chapter 4

The Company Chosen

PPL
Name of the Company: Polyhydron Pvt Ltd
Established in: 1981-82
CEO / CMD: Shri S.B. Hundre, BE (Mech)
Address: 78-80, Machhe Industrial estate, Machhe, Belgaum- 590014. Karnataka State
Type of Industry: Private Ltd Company
Major Products: Hydraulic Valves, Pumps and Accessories
Radial Piston Pumps, Relief Valves,
Pressure switches, etc
Work shift: 9.00a.m to 5.30 p.m
(Sunday Holiday) (There is no OT system)
Organization structure: Honey shaped structure
Power Generation Capacity: 300 KVA
Capital assets: 6 crores
Management Style: Empowerment of employees for better results
Each is an Owner of the organization
Employee Ownership Culture
Organizational Philosophy: Ethical approach in undertaking business and
every activity
Organizational Principle: Do honest Business
Average Salary: Rs 3000-9000 per month (to be revised)
Employee Socio-Economic: status
Middle class in Indian Standards
Organizational style: Flat Organizational structure
Customer approach: Each customer is family member of PPL
Organizational ethics: Honesty, Integrity, and Fairness
Product style: JIT, Kanban
Outcome: Awarded the Best Employer Award
Mr. S.B. Hundre - SBH, an engineer by profession, is the Chief Executive Officer and Managing Director of Polyhydron Private Limited-PPL, established way back in 1981, with the sole purpose of creating an organization par with global standards, doing clean business, and having an ethical approach. Before PPL was established, SBH, with a few colleagues, had run an organization under the Hyloc banner with two units, manufacturing a wide range of hydraulic related equipments. As ideologies changed and each global thinker dreamt of setting up an organization on lines with his vision. SBH, who took charge of PPL, had his own unique idea and vision for developing it as a World-class organization. He knew that the journey ahead was long and difficult, but he was prepared for it, and indeed, looked forward to the challenges. Although the journey started with two other colleagues for manufacturing Hydraulic tube fittings under the brand name Hyloc, PPL is the brainchild of SBH. PPL is located in the industrially concentrated new area of Machhe, at Belgaum, in Karnataka State, India. Polyhydron manufactures hydraulic valves, radial pistons, pumps, etc. The wide range of products at PPL spans over more than 40-50 types and an average of 700 models. The customers are from varied places and the turnover on an average is between 8 - 10 crores, with a workforce strength of nearly 74, which includes Engineers, Diploma’s holders, other employees with basic technical education, and many categories like highly skilled, skilled, semi-skilled and unskilled employees, in the age group range averaging between 21-55. The socio-economic status of employees is middle class in Indian standards.

(SBH: is abbreviated name for CEO/MD)
Fig No 4-1: Layout of the Work station

The factory has been designed as cellular blocks resembling a close looped honeycomb. There are very few walls in the work area; instead individual workstations have transparent glass partitions, ensuring total openness and also a clear view of the entire area. All work areas are well lit and well ventilated. Each workstation is visible from any corner of the organization, thus everyone is visible from all the sides of the workshop as no room is closed for one to be not visible.

Organizational Structure

The PPL structure of managing as it is put down on paper is more of a formality. Otherwise, all are equal while working and neither position nor title matters. But, for the sake of smooth running, there are departments like Sales; Finance; Administration; and Research and Development. The organization follows and practices flat work relationships. Other sections include: M/C shop, idea processing,
assembly and material processing, canteen, Yoga, and gymnastic facilities. Practically speaking, no hierarchical structure exists at PPL.

The Systems

The working system and practices at PPL are quite unique, systematic, focused and tailored to suit the organizations needs. Each system has a purpose behind its practice, with the core objective of developing PPL into a winning organization of global standards. Practices like small continuous improvements (Kaizen), computerized information, KanBan cards (route class), systematic supplies chain, TQM, JIT-just in time and focus on Quality in all spheres are the systems adopted. With these and other employee friendly systems followed, the company has maintained a compound growth rate of about 36-38% for the last ten years. Other unique systems followed at PPL include flow layout, earned and not paid salaries, smoothening of production, small lots and minimum set-up times, buffer stack removal, simplified preventive maintenance and the like.

The organizationwide principles and philosophy include respect for others, no giving or taking bribes, being clean in all activities and above all, being a nice person. Ethical way of undertaking work, clarity about what the organization stands for, and regarding expected behavior, and a spiritual way of looking at things are other features focused at of PPL. Spirituality ushers a sense of balance, which helps people to perform their duty properly.

The Policy

Various policies have been adopted and followed continuously by all. Policies in the area of Quality, HR, Ethical management, Code of conduct, Mission and vision are adopted and followed extensively throughout the organization.
A) Values: Passion for Excellence; Integrity; Honesty; and Trust.

B) Vision: We will create an Island of excellence through focus on customer satisfaction, employee empowerment and continuous improvement and realize this vision by nurturing an ethically managed organization.

C) Mission: We will nurture an ethically managed organization. We will not exploit our customers, employees, suppliers, government, society and the nature.

D) Quality Policy: We at PPL strive to achieve Quality by increasing the rate of improvement better than the rise in customer expectations.

Code of Ethics

PPL has laid down a code of ethics, which is strictly adhered to. It includes:

a) Each of our employees is responsible for both the integrity and the consequences of his own actions; b) The highest standards of honesty, integrity and fairness must be followed by each and every employee while engaging in any activity with customers, competitors, suppliers, the public and other employees; c) The company expects that no employee will undertake any activity while in company premises or while engaging in company business that is illegal or immoral that could in any way harm or embarrass our company or our customers (adopted, CMD, 1989).

Code of Conduct

Any employee of PPL can work after duty hours and earn extra money using his knowledge and experience, but he should not get involved in any manner with PPL's competitors; or help outsiders to develop products manufactured and developed by PPL; he should not utilize the infrastructure, software, technical and manufacture related information of PPL; and fail in discharging the duty of PPL. In fact, while
dealing with outsiders, the company expects employees of Polyhydron to avoid favoring somebody with orders, information or business, for extra consideration in any manner or form. If any body is violating the above conditions, it is against the code of conduct and he is doing it at the risk of his job (adopted, CMD, 1998).

The CEO

Mr. S.B. Hundre (SBH) the Chief Executive Officer and Managing Director, believes in strong ethical foundations, be it in his personal or business life. Born in the year 1950, SBH studied Mechanical Engineering at a ranked college in Karnataka State, India. After having worked for other organizations for a short period, SBH established a firm with a few like-minded people, and later on, became an independent entrepreneur in 1981 by establishing PPL. PPL had a small beginning in an Industrial shed and later shifted it to a new place, which is now a household name in the Industrial Business community.

<table>
<thead>
<tr>
<th>Box No. 4-1</th>
<th>World Experience of CEO - Mr. SBH</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>Visit to ITALY (collaboration under UNIDO)</td>
</tr>
<tr>
<td>1994</td>
<td>Visit to USA for collaboration with Oilgear Company, USA</td>
</tr>
<tr>
<td>1996-97</td>
<td>Visit to Japan, Taiwan for Quality Mission</td>
</tr>
<tr>
<td>1997</td>
<td>Visit to Germany for Exhibition</td>
</tr>
</tbody>
</table>

CEO Passion

SBH is a hands- on person, a man of action who believes in doing things. He has very high professional principles and philosophical way of managing the organization and believes in setting an example for others to reach new heights. He has a global vision, which is now becoming a reality at PPL, with business moving ahead of times. His cherished beliefs adopted at PPL include ethical practices in
managing the organization and a spiritual way of seeing things. Other qualities that are associated with SBH are simple habits, good judgment, open to others' point of view, quick decision-making, and a focused approach.

He also believes that, business should be conducted only on the basis of honesty and trust, and he just does that. Bribe is never a habit at PPL. SBH values spiritual way of life and good conduct and behavior as his ultimate mission. He believes in undertaking each activity with a spiritual touch and ethical approach.

Library

PPL has a small but well stocked library. It has a collection of books on various subjects like Management, TQM, General reading, Biographies and Technical books. Every employee is encouraged to read books and is free to borrow the books at any time. SBH recommends each to read the latest books and implement the ideas at PPL. Books on yoga, ethical management and modern management find place in the stock. Each employee invests a major part of his time in reading books and is inspired to implement the ideas at the workplace.

Management Philosophy

The organization has adopted various ethical philosophies, which govern the work behavior of all the employees.
Values:

A. Respect all - irrespective of his position and contribution;
B. Be honest. Business should be developed based on honesty;
C. Trust the action. Do not doubt and suspect actions of others; and
D. Excellence and Quality is the way of life at PPL. Work towards it.

Workplace Philosophy:

1) Let's do any natural business on ethically based practices;
2) Create an organization, which receives respect for oneself and the organization;
3) Values and ethical systems create credibility with public;
4) All respectable businesses are run honestly and decently; and
5) Ethical practices help management to take better decisions in the interest of all.

Our Duty:

1) To recognize our responsibility as individuals and devote ourselves for future development of healthy industrial culture;
2) To accept the fact that our businesses are no longer private affairs, but they are public enterprises entrusted to us; and
3) To promote general welfare in the society, respect humanity and develop people (adopted, CMD, 1988)

Principles of Profit:

1) Profits and Principles can go together;
2) Generally people are good;
3) Products do not make money. Management systems make money; and
4) When you are swimming, do not try to catch water. You will get drowned. When you are living your life, do not get attached. You will get stagnated.
Ethical Management Practices

There are various ethical management practices that are followed by everyone at PPL. It is everyone’s responsibility to uphold the high ethical standards of the organization. Practices like JIT, Unique wage system, *employee empowerment*, clean financial management, factory within the factory and kaizen are few among the many ethical practices. A customer is not only given the product(s), but he is also transferred the whole value systems, which is part of life at PPL. The ethical practices are also routed through the products to the customers and he becomes a part of the PPL culture. A customer is looked upon like any other fellow employee of PPL.

HR Systems - People Centric Practices:

Various innovative workplace practices and systems are adopted and followed at PPL. It is quite observable that, these are unique in the Indian context and hence noteworthy.

- Value given to Human beings is high in Organization; its 'Human' first before all;
- Each is accountable for his actions and can't blame others;
- All information is open and shared;
- Every person knows each work and job and is aware of what one is contributing towards the Organization;
- Each is boss in himself;
- Common rooms are shared;
- Suggestions are given regularly and honestly;
- Each is responsible for his actions- whether Individual, group or team;
- Management is open to ideas and more information sharing;
- Each can do a career planning of his own;
• Every one can have own objectives, mission, and goals;
• One can meet and interact with customers freely;
• One has the freedom to change the system at workplace.

**PPL Culture**

The unique culture adopted at PPL makes it a winning organization. It also reflects in the way PPL works. Every activity has a set time, hence today’s work is today’s only; there is no over time; a break in between is a break; no person is suppose to come late.

<table>
<thead>
<tr>
<th>We do Not</th>
<th>Hence</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bribe</td>
<td>No body expects from us,</td>
<td>work gets done early</td>
</tr>
<tr>
<td>Buy on credit</td>
<td>We can’t sell on credit</td>
<td></td>
</tr>
<tr>
<td>Sell/buy without Bill</td>
<td>Books are not worked</td>
<td></td>
</tr>
<tr>
<td>Accept bad Quality</td>
<td>Good Quality is the out come</td>
<td></td>
</tr>
<tr>
<td>Waste our Resources</td>
<td>Create additional resources,</td>
<td>we have more resources</td>
</tr>
<tr>
<td>Squeeze our suppliers</td>
<td>We have devoted suppliers,</td>
<td>we get materials on time</td>
</tr>
<tr>
<td>Disrespect any one</td>
<td>Everyone respects us</td>
<td></td>
</tr>
<tr>
<td>Duplicate works</td>
<td>We have more spare time to think</td>
<td>and better the present system.</td>
</tr>
<tr>
<td>Avoid complaints</td>
<td>Get better suggestions,</td>
<td></td>
</tr>
<tr>
<td>Avoid Discussions</td>
<td>Give better quality,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Have high Morale</td>
<td></td>
</tr>
</tbody>
</table>
## Major Events

The major events at PPL, which has shaped the organization towards excellence.

### Table No 4-2: Major Events that shaped PPL into Successful Organization

<table>
<thead>
<tr>
<th>Year</th>
<th>Land mark Developments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>Establishment of PPL in a 300 Sq feet area</td>
</tr>
<tr>
<td>1984</td>
<td>President's Award for Entrepreneurship</td>
</tr>
<tr>
<td>1987</td>
<td>Changed from Conventional management to Ethical management</td>
</tr>
<tr>
<td>1987</td>
<td>Computerization of the work</td>
</tr>
<tr>
<td>1988</td>
<td>JIT implementation</td>
</tr>
<tr>
<td>1988-1996</td>
<td>Evolution of PPL way like ...... factory within the factory; no security; no reception; no stores; trust based; single scoring, no incoming inspection; elimination of department; finest special library.</td>
</tr>
<tr>
<td>1989</td>
<td>Became Private limited company</td>
</tr>
<tr>
<td>1989</td>
<td>Participated in IMPEX (earlier in 1986)</td>
</tr>
<tr>
<td>1989</td>
<td>Visit of CEO to ITALY (collaboration under UNIDO)</td>
</tr>
<tr>
<td>1989</td>
<td>Construction of new building of PPL measuring 30,000 Sq feet (at Machhe)</td>
</tr>
<tr>
<td>1992</td>
<td>Nacosi Sima Award for excellence in Management</td>
</tr>
<tr>
<td>1993</td>
<td>Introduction of Welfare schemes</td>
</tr>
<tr>
<td>1992-93</td>
<td>Vocational Award for High Ethical standards</td>
</tr>
<tr>
<td>1993-94</td>
<td>First prize in Industrial Exhibition</td>
</tr>
<tr>
<td>1994</td>
<td>Visit of CEO to USA for collaboration with Oilgear Company, USA</td>
</tr>
<tr>
<td>1996-97</td>
<td>Visit of CEO to Japan, Taiwan for Quality Mission</td>
</tr>
<tr>
<td>1997</td>
<td>Visit of CEO to Germany for Exhibition</td>
</tr>
<tr>
<td>1998</td>
<td>Diligent TAXpayer award by Commercial Dept</td>
</tr>
<tr>
<td>1998</td>
<td>Honored by Institute of Engineers</td>
</tr>
</tbody>
</table>
What the VISTORS say

Visitors to PPL, come with the sole aim of seeing for themselves, first hand, what they have heard about the organization. After having seen and experienced the PPL culture and workplace practices, they take back a part of it and adopt whatever is apt. Writing back to SBH about the PPL experience has been hallmark and esteemed visitors like Sri Shantanurao Kirloskar, Sri Adi Godrej, Sri Sharad Rao Pawar, Sri B A Mohideen have been very appreciative and praises on both PPL and SBH.

1. Ricardo Frank Semler,
SEMCO, rua dom Aguirre 438,
Sao Paulo, BRAZIL
“The practices reflect and resemble that of SEMCO, on the lines of a beautiful principle...ethical management and idea of natural business”.
[August 15,1994, through letter]

2. ADI Godrej,
Managing Director, Godrej Soaps ltd,
Eastern Express Highway, Vikhroli,
Mumbai, India
“It has opened my eyes in many ways by seeing the excellent work done by you. I am sure your company has a tremendous future ahead of it”. [April 22,1992,after personal visit to PPL]

3. Dr D Nagabrahman,
Director, TAPMI,
Manipal, Karnataka, India
Wrote to a Professor, who co-ordinates activities at Management Centre for Human Values, IIM-C.
“I have seen a really exceptional man endowed with great Qualities and values of ethical Management who runs PPL on different model. It is to be seen to be believed his concepts of business and work, his values and his spiritualism “.
[May 9,2001, after personal visit to PPL, wrote to Shri Chakaravaoty, Professor, IIM-C, West Bengal, India]
4. A. K Kittappa,
Regional Director, NPC- National Productivity Council,
Lady curzon road, Bangalore, India

"It was a good experience for me to see such innovative systems working successfully". [12,July 1994, after personal visit to PPL]

5. Sri D R Swar,
Associate Vice-President (Materials),
Kirloskar Oil Engines Ltd, LR Kirloskar road,
Pune, Maharasthra State,
India

"I and my colleagues were impressed with the extraordinary work done by you. You have made JIT to work in Indian conditions, and showed the path to many of us, inspite of the illusion that JIT works only in developed countries like Japan. The emphasis, which you put on teamwork and involvement of people at various levels, is EYE opening. Sharing his experience back at my place, few others are interested to visit, since nobody will believe it unless they sees it". [14,December 1991,after personal visit]

6. Sri Sharadrao Pawar,
MP, Government of India,
Ex Chief Minister, Maharasthra Govt, India
Ex Cabinet Minister, Govt of India,

"Congratulations for a modern, clean plant. Your Vision on 21st century will take you globally". [1997, after personal visit]

7. Sri B A Mohideen,
Ex Minister of Small Scale Industry,
Government of Karnataka, Karnataka State, India

"Here is a place worth visiting and emulating. This is a place for human development in every walk of life with a tinge of spirituality".