

Case Study : The Boss on a Toss

T. Frank Sunil Justus*

Abstract

This is a case study about Mr. Arul who goes up the ladder, starting his career as a process engineer and rising to become the president of the company. He is sincere & expects the same from his subordinates. When something goes wrong, he immediately takes tough action and always exerts his supremacy as a boss. On occasions, he fails to go deep into the problem and ends up taking superficial decisions. The curtains are down upon him at last. The organization comprises hard working employees who are able to meet various challenges and despite having a repressive boss, their motivation is not lost.

Garnet Chemicals Ltd. is a huge chemical industry with an annual turnover of Rs.500 crores and engaged in the manufacture of heavy chemicals. It is situated in an industrial area, on a belt known for peaceful industrial relations. The native people of the area are *usually* hard working, submissive and carry a sense of pride in their work. They prefer calling themselves 'Garnet men' rather than 'employees of Garnet chemicals'.

ORGANISATION OVERVIEW

The company basically has employees at two tiers- staff cadre and management cadre. The staff cadre has employees from A to G level. 'A' cadre being senior technician down to 'G' which is the lower most cadre having non technical personnel like sweepers, etc. The management cadre had eight hierarchical levels viz., Engineer, Senior Engineer, Manager, Senior Manager, Chief Manager, Assistant General Manager, General Manager and Executive Director. Senior technicians in A cadre for more than ten years are occasionally promoted to management cadre as officers (probably one out of ten employees may be so promoted).

The writer was Senior Engineer (Operations) of a leading heavy chemical industry and presently is a faculty member, Department of Business Administration, Annamalai University.

The training system in the company is one of the best in the country and has churned out knowledgeable and disciplined employees through ESS (Engineering Subordinate Services) and EMS (Engineering Management Services) program for staff and officer cadre respectively. Engineers on successful completion of training are absorbed as operation/ maintenance engineers and ESS trainees at C cadre.

THE CASE STUDY

Mr. Arul was a very sincere and highly disciplined manager with the company. He started his career as a process Engineer and came up to the managerial rank. He was autocratic and expected the same sincerity, discipline and commitment from all his employees. Each shift was manned by a shift-in-charge. The operating personnel reported to the shift-in-charge. Arul was not the kind of person to always sit on his seat but used to visit all the nooks and corners of the areas under his control. He often chided the employees on their errors. The operators played cat and mouse with the manager and usually hid from him.

Raju was the seniormost operator available in the plant. He was sulking at not getting an officer's promotion. Raju was an intelligent and sincere operator but his jolly good nature did not go well with the manager. He also, never cared to pay obeisance to the manager. Mr. Arul had a feeling that Raju was careless in his work. The calcinations section had one panel operator and two field operators. The console panel had the ammeters (Showing the Current) of all equipments. All the equipments would take known amperage. Any fluctuation in amperage would mean some problem and would necessitate field action. The responsibility for the panel operation lay with the panel operator and it was his duty to inform the field operators if there was any abnormality, who would take immediate necessary field action.

One day the Calciner feeder got tripped at 08:00 hours. This was major equipment and took a minimum of three hours to be restarted. Had the amperage fluctuation been observed before the trip, the feeder flights would have been cleared before tripping and the trip could have been avoided. The trip would normally occur because the flight got accumulated with wet material which was de-scaled once in 4 hours. Sometimes due to other reasons it necessitated frequent de-scaling which could be observed by the amperage the equipment took.

Mr. Raju was the panel operator on that day and there were 2 technicians as field operators under him.

Mr. Arul immediately issued a memo to Raju. But it was later found that as the Calciner feeder had got tripped at 08.00 hours, which was breakfast time, Raju was in the dining spot where he was officially allowed. In the absence of the panel operator, the field technicians (well experienced technicians as on that day) were responsible for the control room as well as field operations. Among the two, one had to be in the panel and the other had to take over field responsibility. Even if there were only one technician in the control room, at that time, he should have immediately rushed to the field to clear the situation thus, avoiding a trip. The manager had to make a silent withdrawal of his memo. The issue was closed. But plant morale touched low ebb. All over the plant, the talk at the time was of the memo. The promotion from a technician cadre to officer cadre is based on the recommendation of the manager which he does through the performance appraisal given towards the end of each year. This incident had a negative impact on Raju's performance appraisal for that year.

After a decade with other companies, Mr. Arul became the President (CEO) of the company. In his first address to the officers (management cadre personnel), Mr. Arul insisted that everyone should earn their pay with an extra work that would bring equivalent revenue to the organization everyday. He felt that he could have anyone do the normal, routine supervision and those specialized personnel were not required for it. He was very specific on wastage of spillage material and reduction in number of casual workers. Casual workers were supervised by the area operators and were involved in reprocessing of spillage material, tank cleaning, area house keeping and other related sundry works. Casual workers were supplied by private contractors and were paid on a daily wage basis.

At that time the company was in a deep crisis facing the full onslaught of imported material. The product they were manufacturing was available as a natural material in other countries. Hence, the price differential was unbearable. Mr. Arul signed a contract with a multinational glass company for a one year order at a break even price per (Te) tonne. Had that order not been signed, the company would have been left with a heavy stock of its product in its godown. The production capability of that particular chemical was 400 Te/day and the MNC order was 100 Te/day.

The sieve size specification of the MNC was far too different from what was being produced here. The operation department Engineers and technicians, as a team, took up the challenge, worked day and night for a month and by varying parameters and continuous monitoring, were able to get the required specification.

The company used to bag their product in 100 kg bags whereas the MNC wanted it in 1 Te Jumbo bags. The maintenance team did a good work by locally fabricating things and with the help of an EOT crane the bagging system was readied.

The first order was despatched to the MNC. But Alas! Two days later the president received a polythene packet from the MNC, containing bolts, conveyor belt piece, empty Pan Parag Cartons etc, saying that those were parts of the first material consignment. The system in that company (Garnet) was that usually any spillage material (because of open belt conveyors), spillages from bucket elevator boots were all reprocessed through open system. The reprocessing work was carried out by casual labourers. Shift-in-charge took credit to ensure that no spillage material was left unclear in their shifts. It was because of this that foreign materials found its way into the system.

Any foreign material would damage the MNC's equipments to a great extent. The president went wild on receiving the packet and immediately cut the year's increment and other perks by 50% right from the General Manager to the last grade Engineer of Operations and Bagging section. This meant that those people were left with a heavy cumulative loss as the lost increment would effect all their increments till retirement.

The company was an ISO 9002 and ISO 14000 certified one. Even after these certifications, they had not perfected their systems. Whenever the maintenance opted for scrappers that would minimise spillage, it was rejected as a cost cutting measure and only internally fabricated scrappers were used. These scrappers were effective only to a small extent. There was no fool proof sealing for bucket elevator boots. These were the causes of spillage of material and when this spillage was reprocessed into the system this resulted into foreign material entry.

What happened was a system failure wherein instead of the final material

passing through a vibrating screen the same was bagged for despatch. The proposal to have a vibrating screen or not was a top management decision (including president) that needed budgeting a lot of money. The company had all along bagged the material the same way, but Indian companies had perhaps accepted the presence of foreign materials. This was the first supply to an MNC. Only the change in specification was implemented but no information on the standards expected by a bulk consuming MNC were decimated to plant personnel. It was the responsibility of the CEO to pass on this information to plant personnel.

The R & D department took the responsibility of fabricating a vibrating screen. A vibrating screen was erected and material was fed to the screen through a screw feeder. As the vibrating feeder was a stop gap arrangement, it was under designed resulting in the frequent trip of the upstream equipment- the screw feeder. This resulted in the frequent build up of material around the screw feeder which was manually processed due to which the top covers of the feeder were always left open. One night a casual labour, while feeding the material through a gunny bag, lost control on it and while trying to pull it out, he lost his hand. The casual labourers were already a harried lot as their work load had gone up due to casual manpower reduction. Any material reprocessing had to be carried out only under the supervision of operators but this was violated as it happened at around 02.00 hrs in night shift. It was the responsibility of the shift-in-charge to ensure that operators supervise casual labourers during material reprocessing. The shift-in-charge at the same time had to maintain smooth relationship with his technicians and could not antagonise them much.

This company placed so much emphasis on its safety record that for every 2 million accident free man hours and thereafter for every additional 1 million accident free man hours, Rupees five hundred were given to all employees. In case of accidents, the company went out of the way to ensure that the best treatment was made available to its employees. The operation engineers up to top executives had to face a second increment cut. The operators could not be easily taken to task as management never preferred to rub the union. A new vibrating screen for Rs. 30,00,000 was imported from a foreign company and was erected at the last point in bagging section. No more foreign material was ever heard of.

The MNC, after the first consignment, had tried with imported material and also the same product from other Indian manufacturers. But no one could match their specifications. They (the glass manufacturer) could get their product quality right only when they got their raw material from this company (Garnet). Hence the MNC had to necessarily look up to Garnet for their raw material. The next year when the contract was signed the rate was fixed at Rs. 2000 higher per tonne than last year.

In spite of these factors, the work quality of employees never suffered. They always gave their best even though they simmered deep down in their hearts. Mr. Arul soon borrowed the concept of VRS and got about 25% of the employees of the company out which was more a case of compulsory retirement scheme. One fine day, the Board showed the door to the CEO Mr. Arul himself.

A new CEO took over and the first decision he took was to restore the increment money that was cut. A commendation was given to all the employees responsible for getting the specifications suited to the MNC. It was celebration among the personnel. Fresh funds were infused into R & D activities. A fresh opinion was taken on the implementation of ISO 14000 which talked about continuous improvement. A value added chemical manufacturing system from the effluent stream was developed and a new plant for the same was erected and its product was marketed to many different countries (including developed nations) very successfully. This plant not only gave a product that could be exported but also minimised effluents which again resulted in savings on effluent treatment cost.

Questions

1. When manpower reduction is exercised thoughtlessly without system improvement, it leads to problems. Discuss.
2. Does autocratic leadership style succeed in today's environment?
3. Are cost cutting measures an infringement to production/ safety?
4. What are the morale issues involved here?
5. What are the areas where the company lacked in planning?
6. Which are the areas where you find communication inadequate?