

Case Study : Accomplished and Unrecognized Sportsman In Sports Garments Manufacturer - An Unusual Case

* Sitansu Panda **S.F.Chandrasekhar

Introduction

In the turbulent and dynamic environment, HR functions are becoming more challenging. It becomes the prime responsibility of the HR-Manager to rethink about the employees' future, reformulate strategies for them and rebuild the organization in the right way to retain and make best use of talents. As companies are increasingly realizing the importance of sponsoring sports for marketing their products is a marketing imperative, on the other hand encouraging employees to represent sports teams has become an HR imperative. Towards this, innovative recruitment practices for tracking sportspersons, performance appraisal systems, potential development strategies, competency building processes, and excellent career growth opportunities are being given special concern. Sometimes, diverting employee's potentiality to other activities than that of his prime job coupled with favouritism; create conflict and affect the organizational climate, yet such decisions are justified owing to their impact on the brand value of the company. No organization can grow by emphasizing the personal interest of the employees. Moreover, it is imperative for an

organization to think about its long-term goals. At times, rarest of the rare cases, an employee who is recruited under non-sports category but, represents national sports is denied his due by the company as a case in point. In this context, this case study provides a platform for the management students to discuss and sharpen their decision-making skill in connection with the sustenance and best use of a talented sportsman for the greater interest of the company in the light of recruitment policy. Such poicliy positively discriminates the person employed under such category, and denying opportunity to partake sports for an employee under non-sports category though talented.

Swadidas Industries Private Limited

Swadidas Industries Private Limited is a garment manufacturing industry. It was started in the year 1989. It is located in Ahemadabad. It is one of the reputed industries, which provide dress materials to the sports personalities. Barring first few years, it runs without any major dispute. It has regional offices in different parts of the country. It is especially for streamlining the marketing functions of the company. At the beginning, the company was having

*Lecturer, Department of HRM, Siva Sivani Institute of Management, Secunderabad-14.

**Professor & Head, Department of HRM, Siva Sivani Institute of Management, Secunderabad-14.

twenty-nine employees. Within a span of sixteen years, it has become the leading manufacturers in garment sector with a work force of 1357. It includes 119 executives, 316 supervisors, 437 permanent labour and 485 contract labour. In this company, people from different parts of the county with different culture are working. The company offers lucrative compensation package to attract the best talents available in the country. The alumni of top B-Schools in the country occupy many executive positions in this company. After five years of its establishment, the company has gone for modernization. It has an excellent profit track record (Refer Annexure-I)

For all the major national and international sports events this company supplies the dress materials. It also sponsors different national level tournaments. It has a rural development society as *Swadidas Grameen Unnayan Society* (SGUS). It organizes annual sports meet for the nearby villages in and around Ahemadabad. By this, it gets new talents in the field of sports. Some of the national level players in Hockey, Cricket, Kabaddi; are being searched and sponsored by this company.

HRM Practices in Swadidas Industries Private Limited

Swadidas Industries has innovative HR practices. The company has its own High school at Ahemadabad, which is affiliated to CBSE. It also runs a college up

to graduation level. Each year the company is awarding the top three rank holders of each class (UKG to Graduation). In recruitment, '*Sons of the Soil*' have special reservation. In some cases, the alumni of the Company school are given preference than the other school products. It does not believe simply in giving jobs to the talents. Rather, it provides an excellent career growth for the employees. It imparts rigorous training to its employees. It has two weeks induction programme for the newly joined incumbents. Various in-house training & development programmes for different level of employees are being organized (See Annexure-II). Every year the company rewards best performer of each department. It also provides a special cash award of three lakhs with a foreign trip for three days to the best employees with extraordinary talent in sports. It has a flexible transfer policy especially for the marketing personnel. Commitment, teamwork, mutual trusts are the factors attributed for the success of the organization. Some of its activities as infrastructure development, guesthouse maintenance, have been outsourced. The Company spends a sizeable amount towards extramural welfare benefits. It has different bipartite forums. In works committee, Quarter Allotment Committee, Canteen Committee, Puja Committee and other bipartite forums, recognized union representatives and management representatives jointly take decision. The oldest union seldom considers concession bargaining. Moreover, the Company strives to build a sound HR climate.

(Refer Annexure-III for union information).

Performance Management System In Swadidas Industries Private Limited

The company has 360 Degree performance appraisal system. Punctuality and employee's attitude are the parameters along with others in evaluating employees' quarterly rated performance. Incentive system is prevailing in the company. Dependability, initiative, overall output, attendance, attitude, co-operation, punctuality, teamwork are taken in evaluating employee's performance. The HR Department takes suitable measures like training, counseling, job enlargement, job enrichment and some innovative practices for employees' development. The designed Performance Linked Incentive System is beneficial to employees in long run though it seems low incentive benefit for first few years. Last year, the company has started giving a Sony LCD T.V. of worth one lakh for the employees rendering three years continuous and best service to the company. However, evaluation of performance scores of an employee is cumbersome as many qualitative and quantitative parameters are taken into consideration. Even though the company provides the best package, excellent career growth and community benefits to the employees, many have left the company (Refer Annexure-IV).

Current Scenario In The Industry

Sports related business is booming across the world. Particularly in India, business sponsored cricket is an undisputed issue. Sports authorities across the world

are devising more models of sport business. one such models much talked about is the IPL model. The Cricket Control Board of the country launched the Indian Premier League (IPL). It is on the lines of football's English Premier League and the National Basketball League (NBA) of the US.

The IPL is a professional Twenty20 cricket league created and promoted by the BCCI and backed by the ICC. The Twenty20 league set its debut in April 2008, with eight teams comprising a minimum of 16 players each. The league lasted for 44 days with total 59 matches. The IPL works on a franchise-system based on the American style of hiring players and transfers. These franchises were put for auction, where the highest bidder won the rights to own the team, representing each city. The auction for the same took place on January 24, 2008 and the total base price for the auction was \$400 million. The auction went on to fetch \$723.59 million. The Mumbai franchise was the most expensive franchise fetching 111.9 million closely followed by Bangalore franchise for \$111.6 million. Media house Deccan Chronicle won the Hyderabad chapter of the IPL for \$107 million, while India Cements' Chennai franchise cost \$91 million.

Bollywood also made its presence felt with two of its leading stars bagging the ownership of Kolkata for \$75.09 and Mohali team for \$76 million. One of the leading infrastructure development group owned Delhi team for \$84 million and the Emerging Media Company won the rights for the Jaipur franchise for \$67 million.

Eight teams participated in the IPL tournament namely, Bangalore Royal Challengers, Kings XI Punjab, Chennai Super Kings, Kolkata Knight Riders, Deccan Chargers, Mumbai Indians, Delhi Daredevils & Rajasthan Royals. Different teams owned the leading national and foreign players. Mr. Jakobson Moreckel is one of the emerging cricket stars in the country. He played for Rajasthan Royals. His presence is a threat to the opponents. He bowled many international batsmen before they reach double figures. His hard hits changed the result for the favour of his team.

The final match of the Indian Premier League ended very interestingly. There was surprise after surprises. What a grand success for the Rajasthan Royals. The last wicket partnership took the challenges and won the match. Six fours in an over is a record. Really, it was full of anxiety.

He was also the Hero in the first match against Deccan Chargers. His bating talent swung the pendulum in favour of Rajasthan Royals. The huge six fell out side the stadium being hit by Moreckel decided the match.

"What a shot!"- praised the captain of Rajasthan Royals.

Mr. Moreckel, an excellent cricketer is a technician in the production department of Swadidas Industries Private Limited. He is a sportsman by nature, employed under non-sports category by the company. He is least concerned about his

job activities. He is an influential person. It is affecting the work of the production department. Many of the employees are discontented with him including his boss. However, he earned fame for his performance in cricket sponsored by other companies and not by his parent company.

Mr. Moreckel joined in Swadidas Industries Limited, on 2nd May 2003. He has excellent academic career. Being a Diploma holder in Chemical Engineering from NIT, Chennai he was providing consultancy for different textile industries. He is an excellent bowler. He could not represent the State level tournaments in 2001 on physical fitness ground. However, he was unhappy with the selection committee. He got a job as a general candidate. Getting a job in Swadidas really gives a testimony of his talent. He has a different face in the company. Most of the days, he comes to office late. His co-workers comment that the ideas given by Moreckel are full of fantasy. He has been given oral warning thrice to change his behaviour. (See Annexure-V for Moreckel's work activities) In the match practice session his indiscipline in the form of ego, short temper is noticed. The recognized union is the powerful one. Some office bearers of this union are excellent cricketers and they like this bowler, which constraints the management from taking serious action against Moreckel.

The employees in the department complained, "Who will do the pending work of Moreckel?"

"We are paid for our own work but not for other and we would not do others work."

They took this to their union (not recognized) and raised an issue that "continuous absence in lieu of other activity should not be allowed in the company. It demoralizes the employees. Otherwise, the company should go for new recruitment. "- viewed by some of the employees (union members) in their meeting with HR Manager.

Rather working in the Production Department, most of the time Moreckel devotes for sports activities. Some of the front line leaders of the recognized union protect him. For this, majority of the members of different unions do not like. The union- management relationship gets affected.

The Manager (IR), Manager (HR), Manager (Production); all planned strategically to improve the IR scenario.

The Manager (HR) has gone through the recruitment record and says, "Moreckel did not apply under Sports Quota and why can not he be fired? However, it is not so easy. What is the mystery?"

One of the relatives of Senior Manager (Production) of Swadidas Industries owns a team in the recently held IPL cricket tournament. He does not want to lose a great bowler and a pinch heater like Moreckel. For greater interest of sports, the climate of the company is worsened. Again the Senior Manager (Production) is close to CMD of the company. The problem is centered on one person. But it affected the

entire organization. It has to be strategically handled to keep the brand image of the company high. Whether to retain Moreckel or to fire him out has become the main issue of concern for the company.

This company is one of the sponsors for Gujarat team for forthcoming two mega cricket tournaments in this year.

"Will it effect the image of the company if Moreckel is terminated?" "What is to be done by the company?" the Public Relations Officer raises this in the weekly team meeting.

Moreckel also plans to develop a team of his own for Rajasthan and to get more profit in the next IPL tournament in 2011.

Questions:

- Q.1) What are the problematic issues in this case? How to retain talent in Swadidas Industries Private Limited?
- Q.2) Can Moreckel form a team for Rajasthan?
- Q.3) How can the IR climate of the company be improved in the light of Moreckel's case?
- Q.4) What are the dynamics of relationships among Senior managers and CMD?
- Q.5) If you were the Manager (HR), what steps you would have taken to change Moreckel?

Annexure-I

Profit Record of Swadidas Industries Private Limited, Ahemadabad

Year	Profit in Crores (Rs.)	Specific Point/s
2001	598.78	Old technology has been partially modernized
2002	638.29	New technology has been brought from France
2003	685.67	Labeling activity has been outsourced
2004	782.92	Agreement with Sports Council of Gujarat & Rajasthan to provide dress materials for all the cricket national and international matches in Gujarat
2005	835.23	Agreement with International Premier League to Sponsor a cricket team

Source: Department of Finance

Annexure-II

Major Training & Development Programmes at Swadidas Industries Private Limited, Ahemadabad

Year (2001)	Programme	Category of Employees	Duration	In-House/ Out Side
1	Job Instruction Training	Operators	21 days	In-House
2	Executive Development Programme	Junior Officers	5 days	SSIM, Secunderabad
3	Leadership Development Training	Trade Union Leaders	3 days	VVGiri National Labour Institute, NOIDA
4	Management Development Programme	Senior Executives	2 days	Hotel Katriya, Secunderabad

Year (2002)	Programme	Category of Employees	Duration	In-House/ Out Side
1	Technology orientation programme	All workers in Production Department	10 days	In-House
2	Supervisory Training Programmes	Selected Senior Level Supervisors	7 days	In-House
3	JIT Training	Supervisors	5 days	In-House
4	Counseling Programme	Workers	3 days	In-House
Year (2003)	Programme	Category of Employees	Duration	In-House/ Out Side
1	Training for Community Participation	Employees of SGUS	10 days	Rural Management Institute, Anand
2	Improve Your Confidence employees	All Physically Challenged	3 days	In-House
3	Supervisory Training Programme	Newly employed employees in Supervisory Category	5 days	In-House
Year (2004)	Programme	Category of Employees	Duration	In- House/ Out Side
1	Yoga	Executives	14 days	In-House
2	Stress Management	Junior Officers	5 days	SR Training Centre, New Delhi
3	Effective Communication Training	Supervisors And Senior Level workers	7 days	In-House
4	Improve Your Performance (IYP) Programme	Senior Workers	3 days	In-House by taking the International experts in the field

Year (2005)	Programme	Category of Employees	Duration	In-House/ Out Side
1	Technical Training	Junior Operators in Production Department	7 days	In-House
2	Entrepreneurship Development Training	Opted for VRS	5 days	In-House
3	Change Your Life Style	Women Employees (Contract)	7 days	In- House in collaboration with Central Board for Workers' Education

Source: Department of HR

Annexure-III

Trade Unions in Swadidas Industries Private Limited, Ahemadabad

Sl.No.	Name of the Union	Registration Number	Claimed Membership Strength	Affiliation Status	Recognition Status
1	Swadidas Industries Employees' Union	171 / Ahd /15.4.1991	603	INTUC	Recognized unionsince 1992
2	Swadidas Industries Mazdoor Sangh	45 / Ahd / 23.5.1996	118	BMS	No recognition
3	Swadidas Industries Labour Union	70/ Ahd /25.2.2000	203	CITU	No recognition
4	S.I. Mazdoor Sabha	308 / Ahd /12.11.2003	176	Independent	No recognition

Source: Collected from Unions

Annexure-IV

Year-wise Man Power Strength in different years, Swadidas Industries Private Limited, Ahemadabad

Year	Total Man Power at the beginning of the year	No. of Man Power at the end of the Year	Ground for leaving	Specific Strategies taken
2001	2047	2011	Less career growth	Special HR Policy declared for executives
2002	2011	1982	Accident (Occupational Disease)	Special Compensation Package declared to attract new resources
2003	1982	1774	Early Retirement not coping with modernization	VRS Policy announced
2004	1774	1699	Stress	Compulsory Yoga for employees
2005	1699	1357	Work Pressure	Deployment of Contract labour

Source: Department of HR

Annexure-V

Moreckel's Job Activities Vis-à-vis Cricket Activities (2004)

Month	Actual Time Spent / Expected Time Spent in the Company in Hours	Number of Complaints Against Moreckel	Moreckels Performance In Sports
April	36/ 96 (0.375)	3	Best Bowler for Gujarat in Ranaji Trophy
May	41/ 208 (0.197)	2	Best Allrounder in T-20, Nagpur
June	92 / 234 (0.393)	1	Best Batsman in West Zone Cricket Tournament
July	87/ 248 (0.350)	1	Man of the Match in Final Match, One day Match for Rajasthan
August	95 / 248 (0.383)	2	Player of the Tournament, Plate League Match, Inter District Cricket, Gandhinagar

September	99 / 234 (0.423)	1	Disciplinary Action taken and banned from five matches in District level Cricket Tournament, Ahmedabad
October	67 / 256 (0.261)	1	Selected to get coaching in MRF Academy, Australia
November	65 / 208 (0.312)	-	Best Bowler in Ghanashyam Memorial Tournament, Delhi
December	78 / 216 (0.361)	2	Got Invitation from Yorkshire to Play in the English Counti Match
January	82 / 248 (0.330)	1	Fair Player of the Year, 2004
February	81 / 200 (0.405)	3	Selected as the Vice-Captain of Chennai Super League in the IPL Tournament
March	66 / 216 (0.305)	7	Dropped from three matches due to internal rift in the team

Source: Department of HR