CHAPTER - VIII

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The preceding chapters have dwelt upon the various dimensions of EXCELLENCE. Ever since the introduction of the concept of Excellence, a large amount of debate has taken place on what makes Excellent companies the way they are. What are the 'ingredients' that go into the making of these Companies? Is Excellence in itself a lofty goal? Can every Company aspire to become 'Excellent'? And finally, can Excellence be made to order?

These are indeed very complex questions and it is very difficult even to attempt answering them and come up with a definitive answer. Every organisation has a different set-up which is characteristic of its own background, genesis, the environment in which it operates, the aspiration levels of its promoters, the strengths and weaknesses, and the values held by the entrepreneurs. Having studied the two leading organisations in details, the researcher comes to the conclusion that Excellence is a multi-faceted, multi-dimensional entity, and it calls for a conscious choice on the part of the entrepreneurs.
During the interactions with the personnel at various levels in the two organisations, the researcher found that the very perceptions of Excellence vary - and this variation in perception is found in the senior level managerial personnel too. 'Excellence' is considered by some to be an abstract concept representing an ideal for which a Company must aspire. A few interviewees perceived 'Excellence' as a motivational tool with which employees can be inspired to greater levels of performance. At the higher levels, there appeared to be a clear understanding of what the concept of Excellence truly conveys, and how it fits in the overall working, and in fact in the very raison-de-etre, of the organisation. The one striking fact that came out of these discussions was that the awareness of 'Excellence' is very widespread. This is as much due to the various fora and media through which it has been discussed by the leading personalities of industry and business, as due to the fact that one of the Companies in the paint industry has been acknowledged as an 'Excellent' Company. That the performance of one paint Company came to be reckoned as 'Excellent' not only at the national level but also internationally has truly lifted the self-image of the paint industry as a whole.
A good number of senior personnel frankly conceded the fact that prior to the public acknowledgement of the Excellent performance of Asian Paints (India) Limited, they had a different perspective of themselves and of the paint industry as a whole. The growth of Asian Paints (India) Limited in terms of financial results that they produced consistently over the years was open for all to see. In the initial period, the outstanding success of Asian Paints in the marketplace was in fact viewed in a condescending manner with the thought somewhere in the back of the mind that this success was at best a temporary phase, and a result of favourable conditions and fortuitous circumstances. However, as the success proved to be a sustaining one, the competitors had to sit up and take notice. What was probably found to be most surprising by the competing companies was that the operations of Asian Paints were subject to much the same market forces as for themselves. It was also significant that market leadership of Asian Paints in terms of the sales turnover was not at the cost of profitability. In fact, quite on the contrary, the profitability of this Company has been the highest among the major paint companies in India, for a long time. The conclusion was thus inevitable: there must be some core, fundamental reasons for the stupendous success achieved by this Company.
While some outstanding strengths in technological areas will result in a rapid growth of a Company in comparison with its competitors, this situation does not obtain in the case of paints technology for a majority of products. At the same time, no Company can achieve outstanding, sustained growth over any meaningful period of time if its offerings to the market are far behind others offered by the competition. It is thus true that technology alone did not give Asian Paints any distinctive edge. The reason must lie elsewhere.

Can it be found in the skills, staff and structure acquired/developed by Asian Paints? The answer is in the negative, for the skills and staff available to different Companies in the paint industry are more-or-less comparable. Further, access to technology import from the developed countries was not difficult for the Indian paint companies. Actually, in these respects the multinationals which were already operating in the Indian sub-continent were in a privileged position of easy access to technology. Asian Paints was thus not having any initial advantages in terms of skills and staff. The aspect of a well organised structure has acquired major significance in the efficient functioning of an organisation at a relatively recent stage. A striking
feature of 'structure' is that it by itself is incapable of producing outstanding results even when it has been meticulously planned. A rigid structure which does not allow for meaningful flexibility will hinder the organisation's working. In this respect, the structure of an organisation can be labelled as a "hygiene factor" if one were to speak in terms of Herzberg. In any case, the importance of structure comes into full play only after the organisation reaches a certain magnitude in terms of functional diversity and specialization, the range of operations and the size of the work force. It would thus seem that the factors of skills, staff and structure will be crucial to outstanding success more in the areas of high technology, labour intensive industries where the functional diversity is very large. Moreover, the requirements of particular skills are determined by the strategies which the company decides to adopt and the systems which it designs to effectively implement these strategies. It is, of course, necessary to point out here that the relative importance of skills, staff and structure vis-a-vis the other factors of organisational effectiveness would depend upon the particular type of industry in which a Company operates.
In the context of the Indian paint industry, therefore, the factors which look to be more important and which have contributed to the Excellent performance of Asian Paints are strategy, systems, management style and the Superordinate Goal. By extension, these factors are equally important to other paint companies too, in so far as the Indian paint industry is concerned. A careful formulation of strategy is a good starting point on which to base the considerations of systems. The management style and the Superordinate Goal would be a powerful combination to induce the people to give off their best to the Company. All things considered and given their proper weightage, this researcher would propose the thesis that the key to organisational functioning, managerial efficiency and achievement of EXCELLENCE lies in the key resource of PEOPLE - the word 'people' being taken in its broadest perspective.

"EXCELLENCE THROUGH PEOPLE" would thus seem to be the right philosophy for any Company seeking EXCELLENCE. In practical terms, this would mean that a company would primarily have obligation to the people who consume its products, to the people whom the Company employs and to the people who have reposed their trust in the Company by way of investment. It thus becomes immediately
evident that strategy and systems, skills, staff and structure, and the management style and corporate culture veer round the central factor of EXCELLENCE - the 'People Factor'.

VIII-b Customer Orientation:

That every organisation aspiring to achieve any meaningful degree of outstanding success should keep 'customers' as its focus seems much too obvious, much of a cliche and almost corny. However, in spite of the widespread awareness of this very fundamental factor, several companies overlook the customers and sometimes even ignore them. Some companies are conscious of the cruciality of the role of the customers, but keeping the focus on customers at all time to come is not something that gets followed by them. The difference between the companies that are Excellent and those that are not is manifest in the sustained attention paid to the customers. Companies whose ears are finely tuned to the customers' needs are always at an advantage over others. Innovations are many a time the direct result of suggestions received from customers. So far as the paint industry is concerned, the characteristics of decorative paints sector are such that generally the paint manufacturer does not come into
contact with the final user of paint. The paint manufacturer's link with the ultimate consumer of paint is through the dealer. Hence the dealers' requirements acquire paramount importance. In many instances, the dealer influences the buyer's decision to buy one brand or another. This of course would not hold if product differentiation is of a significant order. The influencer is sometimes the previous user of paint. At the same time, the customers' preference may itself vary from time to time and his specific requirements too may undergo a change. This would be especially applicable to the industrial paints sector. With the growth and development of the Indian industry, the viewpoint of looking at paints has undergone a sea change - especially since the mid-eighties with the advent of Maruti. The outstanding success of Goodlass Nerolac Paints Ltd in the industrial paints sector can certainly be attributed to the close follow up of the requirements of industrial paint consumers by Goodlass. The area where Goodlass Nerolac Paints Ltd show remarkable proficiency is the pre-sales developmental work and post-sales service back-up. The stability of their high-level technical experts, starting with the ex-Technical Director and presently the Technical Consultant, Shri Ravi K. Marphatia, has played a significant role in making the technical operations of Goodlass Nerolac Paints Ltd outstandingly successful.
Comparison of the two companies in regard to their customer orientation:

The researcher thus reaches the conclusion that in regard to understanding the customers' requirements, catering to their needs and striving to achieve customer satisfaction, both the Companies under study have done exceptionally well in their respective areas of strength. In the industrial paints sector, Goodlass Nerolac Paints Ltd have succeeded in continuing to maintain their strong presence on account of their ability to keep pace with the technological developments taking place around the world, developing specific products to meet the specific needs of their customers, adopting the 'complete system' approach to product development and efficient technical service back-up. In the decorative paints sector, Asian Paints (India) Limited were successful in striking an instant personal rapport with the individual paint users in the non-urban area by identifying the Company with the needs of these non-urban paint users. The Company succeeded in securing a share of their mind. Religious occasions, festivals and seasonal requirements were very properly interpreted by Asian Paints (India) Limited. They provided precisely the type of products needed by the rural populace. They thus established
themselves in the non-urban market very quickly. This keen perception of the existence of opportunity and gaps in the competitors' strategy is acknowledged in the industry circles as outstanding business acumen. In the words of Mr. C.V. Abraham, Senior General Manager (Marketing), Asian Paints (India) Limited, this perception would just not have come about without "an innate feel of the consumers". Ever since then, better feel of the consumers and rapport with the dealers have been the bedrock of Asian Paints' market operations. In fact the same line of thinking seems to run through many successful organisations.

According to Mr. R. D. Agha, Chairman, Thermax (India) Limited, several things are necessary to achieve outstanding success; some of these are:

- Professional management of large projects
- Decentralisation of the accounting function
- Management of information
- Building up leadership
- Reducing cycle time
- Concern for Quality.

But everything begins and ends with people, and an organisation must believe in nurturing a human organisation which understands the paradox that the total organisation is more important than the individual but this does not
make the individual less important. An organisation should be customer sensitive and innovation driven.

It is in fact true that innovative attitude automatically follows the customer orientation. Innovation per se is at best an intellectually satisfying exercise. Business progress does not come merely out of problem solving but it is a result of exploitation of opportunities. A problem can be turned into an opportunity, and that is precisely what Asian Paints did when they met with unbreakable barriers in the form of the dealers' resistance in accepting their products.

VIII-c Employees Orientation:

The researcher found that at Asian Paints (India) Limited, the individual dignity of employees is carefully maintained. This consideration that the Management shows gets manifest in many small ways too. Sharing of responsibility, helping the individual in reaching his own highest potential, objectivity in assessing his performance, free flow of information, ease of communication, absence of inter-departmental as also hierarchial barriers, action and results orientation, absence of memo-culture, and peer pressure are the areas
where Asian Paints (India) Limited truly excels. Innovativeness is encouraged, and senior managers are not averse to risk taking. The sense of involvement and belonging to the organisation is strong among the employees at Asian Paints. The top management is perceived to be considerate, kind and yet an appropriately tough entity. Several employees at Asian Paints, and senior managers even from competing companies (including those at Goodlass Nerolac Paints Ltd) were full of praise for the top management team at Asian Paints as "complete professionals". It is truly remarkable that at Asian Paints one finds an amalgamation of professionalism and personal touch.

Asian Paints have also nursed their man-power talent very assiduously. While there is rigorous training when a person enters the organisation, the fuller development takes place while the employee is on the job. This is done by giving him higher responsibilities, commensurate with the competence that he demonstrates. Significantly, promotions are not necessarily regarded as rewards. Rather, they are regarded as the opportunity given to the employee to develop his potential fully. Moreover at Asian Paints there is seen to be balanced blend of authority and responsibility both of which are delegated downwards. A characteristic of the working
environment at Asian Paints is the degree of trust employees seem to enjoy from their peers and superiors. Apart from the fine tuning of the skills in the field of information generation, storage, dissemination and utilisation, and in the field of money management, in the researcher's opinion the 'people management' has played a significant role in the stupendous achievements of Asian Paints. The element of trust, mutual confidence, comraderie, commonality of purpose, identification with the Company's policies, procedures, systems and goals— all these have made their own contribution to the excellent performance of Asian Paints.

VIII-d The Time Factor:

Every successful company lays a great emphasis on the factor of time in measuring the level of organisational efficiency. However, at Asian Paints the fervour with which the time dimension is stressed is of an exceptionally high order. Time is quite realistically regarded as the scarcest resource. Just as the strength of a chain is decided by the weakest link, the organisational efficiency is properly to be evaluated from how it utilises the scarcest resource—the time. This great awareness of the time factor induces a sense of urgency in all that the employees do at Asian Paints.
Further, this time consciousness is matched by an equally fervent zeal for planning, and as a result last minute rush, tension-full eleventh hours, hectic nature of activity and frayed tempers are rarely experienced at Asian Paints. The work routines at Asian Paints are marked by 'quiet efficiency'.

At Goodlass Nerolac Paints Limited, the dominant orientation is towards products and technology. Customer orientation in the industrial paints field is very strong and as a result Goodlass Nerolac Paints Ltd are indeed excellently placed although the competition from other companies is growing sharply. The policy of offering 'complete system' to the industrial customers has paid them handsome dividends. Thanks to this domination of the industrial paints sector by Goodlass, many consumers and and dealers put a high value on the products made by Goodlass for their perceived 'superior quality'. There is no doubt that the widely known fact of Goodlass Nerolac Paints Ltd having been the first and, until recently, the only supplier of paints to Maruti Udyog Limited has played a key role in widespread acknowledgement of the technological dominance enjoyed by Goodlass. In this specific respect, the performance of Goodlass Nerolac Paints Ltd merits being rated as
'Excellent'. At the organisational level, however, EXCELLENCE will always be a multi-faceted, multi-dimensional entity, and Goodlass Nerolac Paints Ltd does seem to have some limitations. Starting with their physical assets, though they have multi-location production facility, their oldest and largest manufacturing unit at Lower Parel, Bombay suffers because of lack of space and rather congested layout. The importance of proper physical facilities can not be overstressed in regard to the impact they make on the mindframe of the employees. The physical facilities are an important hygiene factor in the morale and motivational aspects of the management-employees relationship. The aspect of the background of the Company - tracing its links with the British Raj and some of the remnant vestiges that are still discernible to the observant eye-can not be totally segregated from the social environment from which the majority of the work-force comes. By and large, the employees do look contented regarding their compensation package but still the Company cannot claim to have had very harmonious and trouble-free industrial relations. Actually the Company suffered debilitating strikes - first during December 1977 to March 1978 period and second about a decade later in the year 1987 - which affected the overall working of the company including the productivity, profitability and
market position. The situation deteriorated in the following year and as a result there was a hiatus in the Company's operations. The Industrial Relations and the Human Resources Development are the areas which call for vigorous and sustained efforts on the part of the top management of Goodlass Nerolac Paints Ltd. It is very heartening that there is a great deal of awareness and realisation at the top management level to do better.

VIII-e Communication:

Communication and sharing of information on common platform would also seem to be a much needed reform at Goodlass Nerolac Paints Ltd. Owing to historical reasons, the communication between different departments tends to acquire formal, written form with the underlying current of 'self protectionism' among the various functional areas, and between different groups/departments within a functional area. Individual employees at the relatively junior levels have a tendency to identify themselves with groups, and they find it rather difficult to view themselves as a part of the larger organisation. While the tendency to protect one's own interests is a natural phenomenon, there is a necessity at Goodlass Nerolac Paints Ltd to consciously strive for keeping the company's
objectives at the centre-stage while taking any higher level decisions. This is being done at present but there needs to be a greater and consistent emphasis.

In regard to the organisational structure too, significant differences seem to mark the operations of Goodlass Nerolac Paints Ltd and Asian Paints (India) Limited. These basically pertain to the "soft" elements of the organisation structure, i.e., these pertain more to the ways of working, the style of functioning, delegation and the philosophy of team management. It seems that much of the decision taking authority is concentrated in the higher 'echelons' of the organisational set up at Goodlass Nerolac Paints Ltd. Moreover, it appears that many of these decisions are of the operational nature as a result of which a good deal of the energy and time of the top management team at the corporate level gets consumed in the operational part of conducting the Company's business. This leads to relatively less amount of time being devoted by the top management team to environmental, integrative and strategic aspects of the organisational operations. It also results in partial abdication of responsibility and accountability on the part of middle-level managers and executives. The innovative drive among this level of management and executives, crucial to the effective
working of the organisation, tends to get curbed. This is one of the key aspects where Asian Paints (India) Limited shows distinctively superior capabilities.

The researcher also observed that there exists a subtle difference in the way the employees at the two organisations view themselves and perceive their respective organisations. This factor is the cumulative effect of all that the organisation and its people think and do. This factor is the most intangible of all. A probable reason for this particular "feel" could be that ever since it achieved leadership in the year 1967, Asian Paints has remained at the top. Further, it has consolidated its position and it is today almost twice the size of the immediate competitor - namely, Goodlass Nerolac Paints Ltd. On the way, public recognition has also come to be bestowed on Asian Paints (India) Limited, and the researcher could see the significant impact this conscious awareness has made on the subconscious thinking of their employees. This 'psyche' of the employees has played no insignificant role in the work ethos at Asian Paints. It, however, needs emphasis here that Asian Paints' success and Excellence have been built upon core principle which have been assiduously practised from its very inception. The ranking of Asian Paints (India) Limited
among the top five paint manufacturers in the world on several indicators including growth and financial performance, by an independent international authority, K C Luyben of Amsterdam, has come as a natural consequence of these sound principles. Equally significantly, an IDBI study has rated Asian Paints (India) Limited as one of India's "most excellent companies". This public recognition of "Excellence" has come about as a result of the pursuit of Excellence for many years. A remarkable fact about Asian Paints (India) Limited is that even after they have come to be known as people of an "Excellent" company, the employees have not fallen to the temptation either of over-sentimentalism or of over-confidence. They have continued to remain pragmatic. The Company continues to be driven by the same core principles that have stood the test of time and proved their fundamentally sound character. The employees have become neither 'soft' nor overdriven by their newly acquired 'status'. 'Being Big but Acting Small' would properly sum up the typical attitude of an employee at Asian Paints.

At Goodlass Nerolac Paints Ltd, the employees seem to view themselves as part of a relatively impersonal set up. The thinking towards the top management is one of a distant entity. The individualistic way of looking upon oneself is present to a marked extent. Members of
the top management group are perceived by people down the line as manning a citadel. To this extent, the identification of an employee's personal goals, on an average, with the organisational objectives presents a hiatus at Goodlass Nerolac Paints Ltd.

VIII-f Concluding Comments:

The determining factor in the achievement of excellence thus seems to be in the Company orientation that has come to be crystallised over the years. As Excellence is a multi-dimensional phenomenon it is difficult to identify with any degree of precise delineation the factors that would have causal relationship to the outcome. It would still be worthwhile to make an attempt in this direction in so far as the two companies under study are concerned. The conclusion that the researcher has reached is that the pursuit of EXCELLENCE needs to be undertaken on all the fronts and at all the levels of an organisation. The strategies, systems, skills, staff and structure would of course get delineated in their scope for the reason of the very manageability of these factors, but the people orientation, management style and the corporate culture are the factors that
would have to be all-encompassing. This calls for a realisation on the part of everybody in an organisation striving for Excellence that Excellence is not a technique. It is also not a means. 'Excellence' should thus be regarded as the natural consequence of pursuit based upon the core beliefs and philosophy of an organisation where the tangible factors are harmoniously blended with the intangibles. The success of the tangibles is actually decided by the intangibles when the all important factor of 'time' is considered in its true perspective.

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