

CASE STUDY 14 : LEG PULLING

The Company is into machine Manufacturing situated in Rajkot Gujarat. Mr. Ratilal Shah and Mr. Kalpesh Shah has started their business in 1987 and first did only the trading business and started their manufacturing in the year 1998 since then they have grown from 10 people company to 500 people company and achieved the best export house award in the year 2012. Their sons Nitin a graduate and studied abroad in London Business School (Son of Mr. Ratilal) and Rohan a Mechanical Engineer with MBA in Finance (Son of Mr. Kalpesh) joined their business in the year 2006 and since then the company has done a good growth under the young entrepreneurship and touched the turnover of 60 crore in 2017. Having experience of around 30 years in machine manufacturing is appointed for all operations at HO level and Mr. Kedar Sharma a professional having experience of around 15 years in sales is appointed in sales at HO and branch level sales control, Mr Kushal Shah having experience of around 25 years in accounts and finance is appointed in HO. Initially Mr. Nitin & Mr. Rohan have defined roles and responsibilities of all HODS very well and they have started giving role & authorities to all of them gradually. For at least around six months the execution went well and gradually management members observed that there is lack of coordination between departments and resulting in high iteration rate, and losing branch control, creating notional loss. After evaluation of around three months management members have realized that there is a huge gap between HOD and due to that the decision-making process by HOD is not so strong resulting in delay in work and frustration down the line.

Scenario

The company has made a good structure and has made the branches in other areas of Gujarat like Ahmedabad, Baroda, Surendra Nagar. The management members have appointed the branch manager at each unit. At Head Office Management members have appointed few key managers for controlling branches and operations at head office. Although the control over all branches and HO were very well handled by Mr. Nitin and Mr. Rohan. Since they joined they have made good policy, procedure for each business process, they have effectively implemented ERP to get branch level control and based on that they used to define strategy every quarter, but now they have decided to make more expansion and for that purpose they have decided to appoint good professional managers at HO to control all branches and operations. Mr. Bharat Oza, a professional

Mr. Nitin and Mr. Rohan were very well aware that if they have to grow and make their organization sustainable they need to have such professionals in the organization with good focus and approach but they have observed that all three of them are very good at their work but not able to gel with each other due to internal politics which was happening in front of their eyes which was leading to huge revenue loss and creating internal barriers between departments and was showing a symptoms of LEG PULLING of each other and the organization environment was getting affected. Each HOD was trying to prove himself RIGHT in front of others and prompting their sub ordinates to do so. There was a clear internal organization level politics going one between departments to prove each other. Mr. Nitin and Mr. Rohan has observed that certain good people, who has recently joined have left without intimation and notice and old people were trying to take advantage of such political situation in the organization. Mr. Nitin and Mr. Rohan have expressed their concerns to Mr. Bharat Oza, Mr. Kedar Sharma and Mr. Kushal Shah and they have realized the situation but after certain days the scenario remained same. Mr. Nitin and Mr. Rohan has also identified that there are certain procedural changes, authority level changes and team building required so they have tried themselves but could not succeed. Mr. Nitin and Mr. Rohan has two option left, one is to change the people on top and other is to have gradual process of team building and exploring new way of delegation and procedural changes required. They have decided to take help of external opinion to verify whether the business strategy, process and roles are properly defined or not, and have decided to appoint Argumentum Management Solutions

Finding Facts

We have conducted internal survey with all top level and second line level, conducted the process audits and integration of process and people aspect under our –Sustainable Growth Management Program and identified following gap: –

- a) The organization needs the structural changes
- b) The Roles and Responsibilities needs to be defined more specific
- c) Most importantly the integration of people with process was required to create more accountability down the line
- d) There is a behavioral change required from top to bottom because the behavioral change defines the culture of organization – All three HOD's were having issues of handling team and interacting with each other in terms of delegation and authority. Great organizations demand a high level of commitment by the people involved. Eliminate politics, by giving everybody the same message. Keep a flat organization in which all issues are discussed openly. Empower teams to do their own things. – Bill Gates (Microsoft)
- e) The reporting methodology needs to be changed

f) The ERP was used as an accounting package although it needs to be explored more to make process integration and accountability stronger

g) Since the reporting methodology was not correct the review mechanism within the department and inter departments was not so effective and all review meetings were just to pass the ball in other court

h) Management perspective about middle management needs to be changed, —

Example—

a. empowering them with authority with controllable parameters which can be possible through ERP

b. Management needs to leave going in the minute details of the situation which was done quite often

c. Review mechanism needs to be made very specific while conducting meeting with HOD

d. Identifying strength and weakness of all HOD and prompt corrective measures to first realize them and then mold them as per organization requirements (The HOD of various department needs to be brought under this exercise/ scenario first because this was the main root cause internal politics and LEG PULLING)— The Leaders behavior, attitude and approach at each level, defines the culture & growth of organization — Deepak Mehta

e. Management needs to be trained by making MIS and Dashboard of each activities and connecting to HR so that the people can visualize the gain and loss of the organization)

Implementation Process :

We have prepared a road map and handed over to top management and they got convinced and also told them during the process of such CHANGE, the chances are there that the HOD may try to leave organization or may try to become more hostile as they will be asked to interact with us for the change so it will be top management responsibility to pacify them and bring to the level of comfort so that current business does not affect. Also discussed about certain weak link in the organization and for that we have given the strategy to first give them the chance to change them else to change their profile if required. After taking the management in to confidence we have asked all people to submit their —SWOT analysis so that before starting process they can themselves realize their strength and weaknesses. We also recommended the changes in current ERP and for that requested to management to hire ERP representative to make certain changes in ERP to make: —

- better integration
- bring more accountability,
- MIS
- Authority matrix

We have started taking review with HOD about the current progress and minutely studied the process of review within their team and review with inter department and gradually coach HOD to make changes about department review and inter department review. Mr. Bharat Oza, Mr. Kedar Sharma and Mr. Kushal Shah have slowly realized their weaknesses and tried to overcome the same with the help of our guidelines and. We have also ensured to make agenda between all HOD and management members and conducted several meetings for initial three months and then handed over the entire process to HOD and Management members. Augmentum has designed the MIS and dashboard in ERP with the help of ERP agency so that after our departure the HOD and management members can assess the progress and adopt the GAIN and SHARE policy which we have designed for them

Outcome

Mr. Nitin and Mr. Rohan have made strategy to open more branches across India and the HO is now stabilized with right person at right place. This has helped Mr. Nitin and Mr. Rohan to gain confidence about opening more branches across India. In the year 2019 March, the company has sales growth of 35%