

(IJ -05) Strategic Planning and HR Policy Development by Case Study.

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Abstract

Strategy is long term, forward looking, vision based form used in today's business scenario. Strategy is a road map, created to reach the specific purpose based on the vision and mission of the organization. Organization may get results beyond their expectations from employees if they adopt strategic planning. Strategic planning of HR Department starts for recruitment process, followed by training to the fresh employee, monitoring of his . her performance & developing the employee versatile for the organizational goals.

Strategic planning in crises is explained by the case study on overcoming high % of rejection in manufacturing of brake drums in an industry. A leading foundry named Ghatage Patil Industry had a huge order of casting of brake drums for cars of Maruti Suzuki Industry Ltd. GPI team engaged with the new job after design & development of the product & quality control team in full swing to reach the target. They started working in all three shifts with improved production capacity. GPI was shocked by the % rejection of @ 80% in the first lot. A team of seniors in the industry was formed for investigation regarding the problem to find out root causes for poor performance in quality. Team had inspected thoroughly in each and every department and also workers/ supervisors too. Team could not find any sound cause or solution over the problem. GPI team started working cautiously & with more precision which resulted in bringing down % rejection up to 65 % only in second lot. Production level of Maruti cars was hampered badly. They called upon seniors of GPI to minimize % rejection & warned that if they could not achieve it within a month, Maruti will change their vendor. HR team was also trying to find out lacunas in system to solve the problem of % rejection but could not succeed. Not only the top management of GPI but the full staff was also worried about it. A recently recruited middle level metallurgy engineer posted Assistant Production Manager (APM) was not at all in the picture in investigation. He started his own way of observing and data collection as if third party. He was having altogether different analysis of the problem. Being middle level staff & quite new employee in GPI asked for appointment of CEO to express his view. CEO of GPI could not pay attention to him for about 10 to 11 days being worried about the future of industry due to high % of rejection. He gave hardly 5 minutes to APM for discussion. CEO became uneasy after hearing the APM. He pointed out three key persons in GPI related to the problem as per his ideas. In the scenario of changing technology & acceptance criteria of modern industries, it was very difficult to stick up with traditional approach in shop floor. The juniors & middle level workers as well as supervisors were trying to implement their recent knowledge & skills for the huge order to GPI. They were trying to overrule the guidance by the key persons sometimes for the benefit of the industry only. Solution suggested was three Key persons may be honored by sending them to foreign countries for at least a month for business development.

Key words - APM - Assistant Production Manager, CEO - Chief Executive officer, GPI - Ghatage Patil Industry,

Introduction

Strategy is long term, forward looking, vision-based form used in today's business scenario. Linguistically speaking, strategy refers to the game plane for attacking and counter-attacking the enemies during war. Strategy is a road map, created to reach the specific purpose. Strategic planning depends upon the vision and mission statements of the organization. Vision and mission statements are practically converted into reality by human being only. Organization may get results beyond their expectations from employees if they adopt strategic planning.

Materials and Methods

Strategic planning started from the recruitment policy of H.R. Today lots of organization select the trainee engineers/ supervisor/ accountants/ clerks from the campus recruitment. It is not only because of Government of India policy of apprenticeship act to make people skillful but to attract best talents & skills in freshers. H.R. department selects trainee step by step. HR policy related to trainee engineers of new and matured organizations are totally different. If HR policies are not clear and specified, then recruited persons may not fully utilized by the organization. Today leading organization in the field of IT like Infosys, recruit fresh IT professional from the campus and keep them on bench in waiting. (Actually, no work for these people) They book the manpower/ human talents well in advance. They prefer mainly fresher as he or she can be trained / molded as per the policies of Infosys.

Second step in strategic planning is to allocate right place for each employee. During first one to two months, most of the organizations provide short term training to each fresher. When training is over, every fresher must go through short test or presentation. According to their quality and requirement, HR department allot specified department to employee. Aim of this short-term training is to understand all departments and their responsibility of work, actual industrial environment, current status of organization in the market. Also, organization inform fresher about vision and mission statements, current & future plans and their role in that plan.

Aim of HR department to observe & predict the capabilities of each employee from all directions through 360⁰. When H.R. prepare policy, they must think about their policy applicable to human being & not for the robots. Every human being is having different way of thinking, doing & decision making. Therefore, generate such a policy which is reasonably flexible for overall development of employee. There are many areas where H.R. department concentrate. Areas like skill development, decision making, situation handling, leadership, technical updates, market knowledge, social awareness, behavior in a group or team as a member etc. are some of the qualities considered where strategic planning is applicable. When H.R. department generates new policy, they must think about what is the objective of this policy? For whom Policy is made? Total duration of implementing policy? Is its short term, medium term or long-term policy? What is the outcome of policy? How will they measure the success of policy? Which is the smooth way of implementation of policy?

When a fresher gets allotted to specific department, employee must know his/ her own authority and responsibility, Continuous monitoring of each employee during their probation period is most essential. Their seniors are also advised how to monitor their new colleague. If atmosphere is good, friendly, helpful, fresher can also show good result in their assigned work.

Lots of organizations have no proper method of conveying deficiencies to freshers. Due to improper handling the situations or fresh employees, they lose the good talents. Here red pencil approach must be avoided. Develop such type of human tackling skill among the seniors is the part of strategic planning. In this situation, first understand the person's socio-economic background. With good words, tell him/her the mistake or deficiency occurred in the work. Protect you juniors & never fire them in front of senior authority. Always, give them chance to improve their performance. Ignore their small mistakes. But take care that their mistakes are not done repeatedly. Make a good friendship with each employee.

All the above points are part of strategic planning. After a specific period, monitor the departmental performance. Positive developments are conveyed to employee through proper channel with some reward.

Results and Analysis

Merits of strategic planning

1. Every employee get monitored at different level.
2. Develop the skills in the employee.
3. Employee can give better contribution to the organization.
4. Maintain the good, healthy, human touch atmosphere among the employees.
5. Organization can smoothly move ahead on the predetermined path.
6. Not only new employees, but seniors also became more mature/ capable of handling any problem.
7. With strategic planning each department of organization maintain their good performance not only for few months or years but also for few decades too. e.g., Tata Group, L. & T. Group

Demerits of strategic planning

1. Juniors may not respect seniors due to friendly relations.
2. May result in less punctuality of juniors.
3. Subordinates may take undue advantage of kindness of boss.
4. Subordinates may take instructions casually.

Discussion

Case Study on Overcoming high % of Rejection in Manufacturing of Brake Drums

A leading foundry named "Ghatage Patil Industries Ltd." (GPI) located in Unchagaon, Kolhapur-416005, Maharashtra state. India had a huge order of casting of brake drums for leading car manufacturer Maruti Suzuki India Ltd, Delhi. The first lot of production was manufactured & dispatched to Delhi with great enthusiasm by GPI. The staff of production department was engaged in further production of the same brake drums as the order quantity was very large in short duration to reach the target. Top management had recruited a new engineer who was senior metallurgists to handle the huge production of brake drums. He joined GPI as Assistant Production Manager (APM) on the day of starting production of brake drums for Maruti cars.

Within a week after dispatch of first lot, GPI was shocked by letter from Maruti cars stating that there was 80 % rejection. Everybody in the industry was worried by such a pitiable performance & chances of cancelling the order. It was not only failure in quality but made the financial crunches too as huge investment was done in the development of the product for Maruti group. Every department in GPI started blaming other department for such a poor performance. There were so many doubts in the minds of GPI workers as well as management. e.g. Doubts about raw material quality, whether design & development department had done their job perfectly or no? negligence by workers in production, negligence of supervisory staff in production department, whether quality control staff had really checked the brake drums, or no? whether dispatch department had sent the product correctly or there is something wrong? Even people were suspecting the marketing department who have grabbed such a huge order & the purchase department of Maruti group too. There was no system like Six sigma or 5-S or Total Quality management (TQM) implemented by GPI @ 20 years ago. There was no point in blaming each other in the departments. The industry had to come up with sound solution by minimizing rejection in phase - I & then towards zero % rejection in phase - II. GPI started investigating the causes of such rejection starting from purchase till dispatch including marketing staff.

It was wondering that the investigation team of seniors in GPI could not find any major issues or causes of rejection. Now the problem was left to be handled by H R department of GPI. There were so many meetings, discussions, brain storming sessions conducted in GPI on the issue of rejections to find out solution. The production of brake drums was going on continuously with all the precautions & checking the quality of product at each and every level. By the time second lot brake drums was ready & dispatched to Maruti cars expecting that now % rejection will be very low or nil. But it became a daydream for GPI as the rejection came down hardly from 80% to 65% only. Maruti group was also unhappy with GPI as their production level was hampered due to high % of rejection. They called upon seniors from purchase, production, quality control department & CEO of GPI for discussion. By humble request from GPI, they got the last chance to continue the order subjected to supplying acceptable quality of brake drums within a month. The H.R. manager & his staff were trying their level best to find out the loopholes in the total system to control the % rejection. They tried to do work study, motion study, time required for each process as well as kept watch on every worker and supervisor in production, Q.C., finished goods store & dispatch departments. The

environment in the industry was suspicious which has affected the production level too. The interpersonal & inter departmental relations & communications were less & cautious. Top management was worried about the reducing % of rejection of brake drums as there were in financial crunches & likely to lose such an excellent order in future. The APM recently recruited was not at all in picture as he was altogether new in GPI. He had just observed the crises in the industry due to high % of rejection & worried about it. He was unable to establish good relations even within his department. He started analysis of the things happening in each & every department even though as he was supposed to concentrate only on production level both by quality & quantity. After about one & half month from his joining in GPI, he requested the CEO to spare half an hour with him. The CEO gave him appointment for hardly 5 minutes after about a week as he was not expecting much from recently joined APM. He was more hopeful for solutions over % rejection from H R department & other senior managers of GPI as they were highly experienced & associated with GPI for few decades. The said appointment of 5 minutes was again postponed by CEO twice for next 3 to 4 days. APM being new in GPI was disappointed as CEO has postponed his appointment thrice & ready to spare only 5 minutes. APM went to the cabin of CEO, given him small presentation in person in three minutes instead of his demand of half an hour. He said politely that, he was quite new in GPI & not in capacity or in position to change the policies, but what he felt regarding the problem of rejection. He had pointed out few key persons in the production line behind the problem namely the Production Manager & two senior supervisors in Q.C. department who were associated with GPI for last 25+ years & in close contact with directors of GPI. It was a big shock for the CEO hearing the key persons likely to be responsible behind the huge rejection. They were very close to CEO also. He went in dilemma after hearing words of APM. He asked for a glass of water immediately from him as he felt uneasy & rising of his blood pressure suddenly. It was totally beyond his imagination & unbelievable for him as nobody even suspected about them. For a moment, CEO became speechless & then came back to normal stage. He forgot about the further appointments & his most busy schedule on that day. His secretary reminded him about further appointment by phone as already more than 10 minutes were over instead of 5 minutes. He warned secretary not to disturb him & not to allow anybody even directors of GPI to enter in his cabin. He humbly requested APM to explain the things again in details & to be very frank & clear about his views. "Pardon Sir!" said the Asst. production manager. " I am quite new in your GPI & hardly having experience of @ 15 years as engineer in metallurgy only." You may feel that I am against somebody or eager to grab the post of Production Engineers in GPI. I am not having any experience in administration or in H R department at all. My views regarding the problem of higher rejection are based on the third-party observations. I am neither having any prejudice mind about anybody nor any relations or friendship or soft corner with anybody at all. But I am very much sure about my observations & predictions in last 50 to 55 days in GPI." The key persons pointed out were very senior, experienced & close with all top management & beyond the scope of doubt totally. They were the members of the team of investigators of problem. Therefore, they were out of reach of investigations & scrutiny for finding loopholes, lacunas. It was bit difficult to take any action against any of these members. They were having their track record very good & not a single blot in their services up till

now. They were not having any wasted interest against GPI. It was a confusing the CEO. He was unable to even guess that they had diverted the attention from root cause of the problem. Anyhow it was a tough time for him to believe on the opinion of APM. APM said that the production manager & both the supervisors were devoting fully & taking lead in the fulfillment of target by traditional ways. In the scenario of changing technology & acceptance criteria of modern industries, it was very difficult to stick up with traditional approach in shop floor. The juniors & middle level workers as well as supervisors were trying to implement their recent knowledge & skills for the fulfillment of huge order to GPI. They were trying to overrule the guidance by the key persons sometimes for the benefit of the industry only. It was a small but genuine cause behind the problem resulting in high % of rejections. Neither the key people nor the staff of GPI were having wasted interest in the case at all. It was quite difficult to held responsible any of them in the matter. As none of the person was likely to be held responsible for crises of high % of rejection, CEO in dilemma became restless & exclaimed, " I am unable to take any action in the matter. What should be the way-out Mr. APM?" Even though being much junior than CEO, APM suggested him a nice solution to be implemented immediately to overcome the problem. "Sir, I think that these three Key persons may be honored by sending them to foreign countries like USA, Japan, South & North Coria etc. for at least a month for business development i.e. for searching new customers in leading Automobile industries globally as our set up is now ready for accepting new challenges with expanded capacity." said the APM at a stretch without a pause. " Leave the remaining part with your team of GPI in respective departments. On behalf of GPI team, we all assure you to bring the % rejection below 10% within a fortnight & almost zero within a month."

CEO implemented the policy within a week after discussion with directors taking them in confidence as a new trial. It became the great step towards success in the history of GPI & still manufacturing brake drums of Maruti cars as well as of few world-famous brands of cars.

Conclusion

- 1) Never directly blame any person/persons or department for failures in quality or quantity of production. It may spoil the healthy & friendly atmosphere at workspace.
- 2) Find the root cause of the problem in the system & treat it properly.
- 3) Take an action such that the person / persons or department will not be de-graced.
- 4) Instead of transfer, memo, suspension or termination, wise way is to divert the person elsewhere for the benefit of the industry.

References

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ⁱⁱ दुःखेष्वनुद्विग्नमनाः सुखेषु विगतस्पृहः।

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