the experiences of change introduction in a tribal belt of Papua, New Guinea. Perhaps this would be the best way to highlight the need to take cognisance of the cultural parameters before initiating any change effort. In the 1960s, the World Bank initiated a house building programme in Papua, New Guinea, as part of its

developmental effort in the third world. The scheme essentially consisted of giving financial assistance for building houses. When the scheme was first announced, many people came forward to take advantage of the scheme. However, when the scheme was announced a second time, there were not many takers. The World Bank team was taken aback by this unexpected behaviour and wanted to find out the reasons for the same. In the course of investigations, it was revealed that the tribal society of Papua, New Guinea subscribed to a peculiar cultural norm— as soon as a man had a house, his relatives had a right to live there. The tribals who had benefited by the World Bank aid found to their dismay that they had not only to house the relatives, but also to bear the responsibility of feeding them. This created tremendous hardship to house owners and hence the poor response encountered in phase II.

Another key change pre-requisite for successful transformation is illustrated through a second example: This is the story of the marketing efforts of a tractor company in influencing the buying behaviour of farmers in the eastern part of U.P., India. The company found that although the farmers had the purchasing power and understood the benefits of buying a tractor, none of them ventured to do so. The company finally hired one of the authors as consultant to probe the reasons. Interviews with the farmers were very revealing. They said: “How can we buy tractors when the *thakur* of our village does not have one? It will be a direct insult to him”. This starkly brings out the fact that change can start only by first persuading the informal leadership and winning their acceptance and cooperation. No organisation can afford to ignore informal opinion leaders if transformation has to be brought about. This experience aptly brings out the importance of developing sensitivity to the broad cultural parameters, before successfully implementing any transformation. In other words, the change and transformational strategies need to be built in tune with the cultural demands and imperatives.

In order to understand whether the transformation strategies in the selected cases were aligned with the cultural imperatives operating in India, it is important to first explore the elements of our culture. Since the cultural properties of a society significantly influence the psycho-social profile of human beings, it would be appropriate to directly examine the prevailing psycho-social response patterns in the Indian society.

We attempt to analyse the socio-cultural network, life styles, and values of Indians and the relevance of such traits to the prevailing organisational ethos and management systems, highlighting the issues which could be critical for organisation building and initiation of change efforts. The endeavour is to focus only on a few pertinent cultural components. In the process of weaving a mosaic out of the available observations and ideas, some strands are bound to be missed, and the “jump” from micro to macro levels of analyses and vice versa might result in some erroneous generalisations. However, if in this process, a few useful insights are generated, it will help achieve a worthwhile analysis.

Six cultural components have been identified in this chapter and the dominant values emerging from them have been enumerated. The consequences of these values on subsequent psyche manifestations in the work place and their impact on organisational processes and systems have been discussed. Finally, the implications of the above for management of change and transformation have been examined.

1. Karta

The *Karta* is one of the earliest and strongest socialisation experiences of the Indian child. It is the nurturing, caring, dependable, sacrificing, yet demanding, authoritative and strict dimensions of the father figure which an Indian learns to value and look for in life. An index of the influence of the father is highlighted by the fact that his ultimate authority even for major life decisions (regarding branch of education, type of work, and the person one marries) are accepted by the son [(a)]: Thus, by behaviour and style, the *Karta* normally evokes feelings of security, trust, and dependability through the creation of a *Kutumb* (family) culture. The cumulative life experiences lead the individual to look for a father figure (symbolically speaking) in the work place for empowering, protection, grooming, and development. In return, the individual develops respect for this superior and demonstrates willingness to accept his authority. Given these expectations, Indians can be faced with two kinds of situations in the work place [(b)]: they would either find a superior who, by and large, meets their expectations, or they would find a superior who is low on *Karta* like traits. When there is congruence between expectations and reality, there is a meaningful relationship, trust and acceptance of the superior's managerial actions and the ensuing strategies, systems, and processes. The superior can easily mould, shape and groom the subordinates. On the other hand, when the superior fails to satisfy the *Karta* image expectations, these very positive behaviours may easily turn negative. In the extreme case, there would be outright rejection of the managerial actions—strategies, systems, and processes initiated by the superior for the purpose of introducing organisational change. In fact, such reactions do not stop at the individual level. We have seen such individuals making all out efforts to extend such reactions to the group level, by forming cliques and playing power games. From the above analysis, it is clear that we Indians value the concept of *Karta* very highly, have a high need for empowering, grooming, developing, guidance and protection. These would be best fulfilled in a *Kutumb* culture. While initiating the process of transformation, if these needs are not satisfied, the anxiety levels of organisational members would be phenomenally high. It is no doubt true that initiation of change invariably evokes an anxiety response of varying intensity among people in organisations across most cultures. However, in the Indian context, the magnitude of anxiety tends to be on the higher side. Thus, any change strategy devoid of sensitivity to the above mentioned psycho-components, would result in the non-acceptance, and sometimes even rejection. In order to effectively manage the anxiety levels, the strategy of transformation must emphasise the process

of *Kutumbisation* [(c)] treating all like family members, being accessible, impartial, supportive and protective. Even in the initiation of many changes, paradoxically enough, Indians desire that the process must start, get monitored, and also be continuously reaffirmed from the top. If this is not done, it will be difficult to sustain the processes over a longer time period. This is another important implication for the change process. Many change efforts may fail despite being logically correct in terms of actions taken, if there is lack of active and total involvement of the top. Therefore, the sincerity of the top man and his 'model' behaviour become critical for successful change efforts.

2. Relationship

From an early age, Indians are exposed to warm and close personal relationships with parents, grandparents, siblings, and others. This is so because Indian families are extended families. Over and above this, the Indian child experiences an extended childhood compared to the shorter childhood experienced by children exposed to the western system of child rearing. Given the close physical contact, overwhelming care and inordinate amount of love and concern, primarily from the mother and elders, the intense emotional link with others becomes the core characteristic of the Indian personality profile.

Individuals come to the work place with a strong need to relate with others. When the organisation culture and managerial actions are personalised, relatedness releases positive energies like empathy, intimacy, togetherness, "we" feeling, concern for one another, mutual understanding, and respect. Above all, it generates enormous commitment to the organisational mission and goals.

As opposed to these, when managerial actions are characterised by impersonality, formal role relationships and business like transactions, Indians experience a lack of intimacy. To gratify the need for emotional linkage, they tend to form intensely loyal informal groups, bordering on being highly tribalistic. Such groups invariably indulge in power politics, form associations and unions and get into confrontation, win-lose games and have "we" vs "they" reactions. From the aforesaid analysis, it can be surmised that between the task and personal relationships, Indians tend to value the latter more. In fact, they can go to the extent of sacrificing task interests for personal relationships.

Every change strategy invariably disturbs the well established relational networks in some form or the other. Changes like organisational restructuring upset the prevailing power equilibrium, leading to dislocation of personal relationships. Thus, while introducing change, it would be essential to evolve a process which could compensate for the changed relational balance. This could be achieved by the processes of empowering and *kutumbisation*, since these gratify the feeling-level needs. In this way, the relationships orientation can be positively channellised for organisational change and growth.

3. *Proximity to Power*

The ethos of *Kutumbs* and joint family systems, with their heavy accent on “*Karta*” experiences, generates a unique set of psychological responses among the Indians. The experienced powerlessness (to act independently) and the dependency in childhood and adolescence result in people placing a high value on the power source as well as a need to be close to the power source. Such a power source is idealised and invested with heroic dimensions in terms of capacity and action. Indians learn to conform and also try to achieve proximity to power. Viewed in this perspective, any change strategy distancing organisational members from the power source is bound to create a feeling of powerlessness and helplessness. Such feelings would result in alienation formation and strengthening of informal cliques, non co-operation and outright rejection of organisational efforts for initiating and implementing change. In some organisations we have observed that the non-co-operation, and the need to reduce power distancing, lead to sabotage of the organisational plans, albeit both covertly and overtly [(d)]. In order to ward off the potential dysfunctionality, the leader must reach out to the people, be accessible, consult, discuss, and share personally his intentions, encourage participation, and thus mobilise their active support and co-operation. Thus, while initiating change, the process of participation and consultation, collectivisation and team work, assume greater significance in order to satisfy the need for proximity to power.

4. *Security*

The *Kutumb* system and the early parent-child relations are so protection oriented that Indians grow up with the belief that it is better to be safe and secure than venture out, confront, and court danger and risk. This experience from childhood gives Indians very little opportunity to do any kind of reality testing, experimentation and confrontation with the environment. The result is a shaky, untested sense of self-esteem and self-confidence. This personality dimension predisposes people to outrightly reject any change without prior examination and/or experimentation with the proposed ideas. In other words, change activates fear and anxiety, resulting in a mental block in accepting the same. Therefore, change must be characterised by a process which would reduce anxiety, fear, minimise the sense of (frequently imaginary) loss of power and ensure that failures emanating out of risk-taking, if any, will be supported rather than penalised. This can be done, as mentioned earlier, by psychological support, reaffirmation, empowering attitude, and through the process of collectivisation and *kutumbisation*.

5. *Simple living and high thinking*

This value dimension is deeply embedded in the Indian psyche. It is exemplified by the fact that the Indian has more reverence for saints and ‘naked fakirs’ than kings and emperors. The former, with their simplicity of personal life style and richness of inner life, evoke respect much more

than the latter with their power and wealth. A dramatic illustration of this cultural imperative in recent times is Mahatma Gandhi who could unify and organise the diverse masses. Living by ideals is thus the value which is most cherished by people at large, and they desire to see these values more in their leaders, although they themselves may not necessarily practice them. In order to take care of the above, the change process must be characterised by role modelling, sincerity, and commitment on the part of the top management, and consistency between precept and practice. A closer examination of failure of change efforts in many organisations reveal that this aspect was not adequately managed by the leader.

6. *Survival*

Indians have immense faith in luck and fate and also in past *Karma*— they believe that their destiny is significantly governed by these two. Therefore, there is a tendency to under value the power of human endeavour to change one's destiny in the present life. Consequently, Indians tend to be satisfied and contented with whatever they get, rather than making efforts to get more. Because of this, it is difficult to find a spirit of survival with excellence. The absence of this spirit has led to an orientation to perpetuate and maintain the *status quo*, rather than making efforts to explore the possibilities of innovation and change.

Faith in luck, fate and Karma are deep-rooted beliefs and that is why, in the Indian context, introducing changes and getting them accepted by people is a Herculean task. Viewed thus, it becomes obvious that it is not only a matter of initiating change, but also one of sustaining it through constant monitoring and pushing. In the Indian context, therefore, the management will have to play not only the role of a thinker but equally the role of a doer, meaning thereby getting closely associated with the implementation phase of change too.

The above analysis also indicates the stance of this work on organisational culture. We believe that the organisations are embedded in a culture where certain values, beliefs, symbols, and rituals have a unique meaning. Given this fact, successful organisational transformation is possible when the shifts are around these culturally prescribed values, beliefs, and norms, and expressed through the symbols and rituals which the culture possesses. Thus, in order that organisational transformation be effected, there is a need to go about it by seeking to devise modes of change and meaning, centering around the values and beliefs which exist in the culture. The next part examines the way in which this has been brought about by the five chief executives that we have studied.

PART III

In the five cases presented in Chapter II, transformation has been achieved by bringing requisite amounts of shifts at the level of systems, structure, strategy, people, culture, ethos, and values. While acknowledging the importance of various shifts at these levels, in this part, we focus on the modes

and processes by which change has been brought about in these five cases. Many times, it so happens that while the various change alternatives appear to be appropriate in a linear sense, when and how these are implemented is not adequately taken care of.

As a result, the best of strategic, structural, and systemic level changes may not yield the desired quantum of results. Enough has been written about strategy, structure, systems, and people by management specialists. An examination of the research output indicates that the preponderant change process effort has an OD orientation, where external change-agents use various methods, such as survey feedback, MbO, action research, process consultancy, training and team-building to achieve organisational change and transformation (3, 6, 8, 15, 20, 22, 25, 26, 27, 29, 32, 34, 35). Not much has however been written about the mode of achieving transformation utilised by chief executives (barring some works— 12, 14, 17, 28).

We now propose to examine in detail the process of transformation adopted by the chief executives in the five selected organisations. Table 2 depicts the various processes utilised in the five organisations. An analysis of this table reveals that certain processes have been dominantly used by all the five organisations for achieving transformation. They are: sincerity of the top man, modelling behaviour, *kutumbisation*, participation, empowering, support and collectivisation, and team work. Closer scrutiny of these processes indicates that the processes of empowering, participation and collectivisation constitute the critical aspects of *kutumbisation*.

Table 2 presents the modes of change adopted by all the five organisations under study. An analysis of this table reveals that overall 18 different modes have been utilised to initiate and sustain transformation. Out of the 18 modes, sincerity of the top man, modelling behaviour, *kutumbisation*, participation, empowering/support, and collectivisation have been used by all the five organisations. However, there are certain modes of change which have been used only by some of the organisations, and some modes have been unique to single organisations. For instance, mass education and third party intervention have been utilised in IFFCO—Phulpur, MMTC, and NFL. Generation of a sense of purpose and meaning have been utilised by IFFCO—Phulpur, and Pench. Novelty coupled with continuity has been unique to NFL, MMTC, and TISCO. Touching the ego through challenge has been characteristic of IFFCO—Phulpur, and Pench. Systematic inquiry is unique to NFL, equal partnership between the management and union, and trust and confidence to Pench, while power equalisation sustaining through reaffirmation and reinforcement and non threatening have been exclusively used in IFFCO—Phulpur.

After going through the various modes and processes of change in the five organisations, one may like to ask:

- (a) what are these modes and their distinctive characteristics?
- (b) how have they been put into action?
- (c) what have been their psychological foci?

In an attempt to deal with these questions, the 18 modes have been examined and described in detail.

**Table 2: Modes used for Initiating and Sustaining Change
(In the Five Selected Organisations)**

<i>Modes [(e)]</i>	<i>IFFCO Phulpur</i>	<i>WCL Pench</i>	<i>NFL</i>	<i>MMTC</i>	<i>TISCO</i>
1. Sincerity of the Top Man	—/	—/	—/	—/	—/
2. <i>Kutumbisation</i>	—/	—/	—/	—/	—/
3. Consultation and Participation	—/	—/	—/	—/	—/
4. Collectivisation and Team Work	—/	—/	—/	—/	—/
5. Empowering and Supportive	—/	—/	—/	—/	—/
6. Modelling Behaviour	—/	—/	—/	—/	—/
7. Novelty coupled with Continuity	—	—/	—/	—/	—/
8. Mass Education	—/	—	—/	—/	—
9. Third Party Intervention	—/	—	—/	—/	—
10. Ego through Challenge	—/	—	—	—	—
11. Creating Hopes and a Sense of Purpose	—/	—/	—	—	—
12. Close Monitoring	—	—/	—/	—	—
13. Power Equalisation	—/	—	—	—	—
14. Equal Partnership and Union Collaboration	—	—/	—	—	—
15. Systematic Enquiry	—	—	—/	—	—
16. Trust and Confidence	—	—/	—	—	—
17. Sustaining through continuous Reaffirmation and Reinforcement	—/	—	—	—	—
18. Non-threatening	—/	—	—	—	—

(1) Sincerity of the Top Man

Change efforts have been supported and sustained very strongly and effectively by the sincerity shown by the chief executive to both individual and organisational growth and development. This helped in setting the tone for initiating organisational transformation. All the five leaders have been hard working, tirelessly slogging for the betterment of the organisation and people. They have all stretched themselves for the organisational well-being, and have given people all the time which they had at their disposal, rarely segregating work and home life. They have all been very patient listeners, sympathetic about people's problems and have tried to help in solving them. The leaders have introduced equity, fairness and justice. Thus, the same set of rules of behaviour apply to all members as well as to the leaders themselves. None displayed any selfish motives and personal interests, either by siding with any clique or factions or by using the ploy of divide and rule. If at all

they tilted towards any member, it was purely on the basis of merit and no other consideration. This measure of impartiality convinced people that the chief executive is sincere and committed to the organisation as a whole and not to any interest group. In fact, in IFFCO—Phulpur, and NFL, the leaders have gone to such lengths as not to give (sometimes rightful) rewards to people generally perceived to be close to them, for fear that it might be misconstrued as a sign of partiality. None of the leaders have allowed the non-work level relationships with organisational members (e.g. playing in the club) to interfere with the work-level relations. Their practice of going around the plants/mines, asking questions and listening to people down to the lowest rung of the hierarchy convinced people that the chief executive is genuinely interested in improving the working of the organisation.

(2) *Kutumbisation*

All the five leaders have put in enormous efforts to instil among the organisational members a feeling of belonging and identification with the respective organisations. This was achieved through the process of kutumbisation. It is a sense of family, not in terms of blood ties, but more in terms of the emotional linkages and bonding, which helps inculcate a sense of belonging and identification. The feeling of family (*kutumb*) has been generated in a number of ways, appropriate to the circumstance of each organisation. There have, however, been certain common features across the organisations. These are impartiality, accessibility, concern for the quality of life, socialising, grooming, and developing.

(a) *Impartiality*

At no point have the leaders displayed any weakness or soft corner for people on the grounds of caste, community or region. They have all started by displaying an impartial image without taking sides, being above power politics and petty intrigues. Raghavan was careful not to bring any South Indians with him when he joined MMTC. In MMTC, when employees 'x' came up to Raghavan with stories and accusations against employee 'y', his style was to say: "Let's call 'y' too and discuss". In NFL, people said: "Jain makes it evident that he is open for discussions, but there is a clear boundary when anyone tries to accuse or backbite". In the situation of inter-unit disparities which existed in NFL, Jain has been very careful to make equal number of visits to all units, lest one unit is perceived to be singled out for special attention by the others. In IFFCO—Phulpur, people said about Sharma: "when it comes to the task, even people he himself had chosen are not spared if something goes wrong". In TISCO, Mody's image is that of a highly cosmopolitan person much above considerations of caste, community, and region. Interestingly enough, people have told us that most of his intimate friends are non-Parsis. All the five leaders have not allowed personal likes and dislikes to influence their task behaviour: For instance, in MMTC, Raghavan selected directors based on their capacity to show results, and not on his personal likes and dislikes: "I need organisational loyalty, not personal loyalty", was his dictum.

In all the five organisations, the vertical growth of individuals has been linked with their merit and capability to produce results, rather than based on their association with the leaders. In fact, people perceived as close associates of the leaders, contrary to the expectations of others, did not get undue favours from the leaders. All the five leaders were very conscious of their image (of impartiality) and did try to project a “*Dharmaraja-like*” image through their actions and behaviour.

(b) Accessibility

Being open, available, and accessible to all people has been the hallmark of the transformational leaders’ behaviour. Leaders have disarmed employees, especially at the workers’ level, by their capacity to relate with them, listen attentively, and try to help them not only on work but also at the personal level. Each of the leaders has practised an open-door and an open-house policy. The open-door policy has been institutionalised by allocating a fixed number of hours every day for meeting the employees, looking into their grievances, and solving their problems. This has not only provided forums for sharing and interaction, but has also acted like a safety valve for people to give vent to their anger, frustrations and conflicts. This has also been an important way of feeling the pulse of the organisation to get new ideas (Raghavan, Mody). In TISCO, Russi Mody has the reputation of being available for any problem at any time. The workers said: “Whether it is for educational, medical or any other form of help, whoever has gone to him has never come back empty handed”. Throughout the history of Mody’s regime, whenever any problem, especially of human relations, cropped up, he is known to have worked day and night consulting, discussing, and solving the problem. Some of the workers told us that not only does Mody attentively listen when problems are presented, but also gives a prompt reply either one way or the other. Even when the replies have been negative, to our surprise we found that the concerned workers took it sportingly. In fact, they were very thrilled to see that the M.D. of the company had found time to write to them. People from the units of NFL say that any time they go to the corporate office on some work, if Jain is available, he is glad to see them. Sinha’s reputations is such that all people feel free to go to him and share their problems because—“at least he listens at any odd hour”. Sharma had made himself available even after office hours and people used to approach him at his house with their problems. People have said that even if his car is stopped by a sweeper, he will stop and listen.

(c) Concern for the quality of life

All the five leaders have displayed an intense desire to improve the quality of life of their people. To the best of their ability, they have sought to improve both work and non-work life. All have encouraged sports, cultural activities and festivals, in which they themselves actively participated. Mody is known to have provided these facilities and played games himself along with workers in his younger days. At Pench, Sinha got five play grounds and a stadium built. Besides, at Pench they have hosted a number of national-level football

and cricket tournaments. In the case of NFL, IFFCO—Phulpur, and TISCO, the quality of life in terms of good ecological environment has been focused. In Pench, where even the basic amenities of life, such as water, sanitation, electricity, decent housing, etc, were at one time unavailable, have been vastly improved. In fact, when Sinha went around the mines and colonies on his first visit, he immediately started saying: “You must build a play ground at so and so spot”, “organise for drinking water at such and such place”. This reflected his concern to improve the quality of life. Mody said: “I think my people should get better and better and more and more”. Raghavan said: “My people deserve a good quality of life”. The concern for people for their own organisations has reinforced the feeling of family, generated a sense of kinship, increased mutual trust and strengthened the bonds of liking among the people.

(d) Socialising

Whether it is a pooja, a marriage, a death, all the five leaders certainly made it a point to pay a visit. They are informal, laughing, joking, talking with all and are very comfortable playing with children. They have radiated an immense amount of feeling, cutting across all barriers of hierarchy. People spoke of them as “our *saheb*”. At every opportunity to address the people, they have spoken to reaffirm basic values of the company and make contact with the people. Raghavan surprised the MMTC staff by walking around the office and talking to all levels of people. At NFL, whenever Jain visits a plant, as he walks around, he shakes hands with all the people present, making no distinctions of any kind. At every visit, get-togethers with different levels of officers over lunch or tea are called for by him. When invited for a programme by union members, he makes it a point to attend. At Pench, Sinha organised the “*Bara Khana*” which was served on “*pattas*” in the traditional Indian style. Both Mody and Sharma never hesitated to walk across to the workers at tea break and have tea and “*samosas*” with them. By participating in social functions, in sports and cultural activities along with the employees and their families, a sense of belonging and a feeling of community have been generated in all the organisations studied.

(e) Grooming

None of the leaders eroded the authority and position of the existing people. The second line was given full freedom and responsibility. The only questions asked of them were: “Are you satisfied with your performance? Can we do anything for you?” In MMTC, bright young talent was sent abroad with the seniors to observe the art of trade negotiation in person. In TISCO, mature talent was branched off to head small companies. According to Mody: “One of the reasons for the take-over of many companies has been to provide growth opportunities for bright and capable people, who would have stagnated with no growth opportunities, if all had to continue in TISCO itself”. Thus, in TISCO, Mody has not only afforded people in general the scope for growth, but he has also groomed at least a dozen talented people to be leaders of men.

Through their sense of impartiality, openness and accessibility, concern for the total quality of life of the people, interacting, mingling, and socialising with employees and their family members, their concern for people first and then the task, transformational leaders have created a sense of *kutumb*. Thus, the peoples' need to belong, be part of a community, have relationships, feel secure and cared for were met through the process of *kutumbisation*. All the interviewed people expressed their feeling of pride to belong to their respective organisations.

(3) Consultation and Participation

This is another mode which has been commonly utilised across all the five organisations. The transformational leaders have used consultation and participation for the purpose of (a) problem identification, (b) generation of new ideas and solutions, (c) decision-making, and (d) sharing. The mode basically consists of including as many levels down the line as possible, depending upon the purpose for which this is being done. For instance, in MMTC, and TISCO, people right up to the lowest managerial level, as well as worker level, are included, when the aim is to share information, get reactions as well as generate new ideas. In NFL, relevant people, right down to workers level, have participated in problem-identification and solution at the shop-floor level. All the companies have instituted task forces for generation of new ideas and problem-solving.

Each organisation has developed its own institutional mechanism to encourage consultation and participation, and in each case this has contributed tremendously towards effecting and enabling change. In IFFCO—Phulpur, Sharma revived the morning meeting of heads of departments. This was found to be a very powerful means of sharing problems and finding solutions, since all the major actors and power-holders met together simultaneously. Both MMTC, and TISCO have the “open-house system”, where anyone can ask any questions and he has to get the reply from the top management. This has helped tremendously in giving a feeling of participation to people down the line. Many new ideas emanated from such meetings and were subsequently utilised. NFL introduced a series of review meetings—quarterly performance review of pollution, safety, etc.—and successfully used them for problem identification and solution, in improving production, and energy conservation. The ‘*Samanvaya Samithi*’ constituting both management and multiple union representatives has been utilised in Pench to help improve production.

IFFCO—Phulpur, MMTC, NFL, TISCO, and Pench have extensively utilised task forces and committee systems at various levels. In fact, at NFL, task forces and committees have been formed across units, within each unit and at the shop-floor level. These mechanisms for encouraging consultation and participation have helped pool idea, knowledge and talents. The outcome and decisions have made a tangible impact on the improvement of organisational performance. This mode has helped the change process by reducing uncertainty, increasing the feeling of involvement, sense of control, and by contributing to increasing the sense of self esteem.

(4) Collectivisation and Team Work

This mode refers to the “we” feeling, the concern for the organisation, *esprit de corps*, the spirit of working together for a common goal and cause as one man. It is an outcome of many organisational factors. Consultation, participation and *kutumbisation* are very important contributory factors towards instilling collectivisation and team feeling. It may be best exemplified by some analogies— (a) all the soldiers hear the beat of the drum and march to the tune in a given direction; (b) it is like an orchestra — all the members play different instruments yet all play the same tune. Looked at this way, all the five organisations have quite successfully utilised this mode for bringing about change. The encouragement of collectivisation and team work has contributed to the generation of synergy, as well as a unified approach and perspective regarding the organisation, its various problems, and action plans. There is mutual reliance, help and dependence, and the ultimate result is speed and high quality outcome for the organisation.

All the five organisations have ample examples of how the team spirit helped them move from one level to another. In Pench, this spirit helped make every employees search for potential coal-bearing areas. The feeling was so high that all the union leaders collectively decided not to go on strike for eight months. In many of the collieries, the workers said: “Don’t worry *saheb*, we will first do the work and then protest for our demands”. In IFFCO— Phulpur, the team spirit and morale of the officers helped them to take a common stand, to restart the plant and run it for 15 days during a strike. In NFL, despite the fact that there are three sister units, mutual undercutting is absent today. In fact, they share knowledge, expertise, and help each other. Each unit disseminates its knowledge and knowhow to the other units. A reflection of the team spirit is the attitude to decision-making. One of the middle-level managers said: “there is dissension and disagreement until a decision is taken; once it is taken, however, we operate as one”. Another example is the way in which each unit helped the new unit at Vijaipur in sending good manpower. In MMTC, the team spirit may be illustrated by a statement made in relation to the change by one of the managers: “All the MMTC employees rose to the occasion as one man”

(5) Empowering and Supportive

All the five leaders have been highly empowering and supportive to the organisational members. Empowering and support basically refer to the mode of encouraging people to plunge ahead, make decisions, allowing them to experiment with new ideas, new ways of doing things— of course, with the intention of improving the efficiency and effectiveness of the organisation. “Go ahead, take the risk, the responsibility is mine”, has been the attitude, by and large. In IFFCO— Phulpur, Sharma told the managers: “If you can’t face a worker for the decisions you had taken, tell him I instructed you to do so. It is my responsibility. I will face it... at worst I will resign”. Besides, there is the attitude of, by and large, not eroding anybody’s authority. The focus is on the positive rather than the negative. It makes all the difference

whether one is considered to be innocent until proved guilty or guilty until proved innocent. Regarding Raghavan, it is said: "He tells us how to do something, not how not to do it. He does not indulge in fault-finding". None of the leaders bother about minor details. Their focus is more on the macro, and the orientation is: "Are you happy with your performance? do you need any help?" This mode is reinforced and supported by an important managerial style— that of non-punitiveness in the event of a mistake or error, provided one has acted in good faith and to the extent of one's own ability. Additionally, the stance against errors is not "you have made a mistake" rather, it is "we have made a mistake". This mode is also made operational by investing a lot of trust, faith, and confidence in people, rather than evoking fear and suspicion. Leaders make this patently clear by their behaviour. This stance encourages people to stick their necks out, instead of being paralysed by the fear of not making mistakes. In MMTC, people said: "We are enthusiastic to sort out problems, which come in the way of change because Raghavan is so supportive. Empowering and support, trust and non-punitive attitudes result in the creation of a non-threatening environment. This helps reduce anxiety, increase security and confidence, and encourages people to accept change and actively participate in it."

(6) Modelling Behaviour

Literally speaking, it means the introduction of change and influencing others through one's own behaviour. Here, the leader influences others by influencing himself and controlling himself first. He practices what he preaches, he expects from others what he himself is ready to do. He demonstrates a high degree of sincerity and commitment. This mode of influencing and bringing about change has been utilised by all the five leaders. All the five have demonstrated their commitment and sincerity by being available and open to all. They set aside time every day to meet people, even at their homes in the evenings. Whenever there is a problem, an accident, a death, all the five are the first to reach the site— for instance, Sharma would rush to the plant in the event of a breakdown, sometimes twice or even thrice in the night. All five worked tirelessly for their organisations— Jain travels even on holidays to the units, so that no work days are wasted. All were known to tighten their belts for the sake of their organisations— they have demonstrated an extraordinary simplicity in needs and life style. They have set certain standards and norms of behaviour. In IFFCO— Phulpur, uniform rules were made for officers and workers— on punching of cards at the gate, on eating subsidised food but not carrying it home, and not taking vehicles up to the plant. On each matter, however, the GM was the first to set the trend and only then did he expect the same from the others. All the five gave the slogan of meeting and mixing with people and they were the first to do this and demonstrate.

All have been above corruption and self gain. Very clearly their commitment is the betterment of the organisation and the well being of people. All the five have been 'models' in terms of behaviour. MMTC people were most impressed by the fact that even when Raghavan came back from

trips abroad, his suitcase was not locked. At IFFCO— Phulpur, Sharma's capacity to travel by bus to Allahabad standing, if no vacant seat was available; Jain, by his carrying a simple meal from home; Mody by the ease with which he can walk into a worker's house; and Sinha by suppressing his ego and in walking into the union offices first.

(7) Novelty Coupled with Continuity

Novelty, or new tasks, activities and systems are introduced without at the same time disrupting many earlier modes and beliefs. Thus, there is an element of continuity into which some new perspectives and ways are introduced. People are not made to feel that whatever happened earlier was no good and, therefore, there must be change. There is a reaffirmation, not undermining of the past, as well as introduction of novelty. Rather, people are made to feel that what happened earlier was appropriate in the earlier situation, but now some new things have also to be introduced, appropriate to the present requirements. This mode has been utilised in all the organisations studied. None of the leaders brought in examples from earlier companies— “when I was in.”. None criticised or denigrated the past—after all, the very same people had been there earlier as well. Novel ways were introduced not after criticising the earlier situation, but linking them with outcomes in the future. This mode has the important advantage of reassuring people, and gradually getting them to accept the changes and voluntarily see the need for change. In this way, there is very low rejection of changes.

(8) Mass Education

This mode for change focuses on generating a large-scale awareness through refresher courses and re-education. MMTC, NFL, TISCO, and IFFCO— Phulpur, were the four companies which witnessed large-scale exposure of employees to refresher courses and in-company programmes. Education also took other forms— in NFL, the union leaders were taught to read the balance sheet, while the support staff underwent secretarial courses. On the technical side, people visited across-units and across-organisations to understand how a specific problem is being handled by their counterparts. In MMTC, younger people were sent abroad along with seniors to learn how to negotiate. In IFFCO—Phulpur, team building and managerial effectiveness programmes were conducted across the entire unit to give a common perspective and understanding. Overall, the aim of mass education has been to provide *en masse*, fresh thinking and new ideas to help reduce sluggish attitudes. This mode also contributed to reduce resistance to change, as it gave a common meaning, making change a norm rather than an exception.

(9) Third Party Intervention

This mode refers, by and large, to the use of consultants in technical and management streams to contribute to the diagnosis and change process in the organisation. Three leaders have used this mode extensively— Raghavan, Sharma, and Jain. In MMTC, Raghavan utilised IIMA, and ASCI for

management consultancy. An IIM team was sent to study the export houses of Japan. Sharma, at IFFCO— Phulpur, used the services of En Mass Consultants on the technical aspects, and ASCI, for management consultancy. At NFL, *PDIL* and some foreign consultants were used for technical matters, and ASCI for management aspects. All the three expressed the view that on many matters there has been no difference in the diagnosis of problem or solution by consultants vis-a-vis the chief executive's own opinion. However, they felt that using expert opinion on certain matters helped increase acceptance, since it would not be perceived as an imposition from above.

(10) Ego Through Challenge

This mode refers to mobilisation of people by throwing a challenge to their sense of self esteem and ego. This has been utilised by Sharma at IFFCO— Phulpur. Even at the farewell party of the previous GM, Sharma in his speech said: "Some people are trying to destroy this temple"... "We will not allow it". "We can face any challenge", has been his credo; "Be fair and strict with all", "My great desire is to make this plant an industrial *teerth raj*"; "When I go out, I have to hang my head in shame when everyone says that nothing can run in this area" "We will work and show that plants can also run in this area".

(11) Sense of Purpose

Demonstration of a sense of purpose by the chief executive has been an important mode of influencing and bringing about organisational change. This has been utilised equally well by Sharma and Sinha. Both appealed to the national values and higher level values— "We are working for our children, for our nation", "if this place closes down, we managers will get jobs elsewhere but what about you and your children? What will happen to them? Where will they go?" "If this plant runs well it is to our benefit. If it does not, all of us will suffer" "Demands are there but we cannot stop work". The sense of purpose was also demonstrated through their own actions— In Pench area, when Sinha visited even the most difficult underground mines where one has to eat sugar at periodic intervals to be able to breathe; in IFFCO, Phulpur, when Sharma himself visited parts of the plant, where others feared to go, and when he roused the feelings of the surrounding people. At every available opportunity, both the leaders took pains to repeat the slogans and revive the sense of a higher cause in people. This, coupled with the sincerity of the leaders, and their model behaviour helped give people a positive orientation to change.

(12) Monitoring

This basically refers to gauging time requirements for task completion, seeing that people meet the deadlines, checking progress, follow-up and visiting the site. Both Jain at NFL and Sharma at Pench utilised this approach. People said about Jain: "He is very particular about time. He asks us how much time we require to complete a particular task and then expects us to meet

the time deadline". Both are known to visit personally and see for themselves how the work is going on and ask the people involved about the happenings and problems. In one instance of a time-bound activity, although he himself was not in charge, Sinha made it a practice to visit the site for five minutes on his way to the office and for five minutes on the way back home. This automatically signalled to the people that this was an important activity and that it must be taken seriously. Underlying the basic mode of monitoring, however, lies the fact that it conveys a subtle message— that the chief executive cares, he values quality and timeliness of the work done. This fact makes people exert and stretch themselves more.

(13) Power Equalisation

Basically, it refers to the generation of a balance of power between the management and the union. This has been used by one leader— Sharma, at IFFCO— Phulpur. When he took over, the management was demoralised and the union had the upper hand. This imbalance led to an unreasonable union stance, which did not bode well for effective organisational functioning. Sharma felt that fulfilling organisational goals depends upon mutual respect and healthy relations, which were possible only when there was a power balance. He refused to give in to unreasonable union demands. He believed in confronting the issue so that the "headache" is over once and for all rather than lingering on and on. He demonstrated fearlessness by walking in the lonely areas of the plant all by himself, something which did not happen earlier. Importantly, he mobilised the strength of the thousands and lakhs of people in the surrounding areas to counter the force of the hundreds in the plant. He got their support in various ways, and when it came to a confrontation and showdown, the villagers in the surrounding areas stood by him firmly. In fact, when the union leaders *gheraoed* Sharma, the next morning the gang leader was beaten up by the village *mukhias*. This was a real turning point in re-establishing the boundaries and roles of management vis-a-vis the union and the subsequent changes.

(14) Equal Partnership

This mode refers to change by sharing of both power and responsibility with people at the lowest levels— workers and their representatives. People are not only given the feeling that they are equal partners in deciding the fate of the organisation, but are also expected to contribute to its betterment, by their own efforts and hard work. This mode has been used in extreme circumstances in one organisation— Pench area. When Sinha joined, the people of Pench were at the edge of despair, having to accept the fact that there may be gradual closure of the area. One of the important modes of change mobilisation which he utilised was to make warring union leaders sit together and get all of them to collectively identify action plans. This one factor gave a tremendous boost to people's sense of responsibility and ego. Sinha said: "let us decide what to do. You tell me what to do, I am here to help you". The sense of responsibility instilled in people helped

reduce their defences against any rejection of change. They actively participated and themselves were instrumental in bringing about many changes.

(15) Systematic Inquiry

This mode of change refers to the use of systematic and step-by-step questioning. The questions of 'what', 'why', 'why not' and 'how' help put people in a reflective mood, attempting to objectively examine and understand events and actions. Jain used this mode very extensively when he first took charge at NFL. The first question was: "If this plant is designed to produce 100 per cent, then why are we not producing 100 per cent?" This was the starting point for initiating a reflective mood in the top management of NFL. The next critical question referred to evaluation of performance and study of equipment: "Where are the constraints? Let's rectify them". These questions goaded people to introspection and re-examination of data rather than being stuck on the defensive justifying the past. When such questioning was continued for a few months, people got into the groove of critically examining and improving on their own actions. The acceptance of this mode, of course, has been closely related to the fact that the person asking these questions was thorough in his technical knowledge and could perceive the answers to his questions. Thus, people had to be very careful about their facts: "We have to do our homework before meeting Jain". This mode also gave people the feeling that some one really cares and wants to examine problems and solve them and this generated a feeling of safety.

(16) Trust and Confidence

This mode has been used by Sinha in Pench. It refers to the generation of faith in the people, that the leader is interested both in the well being of the people as well as the organisation. Sinha's actions when he joined i.e. visiting the underground mines, approaching the union leaders in their offices, working tirelessly— helped people to develop faith in him. He conveyed interest in the people when he focused on improving the quality of life. As far as the organisation was concerned, people found that he gave on the spot decisions and invited suggestions and information. 'Go ahead and take decisions, the responsibility is mine', has been his style. He kept himself open and highly approachable and accessible. Thus people went up to him with problems, as well as suggestions and information. This impressed people and made them trust him. People found that on many issues he confronted the head office, challenged their decisions and took pains to get decisions which were in favour of Pench. This was all the more significant since he (like others before him), could have got away without virtually doing anything. In fact, he would have had a cosy and comfortable life, if he had done so—something he forsook for the sake of each area and its people. People found that the C.G.M. was taking such pains in exchange for no tangible returns. His behaviour and style helped generate faith, trust and confidence in people and made them willing copartners in the process of transformation.

(17) Sustaining through Continuous Reaffirmation and Reinforcement

This mode was utilised by Sharma in IFFCO— Phulpur. The orientation towards change was sustained within the organisational members in many ways. Continuous dialogues were maintained through the morning meetings. Here anxiety and fear were reduced by getting people to share problems and taking collective action on the problem. He reaffirmed the value for which they were working— “we cannot allow this temple to be destroyed, we will rout all negative forces”. He never missed any opportunity to address people at various levels— whether at a social gathering or a meeting or the inaugural function of a training programme. He kept reminding people, “we are working for our children, for our nation”. “If this plant is closed, we managers will get jobs elsewhere, but what about you— what will happen to you?” This helped reinforce and reaffirm values in people, which helped inspire them to act in the interest of the organisation, rather than wallowing in fear and helplessness. By being accessible to all people he helped diffuse fears and reinforce desired behaviour on an individual and personal basis. Yet another way in which collaboration in change was sustained was through the differential reward pattern— those who worked for the organisational goals were rewarded, while those who did not do so were not rewarded. The lack of reward itself became a punishment.

(18) Non-threatening

This mode has been utilised in one company—IFFCO— Phulpur, by Sharma. Sharma created a non-threatening environment in this unit. As long as people are on the right track, they are confident that they will not be harmed. It is only when some very grave mistake is committed (knowingly) that they are hauled up. In other words, there is a direct link between non performance and threat of repercussions. The sense of threat is also lowered because there is clarity of linkage between performance and reward. Once organisational behaviour is based upon certain norms and criteria rather than whims and fancies, the sense of threat and anxiety goes down drastically. This was the case in IFFCO— Phulpur. Besides this, every effort was made by Sharma to ensure that information came out into the open in the presence of all rather than being hidden. It is when information is hidden that a feeling of insecurity may be generated, since such knowledge is then misused by the kitchen cabinet members. In Phulpur, Sharma neutralised caucus formation and the ensuing doppel-gangers and sychophancy. This helped in reducing threat, anxiety and fear since Sharma made all people feel that they had a direct link with him. He related with all and, by mingling with people, treated people like his family members.

After going through the discussion on the modes of transformation, readers may at this stage like to know the extent of match between these modes and the cultural imperatives. Table 3 presents the modes of transformation, the cultural imperatives and the association between the two. An analysis of this table indicates that the modes as a cluster fulfil all the culture specific demands. Further analysis indicates that the most effective mode (in terms of satisfying the culture specific demands) has been *kutumbisation* (rank-1),

**Table 3: Modes of Transformation Vis-a-Vis
Cultural Imperative Match**

<i>Modes of Transformation</i>	<i>Karta</i>	<i>Relation- ship.</i>	<i>Proximity to power</i>	<i>Security</i>	<i>Simple living and high thinking</i>	<i>Survival</i>	<i>Frequency</i>	<i>Rank</i>
Sincerity of the Top Man	—/	—	—	—/	—/	—	3	4
Kutumbisation	—/	—/	—/	—/	—/	—/	6	1
Consultation and Participation	—/	—/	—/	—/	—	—/	5	2
Collectivization and Team Work	—	—/	—/	—/	—	—/	4	3
Empowering and Supportive	—/	—/	—/	—/	—	—/	5	2
Ego through Challenge	—	—	—	—	—	—	—	—
Mass Education	—	—	—	—/	—	—/	2	5
Third-Party Intervention	—	—	—	—/	—	—/	2	5
Sense of Purpose	—/	—	—	—/	—	—/	3	4
Power Equalisation	—	—	—	—	—	—	—	—
Modelling Behaviour	—/	—/	—	—	—/	—	3	4
Equal Partnership	—	—/	—/	—/	—	—/	4	3
Novelty coupled with Continuity	—	—	—	—/	—	—/	2	5
Systematic Inquiry	—/	—	—	—	—	—	1	6
Monitoring	—/	—	—	—	—	—	1	6
Trust and Confidence	—/	—/	—	—/	—	—/	4	3
Sustaining through continuous Reaffirmation and Reinforcement	—/	—	—/	—	—	—	2	5
Non-threatening	—/	—/	—	—/	—	—/	4	3
	11	7	6	12	3	11		

followed by consultation and participation, and empowering and supportive in both the cases, their rank being 2. These modes are coupled with collectivisation and team work, equal partnership, trust and confidence and non-threatening, all being ranked as number 3. Ego through challenge and power equalisation, however, are two successful modes which are not directly related to the culture specific needs.

Out of the eighteen modes, twelve satisfy the security need, eleven fulfil the *Karta* as well as survival needs, seven the relationship need, six proximity to power, and three simple living and high thinking. It may be worthwhile to mention here that, paradigmatically speaking, transformation *per se* invariably evokes a sense of anxiety and fear, since every transformation necessarily disturbs the existing homeostasis of the relational, security, and survival needs. All the five leaders in our study have been sensitive to the cultural nuances. This is reflected in the fact that they have used modes which are designed to minimise disturbances on these dimensions. Added to this, the selected modes also help in rebuilding the homeostasis on the disturbed need areas.

Anxiety and fear also arise in the absence of the *Karta* figure in the organisation. The presence of the *Karta* reduces anxiety and fear through reassuring, protecting, guiding, grooming and, in general, taking care of the individual in a holistic fashion, focusing on the totality of his life. An analysis of this table indicates that out of 18 modes, eleven respond to the *karta* need, overwhelmingly indicating the match between the cultural demands and transformational modes.

PART IV

As mentioned earlier, the success of transformation does not depend merely on the change package, but is overwhelmingly linked with how it is implemented. For implementation of any transformation, the mode of intervention is critical, since it provides directionality and sharply defines the goals. No transformation can be a one-shot affair. It is a continuous process encompassing many phases, each phase having its own unique focus. This part of the chapter examines the above mentioned issues, change dimensions, and phases. Table 4 contains the highlights of the various steps in organisational transformation which the five selected organisations have undergone. Seven organisational dimensions have been identified and the changes have been described. Given below is a detailed description.

A. Strategic Content Issue

The strategic content issue basically started off with the acceptance and recognition of the fact that the company was showing suboptimal or poor performance, rather than justifying the poor performance by putting the blame on others. All the five leaders have done this at the earliest instance (phase 1). Recognition of this reality gave way to the identification (especially in a desperate situation) of short-term performance goals which could show quick results (phase 2). As work on this phase progressed, efforts were made to move on to the next phase, that of developing broad strategies for optimisation of both short and long-term goals around the business, structure, systems and processes (phase 3). This then gave way to phase 4, namely, the designing of appropriate structure, evolving systems and improving processes to support the broad strategy for achievement of organisational

Table 4: Steps in Organisational Transformation

Dimensions	Phases				
	Phase I	Phase II	Phase III	Phase IV	Phase V
A. Strategic content issue	Suboptimal/poor performance	Identification of short-term performance goal/goals	Developing strategy for optimisation of short and long-term goals	Designing structure/evolving systems/improving process consistent with strategy	Sharing and discussion of strategy with the larger community
B. Organisational response	Dissonance, discomfort, incredulity	Reflection and re-examination	Collective evaluation of ideas	Acceptance of meaning	Mass commitment
C. Power balance	Anxiety and fear	Realignment of power equation (by members)	New power balance (by chief executive)	Creation of new hopes and vision for all members	Chanellisation of synergy through collectivisation and <i>kutumbisation</i>
D. Relationships	Redefining relationships (of leader and led)	Managing loss of power through empowering	Team building and collectivisation	Kutumbisation (Intra-organisation)	Integration with community and nation
E. Style of Chief Executive	1 Listener	Diagnostician	Mobiliser	Pace Setter	Karta (Coach and developer)
	2 Thinker	Planner	Helper	Visionary	Philosopher
	3 Explorer	Sensor	Meaning giver	Pusher/Chaser	Reinforcer
F. Focus (a) (b)	People Individual	Process Group	Systems Inter group	Structure Organisation	Strategy Nation
G. Process of intervention	Rapport and credibility building	Reality testing and sensing	Road mapping and meaning giving	Evolving action plan (Collective)	Implementation and reinforcement

goals. The type and speed of change were determined by the extant stage of the organisation. Phase 5 focused exclusively on sharing and discussion of the strategy and action plans with the larger organisational community. In all the phases, however, there was a continuous involvement of the top management team, right from problem-sensing to sharing and discussion of strategy with the larger community.

B. Organisational Response

In response to the chief executive's perspective speech, delineating the organisational aims and vision began at the first phase and was invariably characterised by dissonance, discomfort, and incredulity (phase 1).² In fact, it has been hypothesised that the introduction of change is resisted because it affects the need satisfaction of people in the context of the changed power balance and redefinition of relationships (2, 5, 23). This generates resistance to change, which is a general response to any change intervention. There was incredulity because the various goals and aims which the chief executive talked about tended to be too high-sounding and far-fetched from the vantage point of individuals within the organisation. The mixed feelings within the individuals gradually gave way to reflection, re-examination and a fresh look at the organisation from the chief executive's view point. The actions taken on other fronts especially to empower people and introduce *kutumbisation* helped in need fulfilment and a positive orientation to change (phase 2). This individual level introspection then moved into phase 3— collective discussion and evaluation of the ideas. Phase 4 became operational with the growing acceptance of the meaning created by the chief executive both by his words and actions. The growing acceptance got converted into a wave of mass commitment in phase 5.

C. Power Balance

Every organisation develops its own power dynamics around the distribution of authority. Often power centres around personalities and creates a strong nexus, which is difficult to break. It is important to modify this nexus for the purpose of transformation. The *status quo* builds a measure of security; people develop their network of relationships and know that when in trouble they can fall back on them. Therefore, the first portent of shift in the power network created anxiety and fear in the people which constituted phase 1. This phase slid into phase 2, where organisational members either realigned themselves around the new power-holders or strengthened the existing power network. This was done in order to reduce the sense of threat anxiety and fear of being affected by the impending change. The transformational leaders created a new power ethos encompassing all divisions, functions, departments and people (phase 3). This they achieved by not taking sides with any of the existing power networks, or giving undue importance to organisational tribal chiefs. This stance helped in energising all people by reducing their fear of being personally affected. There was a creation of new hopes and vision, in which almost every member felt that his importance was reinforced and his security was assured (phase 4). Finally, in phase 5, there was channellisation of the collective synergy into desired activities through *kutumbisation* and collectivisation.

D. Key Relationships

One of the first tasks taken on by the leaders we have studied was to redefine the nature or relationship between the leader and the led (phase 1). The inevitable loss of power which cropped up was managed by the leader through empowering and supportive behaviour with all, especially the neglected strata in the organisation (phase 2). In phase 3, there was a distinct move towards team building and collectivisation to increase the feeling of oneness, togetherness and a sense of mutuality. This was followed by *kutumbisation* (phase 4) or building the sense of family within the organisation, including total life aspects— a sense of belonging, identification and pride in the organisation with the chief executive as *Karta*. In phase 5, there was an extension of the relationship linkage to the surrounding community and nation through various welfare activities.

E. Style of the Chief Executive

It would be appropriate to mention here that the success or failure of transformation strategy depends significantly on the style of the chief executive and hence its criticality.

- (i) In our cases, the leaders started their change strategy by being good listeners (phase 1). This strategy helped them enormously in bringing down the level of anxiety and fear besides helping in problem diagnosis (phase 2). After this, the leaders tried to mobilise the masses through the creation of a new vision and meaning (phase 3). This generated a tremendous sense of enthusiasm and hope among the people. The fourth phase was characterised by setting the pace of work—timeliness, quality etc, followed by *Karta*-like behaviour—grooming, guiding, developing, etc. (phase 5).
- (ii) Our leaders took on various roles in the transformation process— starting with thinker, (phase 1), moving along to planner (phase 2), then helper (phase 3), visionary (phase 4), and philosopher (phase 5). In other words, they started as the 'idea-man', followed by working out plans to tackle the problem. Next, they helped people to do their jobs by guiding, and sometimes by grooming them. As people began to fit into their redefined roles, the leaders moved on to look ahead, visualise the future, and began preparing the present for the future. Finally, they moved on to a philosophical stance, which entailed the introduction of value level criteria as the basis for the actions performed by the organisations— in other words, for the development of certain kind of culture, for instance, of equity, fairness and justice.
- (iii) The roles and acts performed by the leaders may also be classified in yet another way. The leaders started off initially as explorers (phase 1) seeking multiple directions in an effort to put the organisation in an appropriate direction. As the exploring process made headway, they took up the sensors role (phase 2)— they attempted to sense and read through data derived from many sources in order to get a clear picture of the organisation as it existed. After sensing and judging the data

and deciding the course of action, they moved on to giving meaning and purpose (phase 3) built around the planned course of action. Once there was acceptance of the meaning and commitment to the planned course of action, they shifted to the role of chaser and pusher (phase 4) in the planned direction. The cycle terminates in phase 5, where the transformational leaders actively initiated the process of reinforcement of the desirable behaviours.

F. Focus

In all the five cases, transformation moved through five phases, each having a distinctive focus. The first focus was on the individual, followed by groups, inter-group (across functions/divisions/departments), the entire organisation and the nation. The focus also moved, first touching people's feelings, followed by improving various processes, supported by systems, structure, and strategy level intervention.

G. Process of Intervention

Intervention— breaking into the given network of action, beliefs, stereotypes, relationships and behaviours— began by the leader's efforts to build rapport and credibility through their styles (phase 1). Once they established their credibility and a certain level of acceptance, the level of resistance and anxiety of individuals came down. The leaders next moved on to reality sensing and testing in relation to the organisation and its boundary. They collected data and information by moving around, seeking opinions, viewpoints and ideas of people, operating at different levels in the organisation (phase 2). This process was quickly followed by phase 3— deciding the direction in which the organisation should operate and creating meaning to prepare people for the same. This was coupled with phase 4, where the detailed action plans were evolved through the process of collectivisation and team work. This detailing is followed up by phase 5, where the action plan and reinforcement of the desired behaviours were emphasised.

Viewing the change orientation and focus, one finds that it started off with efforts to maintain continuity (phase 1) so that there were no jerks to make people withdraw and reject changes altogether. On many vital aspects, continuity was maintained and at the same time some new elements were introduced. This phase merged into transition (phase 2) in the organisation. The momentum generated to bring about transition catapulted the organisation into the transformation phase (3)— a shift on multiple organisational fronts and levels. From phase 2 to phase 3, the behaviours were continuously sustained by various kinds of reinforcement mechanisms through systems, process, and style.

From the foregoing discussion on corporate transformation we can draw the following conclusions:

1. Multiple modes of transformation were adopted by all the five organisations, of course, with marginal variation in emphasis.

2. The sincerity of the top man, modelling behaviour, *kutumbisation*, participation, empowering, collectivisation and team work were the preponderant modes of initiating and sustaining change in all the five organisations studied. It is important to mention here that the modes of empowering, collectivisation, participation and team work are basically an integral part of *kutumbisation*.
3. An examination of the process of transformation reveals that the transformational leaders were highly sensitive to the cultural nuances unique to India and sought to incorporate culture-specific modes in bringing about transformation and change. This approach demonstrates enormous sensing capability among the transformational leaders regarding cultural imperatives, and their capacity to create meaning and communicate the same, using appropriate symbols and rituals within the cultural norms and parameters.
4. While achieving transformation, the primary focus was on reducing the anxiety and fear of individuals, which is the major impediment in any change process. This was achieved through unfolding the process in many phases, creating new meaning, redefining goals and purpose and intense involvement of individuals in the transformation phenomenon. In all the five organisations studied, the major focus has been on dealing with people and their responses.
5. The styles of the chief executives initially moved through patient listener, thinker and explorer stages, and finally terminated at the *Karta*, philosopher, and reinforcer stage. The whole transformation was characterised by the process of *kutumbisation* and evolving new philosophy, values and ethos for the organisation. These were constantly reinforced through personal commitment and consistency of action in relation to these values. Shifts from one phase to another phase thus have been largely dependent upon the stage of psychological preparedness of the people. All the chief executives in our study could powerfully judge the same largely through an intuitive process.

NOTES

- (a) This is not chauvinistic usage of the masculine gender. We are only talking about the male of the species. The psychology of women at work needs to be examined separately.
- (b) For the sake of simplicity we are talking of polar situations.
- (c) This is the culture specific mode of anxiety management.
- (d) This is possibly done, so that leaders call and talk to such members, thus reducing the power distance between the two.
- (e) Some of the modes—e.g. mode number 11—have been worded differently across the relevant cases, although the spirit behind them is by and large the same. Thus, mode number 11 has been captioned as “sense of purpose—clarity of mission, purpose and goal” in the IFFCO—Phulpur case.

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Summary, Conclusions, and Pertinent Reflections

The business scenario in India has undergone an unprecedented sea-change at the socio-economic, political and technological levels. Currently, every business activity is experiencing an accelerated rate of change. It is in this context that the need for a new brand of corporate leadership is being increasingly felt. The relevance of the old style transactional leader, operating through the power of performance-reward linkage has considerably gone down. What we now need is transformational leaders, capable of effectively proacting and responding to the buoyant environmental demands and challenges. It is this breed of leaders that will build responsive organisations, evolve new ethos and values within organisations and create an exciting culture conducive to corporate transformation, success, and performance. They are the value-shapers and meaning-givers, thus bringing new awareness and heightening the level of consciousness of their followers. In the process, they create a community of self-regulators and self-actualisers in the organisation. Through the process of organisation-building and transformation, these leaders shape the future of the corporate community.

What do these leaders do to transform and build organisations? How do they achieve this? What are the modes of change they utilise? What are their styles and value profiles? Answers to these questions will be invaluable for both the academic and managerial community. Although these questions have been dealt with at various stages, they, however, fail to present a cogent picture of the entire work. This chapter is designed to create a mosaic out of the findings presented in the different chapters. This is achieved by synthesising and integrating all the available information and findings. Synthesis, in a dialectic sense, is important in paradigm-building and evolving theoretical constructs. However, it is essential to note that the primary purpose of this chapter is not theory building *per se*. The basic objective, as just stated, is to provide a comprehensive view of this work. Keeping in mind the above objective, this chapter has been organised in two parts.

Part A briefly summarise the role of:

- (i) problem-diagnosis and identification,
- (ii) managerial action,

- (iii) culture building,
- (iv) change strategies, and
- (v) style and value profile of the transformational leaders, for organisational transformation.

Part B highlights some pertinent reflections on our leaders' behaviour and styles.

Before we summarise the process of transformation and the roles played by the leaders, it will be useful to reiterate the scale of shift which has taken place in all the five companies after the take-over of the transformational leaders. This will help put the entire work on corporate success and transformational leadership into a proper perspective. Besides, it will also enable the reader to appreciate the complex dynamics and the magnitude of efforts involved in organisational transformation.

In all the five companies studied, there have been noticeable multi-dimensional shifts— task, people, strategy, structure, systems, goals, values, etc. However, right now we would like to highlight only the quantitative shifts achieved by the five companies. The MMTC turnover shot up from Rs. 1205.1 crores to 2,781.9 crores. In IFFCO—Phulpur, there was a quantum jump in capacity utilisation, from 65.02 per cent to 97.39 per cent. Pench area registered a rise in production, from 22.6 lakh tonnes to 27.02 lakh tonnes. NFL increased its capacity utilisation from 71 per cent to 89 per cent. The capacity utilisation in TISCO moved up from 89 per cent to 110 per cent.

PART A

I. Diagnosis

Problem Identification: All the five transformational leaders came to their respective organisations without any pre-conceived action plan. Also, none of them had any specific agenda laid down either by the government, the board or the top management. Since all the five came without any predilections and predispositions, they could succeed in starting their agenda and action building on a clean slate in an objective and dispassionate fashion. It may be worthwhile to mention here that although there was no pre-determined managerial action plan, all the five were single-minded about one goal— to transform their respective organisations.

All of them started with active information search, firmly believing that prognosis must flow from diagnosis. They utilised every likely information to comprehend the problem in its totality. They went to the extent of tapping earlier diagnostic reports— government reports, academic committee reports, internal task force reports, etc— besides thoroughly perusing the earlier records of the company. This helped them understand the problem in a historical perspective.

While collecting information, they cut across all hierarchical barriers, since they placed greater value on the quality rather than the source of information. The style of walking around, talking to people— right from the workman to the senior managers— was followed by all the five leaders. All made it a point to take the bull by the horns, to understand the problem at its

“source”, rather than relying upon information reaching them after being “filtered” by the layers of hierarchy.

The formal mechanism of task forces, both intra and inter-functional, was extensively utilised. Besides task forces, the companies also utilised academic experts in both problem-diagnosis and prognosis. In the diagnostic phase, this helped get an unbiased perspective on the problem-areas, while in the prognostic phase this lent credibility to managerial actions. In other words, both internal and external change-agents were utilised in all the five companies. However, in Pench, there was a total reliance on following its own internal map for problem identification.

The style of walking around, collectivisation, extensive information-search and sharing generated a common perspective on the problem. Development of common perspective helped the organisations in channelling resources for the achievement of the common goal. The processes of collectivisation, participation and information-sharing helped develop a sense of involvement and commitment among the organisational members for organisation-building.

Problem identification in all the organisations was done in a holistic perspective. All the possible organisational dimensions— technical, managerial, social, cultural, and environmental—were explored for problem understanding. Such an approach helped the corporate members in mapping the direction and evolving multiple action plans to reach the organisational goal.

II. Prognosis

Managerial Actions: In all the five organisations, multi-pronged actions were initiated. Attempts were made to bring about a shift at the level of organisational strategy, structure, systems, staff, style, skills, and shared values—known as the 7Ss. Efforts were initiated on these dimensions across managerial hierarchy, the idea being to induce a mass movement, where everyone gets the feeling that he is a partner in organisational transformation.

While actions have been taken around the 7Ss mentioned above, there has been differentiation in focus. TISCO, MMTC, and NFL achieved transformation by operating on all the 7Ss. In IFFCO—Phulpur, and Pench, on the other hand, the distinctive emphasis was on 5Ss—systems, staff, style, skill, and shared values.

It appears that the leaders operated only on those areas where they had full control. The two general managers in this study decided not to spend too much time on the strategic and structural issues, since these were beyond their powers. From this mode of action, we can deduce that transformational leaders did not feel disheartened by the absence of power over certain strategic issues beyond their control. They took the opportunity of optimising all the available alternatives at their disposal. At the same time, they made efforts to influence the decisions on strategic and structural issues of relevance to their respective operating units. For instance, both Sinha and Sharma made efforts to influence the thinking of the head office on strategic and structural

issues. Raghavan sought to actively influence governmental policies on international trade. In fact, the policy of “counter-trade” has been the brain child of Raghavan. Jain got actively involved in the Fertiliser. Association of India (FAI) to influence governmental policies on subsidy norms for the fertiliser industry. Russy Mody has been lobbying through conferences and industrial associations to catalyse the policy formulation of the government. In fact, he has been actively championing the cause of the private enterprise system in India. All the leaders thus sought to enlarge the boundaries of their organisations and also widen the scope of their own functioning.

Although the efforts have been multi-pronged in nature, yet the heavy accent in all the cases has been on transformation through human processes. In other words, transformation has been primarily by the people, for the people, and of the people.

III. Culture Building

In all the five organisations, there has been a significant culture shift in the post-take-over period of the transformational leaders. While in the pre-take-over period, the mean values on most of the 16 culture dimensions—communication and information flow, target setting process, team work, role clarity, reward—performance linkage, decision-making process, motivation and commitment, industrial relations, innovation and creativity, rules/regulations versus result focus, risk-taking, problem-solving, conservative versus dynamic, easy going vs firm, concern for people, concern for task—were less than 4.00, they moved to more than 6 in the post-take-over period. This reflects the quantum jump in culture shift. Such a shift has also been found across managerial hierarchy, which indicates the perceptual homogeneity in all the three management groups.

All the five leaders believed that culture shift is not possible unless people perceive some meaning in it. It is the strength of values which generates commitment and momentum and induces people not only to imbibe but also to internalise the same. The culture shift, therefore, in all the five cases has been evolved around a set of values: achievement, result, efficiency, excellence, speed, pragmatism, existential-reality testing; humanistic—trust, confidence, selfworth, dignity, compassion, concern; democratic—participation, collectivity, team work; freedom and autonomy-equality, receptivity, openness; ethical—moral, equity, fairness, justice, honesty, and superordinate goals.

These values were institutionalised by evolving a set of norms and code of conduct and assigning a distinctive focus and meaning to the same. The value of achievement was promoted in all the organisations under study by bringing about a focus shift from low task to high task, power to responsibility, procedure to result, laxity to specificity, crisis management to planned management, task preoccupation to reflection, problem acceptance to exploration, loose monitoring to close monitoring, survival to survival with excellence, doing things right to doing right things, stagnation to innovation, *status quo* to excellence, seniority to merit and low to high risk-taking.

Existential and reality orientation was inculcated by moving the focus from avoidance to confrontation, power inequality to power equalisation, inward looking to outward looking, anonymity to identity and national to international orientation. The shift from fault finding to support, from fear to confidence, low to high trust, unworthiness to self worth, anonymity to recognition; human beings: liabilities to asset, demand-based to anticipatory reward, low to high human dignity and compassion, indifference to concern, production to welfare and quality of life, helped the five organisations to instill humanistic values.

The value of democracy was actualised through a move from alienation to involvement and commitment, administration to policy, vertical division to integration, secrecy to openness, blocked to free flow of communication, centralisation to decentralisation, distancing to proximity, confrontation to collaboration, individual to collective problem-solving, division to unity, boss-centred to group-centered problem-solving, policing to autonomy, head office to unit and management by sitting to management by walking.

Ethical and moral values percolated down in the organisations under study by promoting norms of fairness, equity, honesty, and justice. These were realised through focusing from favouritism to fairness and inequality to equality of ideas. Superordinate goal as a value was perceived by all the transformational leaders as a powerful vehicle for channelling organisational resources for achieving higher ideals. This was done through shifting the focus from self to organisation and nation, and organisation to community.

The aforesaid norms and code of ethics were powerfully reinforced and reaffirmed by the five leaders through personal contact and modelling behaviour and also various other organisational mechanisms, such as letters of appreciation, public recognition, mementos and gifts, open-door and open-house policies, community get togethers, *bara khanas*, etc.

IV. Management of Transformation

All the five transformational leaders believed that management of transformation is a culture-specific phenomenon. It is significantly influenced by the socio-psychosocial profile of the organisational members. The success of the change strategy, therefore, depends upon leaders' sensitivity, as well their capacity to respond appropriately, to culture-specific complexities and nuances operating within the organisations.

In our cases, the leaders have exhibited a remarkable grasp of the culture-specific psycho-social demands like *karta*-orientation, relationship and survival. They made the requisite efforts to link up appropriately the modes of transformation with these cultural imperatives.

The *karta* orientation was satisfied through *kutumbisation*, consultation and participation, empowering and support, sense of purpose, sincerity of the top man, modelling behaviour, systematic inquiry and monitoring. The relational need was gratified through *kutumbisation*, consultation and participation, collectivisation and team work, empowering and supportive attitude, modelling behaviour, and equal partnership. Modes like

kutumbisation, consultation and participation, collectivisation and team work, empowering and support were designed to meet the need for proximity to power. Security need was met by the process of sincerity of the top man, *kutumbisation*, consultation and participation, collectivisation and team work, empowering attitude, mass education, third party intervention, sense of purpose, equal partnership, and novelty, coupled with continuity. The sincerity of the top man, *kutumbisation* and modelling behaviour help the followers to see the leaders as embodiments of the values of simple living and high thinking. The need for survival was appropriately handled through the modes of *kutumbisation*, consultation and participation, collectivisation and team work, empowering and supportive attitude, mass education, third party intervention, sense of purpose, equal partnership, and novelty, coupled with continuity.

Although these modes have been used by all the five leaders, *kutumbisation* has emerged as predominant. It has been followed by empowering and supportive attitude, consultation and participation, collectivisation and team work, and equal partnership. The least used modes have been close monitoring and systematic inquiry.

All efforts were made to reduce anxiety and fear, which are normal responses to any transformation effort. This was achieved by appropriately timing the phases of novelty, transition and continuity. The approach of appropriate timing and blending all the three—novelty, transition, and continuity—helped the organisational members to perceive the events and happenings as transformation and not as revolution. Transformation was viewed by the organisational members as a process, stretching over a span of time, rather than as a one-shot event. All these helped make transformation a way of life for the people.

The change strategy has been a blend of both the rational as well as emotive components. Since both were equality focused, there was a sense of ownership among the organisational members. In order to promote a sense of commitment, the five leaders went all out to institutionalise participation, collectivisation and team work for evolving the change package. As a result, a sense of responsibility was elicited, which minimised resistance to change, resulting in smoother implementation of transformation.

The members of all the five organisations were made to feel that they are equal partners in the transformation process; leaders are not the repository of all knowledge and wisdom; and valuable ideas can flow, irrespective of the level of hierarchy. This provided a sense of worth and dignity to the members of the organisation. On the whole, the process of *kutumbisation*, empowering attitude and sincerity of the top man played a significant role in reassuring people of their survival and security, the lack of which are the geneses of anxiety and fear. This gave rise to a feeling among the organisational members that through the process of organisational transformation, all would be empowered rather than penalised. This was further reinforced by creating a new meaning, redefining goals and purpose of transformation.

Transformation across the dimensions— strategic content issue, power balance, relationships and organisational response to chief executive's style in all the organisations— underwent various phases, each having its own uniqueness. Our leaders could capitalise the uniqueness of the collective responses in each phase, by sensing and adopting appropriate styles to the specific demands of each phase.

Leaders' response, focus of change, and intervention strategy demonstrate a significant match with strategic content issue, organisational response, power balance, and the relationship issues. In other words, styles, intervention and focus were evolved in response to shifts on the change dimensions— strategic content issue, organisational response, power balance and relationship. In the first phase, the chief executives' style was that of a listener, thinker, explorer, followed by diagnostician, planner and sensor (phase 2). Subsequently, the leaders' style moved on to that of a mobiliser, helper and meaning-giver in phase 3. Phase 4 was characterised by the style of a pacesetter, visionary and pusher, followed by *karta*, philosopher and reinforcer in phase 5. In a similar manner, the focus in the first phase was on the individual, followed by group, inter-group, organisation and, finally, nation. The process of intervention started with rapport and credibility building and ended with implementation and reinforcement (phase 5). In between, there were the phases of reality— testing and sensing, road mapping and meaning-giving and evolving collective action plans.

The various efforts of the chief executives finally culminated in the achievement of (a) sharing and discussion of strategy with the larger community in the case of strategic content issue; (b) mass movement in the case of organisational response dimension; (c) channellisation of synergy in the case of power balance dimension; and (d) integration with community and nation in the case of relationships dimension. This reflects a remarkable movement when we compare these with phase 1, which is characterised by poor performance, dissonance, discomfort, incredulity, anxiety and fear, and redefining leadership nexus (between the leader and the led).

V. Leadership Style and Value Profile

The central theme of this work has been that it is the style and value profile of leaders which builds or kills the organisation. Through the power of style and values, leaders instil a philosophy, provide new meaning to managerial actions and raise the collective consciousness of organisational members. These help significantly in mobilising organisational resources and channellising them for organisational transformation.

The styles of the transformational leaders in our study have been seen to be preponderantly that of demonstrating an empowering attitude, risk-taking capability, clarity of mission, goal and purpose, capability to build the team, and not losing balance in the face of calamities. These are the first five qualities which have been perceived by their followers. Qualities like being a good boundary manager, showing care and concern for individual work as well as personal problems, being open and receptive to new ideas, planning

capability and evoking a sense of confidence, follow the former in order of importance. These qualities have been commonly perceived by the followers across managerial hierarchy, indicating a significance perceptual similarity.

The self-perceived profile of our transformational leaders constitute qualities, such as empowering attitude, team-building, not losing balance in the face of calamities, evoking a sense of confidence and risk-taking capability, in that order. These qualities are followed by capability to be effective boundary-manager, clarity of mission, goal and purpose, planning capability, accessibility, and giving freedom and autonomy. Another noteworthy finding of this study has been the significant similarity in the profiles of the five transformational leaders.

The expected idealised profile of the chief executives in our study is characterised by team-building capability, clarity of mission, goal and purpose, empowering attitude, not losing balance in the face of calamities, and evoking a sense of confidence and trust, in that order. They are followed by care and concern, receptivity and openness, encouraging total development and growth of people, giving people freedom to decide and evolve plans, considering genuine mistakes at work to be part of learning process, and consulting relevant people before taking decisions. A comparison of the expected idealised profile with that perceived by the followers, interestingly enough, reveals a significant homogeneity.

The dominant leadership style of our transformational leaders has been the developer style followed by the benevolent-autocratic, and democratic styles. Three of the leaders have the developer style as their dominant style, while two the primarily benevolent-autocrat. All of them have scored zero against the dysfunctional style like deserter, missionary, autocrat, and developer. Their scores on the bureaucratic style have been marginal.

Our study reveals that transformational leaders strongly subscribe to humanistic, ethical-moral, existential, affiliation, power, achievement, entrepreneurial, modern, democratic, assertive, progressive and idealistic values. Interestingly, none of them have materialistic, individualistic hedonistic, conservative, authoritarian, and machiavellian value orientations.

PART B

Some Pertinent Reflections

After summarising the leadership profile and styles of our transformational leaders, we now propose to present a holistic picture of their behaviour patterns, as far as possible in non-technical terms to help the common readers. This picture is the outcome of our clinical observations, and various articulations from the leaders as well as the followers.

All our transformational leaders are capable of successfully articulating their inspiration, vision and goals. They utilised every available opportunity to repeatedly emphasise their ideals for building a great organisation. They talked many times about the organisation, sometimes about society, and sometimes about the country, in an effort to inspire people for organisation building.

The leaders in our study showed *karta*-like attitudes and behaviour in terms of treating their organisation as their *kutumbs*. Organisation-building, therefore, was akin to *kutumb*-building among the followers.

While concern for economic performance was high among the leaders, they were also powerfully value driven. They were perceived as the builders and shapers of values. They combined their knowledge, intuition and aggressive strength with certain normative values, which helped them in creating a new organisational ethos and culture. In fact, they embody Yudhishtira's famous concept of the king-philosopher: "No king can be a great king without being a great philosopher".

All our leaders were found to be "workaholics," working 15-20 hours a day. All assumed that they were primarily responsible for making their organisations the best and, therefore, they put all their efforts to achieve this goal.

Each one of these leaders was found to take a tough stand whenever required. In the face of calamities, they did not vacillate, but stood by their beliefs like the rock of Gibraltar. Simultaneously, they were also high risk-takers, rushing forward where many in similar positions would hardly dare to venture. They were novelty-seekers, all the time experimenting with all kinds of ideas—"Go ahead and try out", has been the message they conveyed to their followers.

All the leaders were found to have a strong self-image and ego-ideal, and made persistent efforts to project that image. This was done mainly through modelling behaviour, illustrating the old adage—"actions speak louder than words". By doing so, they offered clarity of direction, meaning, and purpose among the followers. They demonstrated the courage of conviction to walk alone in pursuit of goals and ideals. All demonstrated the spirit of "*Main akela hi chala janebe manzil, log aate gaye, carvan badhata gaya*". Translated it will read: "I started out alone in search of my destination; people flocked around me, and the size of the caravan continued to expand".

The leaders under study strongly believed in the power of psychological rewards, such as appreciation, patting, positive strokes, mementos and recognition, for bringing out the best in human beings. They, however, did not hesitate in using psychological punishment and deprivation for those who did not live up to organisational norms, standards, and expectations. None of the leaders, however, exercised demotivational powers in terms of firing or demoting people.

They were found to be well equipped in managing their boundaries—politicians, government, and other organisations. All of them played an active role at various levels of the government, society, and community. They are politically polished and sophisticated and have a keen political acumen. However, none of them have been found to be politicians in terms of Machiavellian qualities. They basically operated through the power of concern for human beings and their welfare. They made all efforts to operationalise the philosophy of "*Na to hum Kanche rajyam, nach swargam nach punarbhavam, kamaye dukh taptanam, praninaam arti nashanam*". (Oh

Lord! I don't want a kingdom, nor do I crave to enjoy heavenly pleasures; I do not wish for rebirth; Oh Lord, I pray thee, give me the courage and power to reduce the suffering and misery of people). Thus, the leaders operated not through the authority and power of the organisation, but through their personal power and influence, which they derived from their concern for their own men.

Although all the leaders set the direction and goals and put heavy demands on their followers, they were also highly supportive. They made all out efforts to boost the self-confidence and self-esteem of their men.

They were sensitive to people's self-esteem and feelings. They were compassionate, empathetic, and giving. All utilised generously the power of touching the emotional chords of people. They were affectionate and at the same time as chief executives maintained an appropriate distance. They did not demonstrate the desire to be loved and liked by their subordinates and, therefore, did not encourage personal level of intimacy. In fact, all of them actively discouraged the formation of the "kitchen cabinet" through which sycophants and doppel-gangers operate. This helped immensely project an impartial image about them, and gave them a moral force to demand high performance from all. They were flexible in their approach and they enthusiastically gathered information and pressed towards action with focus on the main-issue. They had a knack of getting to the heart of the problem, and fostered the culture of critical examination of information, positions taken by people, and divergent viewpoints.

All practised the open-door policy; all believed in delegation of power and, at the same time, insisted on performance. All were found to believe strongly in:

*"Klaibyam ma sma gamuh Partha
nai tot tvayya upapadyate:
ksudram hridaya daurbalyam
tya kto thistha paramtapa"
(Samkhya Yoga -3)*

Translated, it will read:

"Do not lapse into impotency O! Son of Partha;
It does not well behave you,
Abandon this littleness and weakness of the heart,
and rise, O! Scorcher of enemies!

All the leaders thus accept disappointment, failures, and defeat as a way of life. None allowed defeat and failure to result in despondency, helplessness, meaninglessness, powerlessness, and inaction. They were rather characterised by a Himalayan sense of optimism.

All our leaders demonstrated immense trust and faith in human beings and they felt that whatever the organisation achieves is, in the ultimate analysis, the result of the efforts put in by the people. Developing people, therefore, assumed top priority for them and they took on the roles of teacher, groomer, helper and coach.

Meetings and get-togethers were utilised by our leaders to solicit opinions and examine alternatives on various issues. All demonstrated faith in consultative and the participative system of management. They utilised these processes appropriately to generate collective understanding of organisational goals and other related issues. These helped them tremendously in obtaining mass commitment to the actions for transformation. Our leaders displayed remarkable capacity to empathise and relate with people at the level of emotions and feelings. They also demonstrated the knack of tuning in on to people's wavelength and reaching them at their level.

They are strongly religious and believe in the age old Indian attitude to life:

*Karmanē vaahikaraste ma phalesu kadachan
Ma karma phal hetur bhur ma te sango' stu
akarmani (Samkhya Yoga 47)*

Translated, it will read:

"You are entitled only to action and never to fruits: do not consider yourself to be a cause of the fruits of actions, nor let your attachment be to action".

We would like to conclude this part by quoting Canning's observation about Gandhiji: "With a frail and puny body and with few of the traditional qualities of leadership, but endowed with a clear vision and tenacious faith, this remarkable man awakened in oppressed people a sense of their dignity and a resolution to strive for their independence". This aptly reflects the power and relevance of vision, goal, purpose, meaning, faith, values, and philosophy, the hall-mark of the leaders of our study—in mobilising organisational masses for transformation.

GLOSSARY

Brown Sahib	— An Indian aping the behaviour of the white man, distancing himself from the native folk through dress, general attitudes and behaviour (used in a derogatory sense).
Bara Khana	— A grand meal
Chaprasi	— Watchman/door man
di'anta	— Sense of duty
Gherao	— Mobbing someone as a sign of protest
Goonda	— Thug
Karta	— Head of the family
Khalasi	— Cleaner
Kunaba	— Clan
Kutumb	— Extended family
Maar Peet	— Brawl
Mazdoor	— Unskilled worker
Mitnai	— Sweetmeats
Mukhia	— Village headman
Patta	— Leaf plates
Samosa	— A spicy snack
Shram Vir	— A national award given to people in the workers category in industrial organisations in recognition for their contributions.
Sidhanta	— Principle
Teerth Raj	— Literally a highly sacred place or an important pilgrimage centre. In this context industrial teerth raj refers to creation of a great company.
Yuva Shakti Mandal	— An association of youth to promote sports and social activities

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