

# Empowering TIMES



December 2011

## Editor's DESK

Dear Reader,

Corporate India has been a witness to two distinct economic eras – pre-liberalization and post-liberalization. Both the scenarios posed their sets of pros and cons, with the latter era doing more good than the former. But both the eras have displayed a somewhat common vulnerability when it comes to issues related to labor and Unions. Be it the beginning of unionism in India during the period of ‘national capitalism’ or the most recent labor strife at Maruti’s Manesar plant (one among many cases), labor issues have been and continue to remain an integral part of corporate India. In this month’s ET we look at this topic in greater detail and attempt to provide some additional dimensions to view this contentious matter.

**Thinking Aloud** this month features Vijayan writing about ‘Reflections on formation of a Union and the failure of HRD’. He shares with us his past experiences with organisations in which Unions were formed and were perceived to be a result of the failure of the HRD function. But he says that he is convinced that HRD and Union are not mutually exclusive functions, but in fact have to co-exist and complement each other. He advocates that building a responsible Union should be an essential function of HRD which will enable responsible decision making in an organisation.

On the **Podium** this month we have **Anil Gole, Executive Vice President & Head – H.R., Greaves Cotton Limited** who expresses his views about the **Industrial Relations** environment in India.

He tells us about the difference of Unionization in the industrial and services sectors and says that India has a

In this Issue:

**Thinking Aloud:** Reflections on formation of a Union and the failure of HRD - **Vijayan**

**Podium:** Interview with **Anil Gole**, Executive Vice President & Head – H.R., Greaves Cotton Limited

**Between the Lines:** The TCS Story... and beyond - S. Ramadorai

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**Figures of Speech**  
By Vikram Nandwani



well-developed set of labor laws. He acknowledges that the Union – Management relationship is bound to have conflicts due to the inherent opposing views of the two groups, but a realization of co-created prosperity has led to increased working together by the two groups.

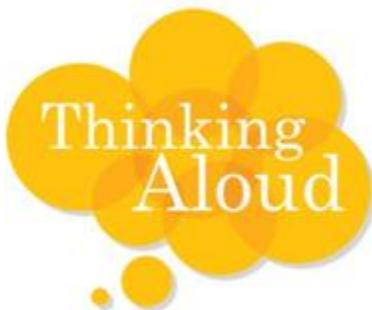
This month's ***Between the Lines*** comprises the review of the book 'The TCS Story...and beyond' by S. Ramadorai. In the book, the erstwhile CEO and MD of Tata Consultancy Services (TCS) presents an insider's view of the rise of TCS as an IT behemoth. The book tells us about the genesis of TCS which dates back to 1962 and how this unit took the shape of the company what it is today. The book is a compilation of various instances which were the building blocks of TCS and also gives an insight on the emergence of the Indian IT industry in the past few decades. In addition to this book, Jay who reviewed the book recommends two other books for a comprehensive understanding of the Indian IT sector – Bangalore Tiger (on Wipro) and Leadership@Infosys.

This month's ***Standing Ovation*** does not feature an NGO, but instead we look at Milaap, an institution which acts as a bridge between your funds and India's poor. Milaap has a unique concept under which an individual who wishes to loan funds for a good cause can choose to do so through Milaap's website and at the end of the period, the loaned amount is returned back and can be re-deployed for another good cause.

In ***Figures of Speech***, Vikram takes a mid-air view of a striking pilot!

We at ELS would like to take this opportunity to wish all our readers a Merry Christmas and a Happy New Year!

As always, we value your opinion, so do let us know how you liked this issue. To visit our previous issues you can visit the Resources section on the website or simply [Click Here](#). You can also follow us on [Facebook](#), [Twitter](#) & [Google+](#).



## Formation of a Union and the Failure of HRD reflections - Vijayan

Many years back, early in my career, I remember reflecting on the above. In one of the units of the company I was associated then, a Union had formed. For a two-to-three years period prior to the formation of the Union, the company had articulated an energizing Company/Plant vision and the contextualization of a HRD based approach to all People Processes. Many positive actions - welfare benefits, annual salary reviews, direct communication with workmen in shift meetings/Town Hall meetings - had been introduced and received well. Hence, when the Unit management was faced with the formation of the Union, the 'unstated conversations' seemed to veer around that the Union has been formed due to 'the failure or ineffectiveness of the HRD processes'.

I faced a similar dilemma, years later, in another unit of the same company - where a multi-Union formation followed nine years of no-Union reality. In this unit too, the Vision was progressive, practices were proactive, and went one or two notches higher in intent and delivery compared to the experience quoted in the first paragraph. Yet, when the reality of a Union emerged, there was a

sense of 'dejection' all around that 'HRD had failed', some even said 'I told you so...these things never work with workmen...'

Now, having moved on from both the above two events, after having seen and engaged with both at close quarters I have become a little less harsh on myself and am able to better nuance the understanding of the above two events. I am convinced, that HRD and Union formation are not 'Either Or', they are in fact an 'And'. If the company chooses to invest in a HRD approach to all relationships at a unit, be it white collar or blue collar, then the unit will get the Union it deserves for fewer negative reasons and for more positive reasons. On the other hand, if HRD approaches to blue collar relationships are starved/rationed out, the Unit would get the Union it deserves, but this time for a long list of wrong reasons and for a few productive reasons. The choice before us is clear.

A Union formation is a democratic and fundamental right provided to Indian citizens. A Union is a power-source that seeks to minimize the imbalance between management power to influence and workers' probability to get 'unduly' influenced. A Union fills this power vacuum. If this is left empty, then there is every possibility of it being filled up by forces that are not aligned to the well-being of the company/unit and instead to those who want to extract and/or extort.

Hence, the nurturing and development of a responsible Union in terms of its leadership and perspectives should be an important element of the HRD approach that all companies should adopt proactively. A responsible Union leadership would educate and impress upon the rank and file to also behave responsibly and choose the path of dialogue and negotiation, rather than violence, conflict and excessive litigation.

A Union is a very important component of the Industrial and Employee Relationship architecture in all open societies that choose democracy. The inability to cohere the aspirations of the workmen and Union with those of the management's expectations cannot be a reason for 'wishing a Union did not exist'. In many instances in India, it is the Union that has also collaborated in implementing tough decisions made along with management, including rightsizing, relocation, closures, etc.

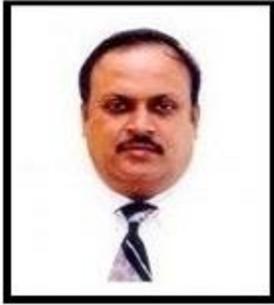
Hence, the way forward is for Indian HR and ER leaders to come together and synergize new possibilities and probabilities of creating a vibrant 'People Relationship' approach in Indian industry over the next few decades.

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**Anil Gole, Executive Vice President &  
Head – H.R. in Greaves Cotton Limited**



Anil Gole currently heads HR, IR and Administration and Operations of Western and Southern Regions of Greaves. He is also In-charge of Corporate Social Responsibility and Learning & Development. He is a permanent invitee on the Board apart from being a member of the Executive Committee, the apex body of Greaves.

Anil is a B.Sc. from Nagpur University with Physics, Mathematics and Statistics as the main subjects. Subsequently, he came to Mumbai and did his post-graduation in Human Resources Management in the year 1983.

He has more than 27 years of experience in HR, IR & CSR and has worked with renowned firms viz., Voltas Ltd., Otis India Ltd., Merind Ltd., Forbes Gokak Ltd., Larsen & Toubro Ltd. and Firestone. During his 27 years of service he has achieved number of milestones in HR/IR, including introduction of performance driven culture of medical representatives in Merind, settling approximately seven productivity linked wage negotiations, merger of Merind & Tata Pharma field force and creating a cohesive team to sell common products, major transformation in the culture and mind-set in Voltas (restructuring, consolidating and growth phase).

Currently, he is driving the growth plan of ' Greaves' which has a challenge of Talent Acquisition, Talent Development and Talent Retention.

**ET: What is the role of Industrial Relations in today' s business environment in India?**

**AG:** In the current business environment a clear shift has taken place from an adversarial relationship between management & union to one of co-creation for mutual gains.

**ET: In your opinion why has Unionization been ineffective in the Service sector?**

**AG:** There are a couple of reasons; first it' s a young transient experimenting workforce and second, opportunities are plenty and therefore it means that time in a job is greatly reduced. Third, the income to age/qualification equation is skewed, in the sense that young people graduate from three or four digits monetary package to a five digits salary package very rapidly, leading to a sense of euphoria and hurrah!

**ET: It has often been said that the legal framework in our country (as applicable for industry) is outdated. What are your views?**

**AG:** It is a misnomer to think that labour laws are inadequate in the country. By & large there are restrictions on issues such as implementing change, downsizing, termination of employment, closure of an establishment and the like. But so is the case in all developed nations. Despite this with the ingenuity of Indian IR mangers, several companies have successfully done exactly what is mentioned above by following the principle of bilateralism and negotiating successfully for mutual gains.

**ET: One of the biggest bugbears in recent times has been the issue of Contract Labour. How is this different from the emergence of Temping in industry?**

**AG:** Both are fundamentally different in their architecture. Without getting into details, suffice it to say that as long as a company is statute compliant, neither can be an impediment for effective usage and creation of employment at national level.

**ET: Is industrial conflict natural between labour & management? From your experience of over two decades, please share**

**some instances where industrial harmony has been created.**

**AG:** It is inherent in the Union - Management relationship to have conflict, as the objectives of the two in the erstwhile were diametrically opposing to each other. However, in recent times, with increasing transparency and governance requirements, a lot more critical data is being shared between the two parties. Also, there is a realisation amongst workers and unions that if prosperity is not co-created, it may well disappear completely and hence there is much more conversation and objective reality discussions between the parties for the purpose of creating dominance in the market place.

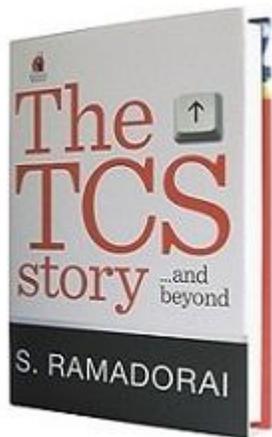
Without getting into details, I can assure you that over the years, some of the firms that I have been involved in have successfully resolved long pending litigation issues & thereby created grounds for on-going harmonious relationships.

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## The TCS story... and beyond - S. Ramadorai



To the growing literature of 'Made in India' business success stories, we can add 'The TCS Story... and beyond' by S. Ramadorai which provides first hand vignettes of the extraordinary rise of an IT giant.

Arguably, Tata Consultancy Services (TCS) is an icon in the business world, and its success story has lessons not just for the IT world. However, not many people know that the genesis of TCS goes back to an initiative in response to the Tata Group's needs for pooling data processing into a single business unit. This visionary call was taken by JRD Tata at the suggestion of Col. Sawhney – JRD's brother-in-law & aide in 1962!

This unit of Tata Services evolved into the Tata Computer Centre and then over time became Tata Consultancy Services (TCS). The firm picked up momentum when F. C. Kohli was appointed as General Manager in 1969, plucked away, reluctantly it appears, from a promising career in Tata Electric.

Ramadorai joined the firm as Assistant System Programmer & Analyst in March 1972 and recounts an insider's journey of the rise of the firm having witnessed the growth and evolution of the company till the time he retired as CEO & MD in 2009 after a stint of 37 years.

Offering various personal experiences - how they won their first account with multinational firms, built bridges with Burroughs Corporation, ground breaking work with National Stock Exchange in India, etc. – Ramadorai also highlights the role of many of his colleagues who would otherwise remain anonymous to us.

The rise of TCS became possible not only because of a set of intrepid programmers that the firm had, but also because the firm had earned respect from the customers for their ability to deliver against odds. A lifelong 'Tata man', Ramadorai speaks eloquently of the Tata legacy and in his eyes, Tata & trust are synonyms.

Read the book not for its literary quality but to learn from the insider as to how the IT industry has evolved & placed India in the top echelons of business worldwide. Great programming combined with hard leadership lessons learned under Kohli, a hunger to acquire new skills from every new assignment and the setting of the '10 by 10' vision, etc., all are illustrative of what it takes to create greatness in the firm.

While Infosys may be the glamorous show piece of the IT industry, TCS was the early work horse that steadily moved before gaining momentum under Ramadorai's leadership to emerge amongst the top 10 IT companies in the world, ahead of its target of 2010.

To learn more about the IT industry, I would also recommend two other books on the stalwarts of the industry – Bangalore Tiger (on Wipro) & Leadership @ Infosys. Put together these three books can offer a rich texture of India's emergence as an IT super power.

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## Milaap, Loan a Little. Change a Lot



**Making a difference with Rs.0** - Say you're given a chance to make a difference to someone's life with a small amount of money. What would you say if we tell you that once that amount has worked its magic, the money comes right back to you?

That is what Milaap.org is all about. Milaap is an online micro-lending platform that enables you to make loans to India's poor. Because it's a loan, not charity, the money comes back to you. The loans are aimed at helping the under-privileged in India get access to clean drinking water, sanitation, solar lighting and education. Once the borrower repays the loan, you get your money back. You can choose to re-lend the same amount to another borrower, so that the same money can create maximum impact.

Anyone who wishes to lend through Milaap can go to its website [www.milaap.org](http://www.milaap.org), choose a borrower or a cause that appeals to him/her and make an online loan. Once the borrower repays the loan, the lender gets 100% of his/her money back.

The idea is to connect the under-privileged in India with individuals across the world with a social bent of mind, who wish to do good. Milaap works with field partners which are typically NGOs and Microfinance Institutions at the grassroots to identify people who are in need of loans. Profiles of borrowers with their pictures are uploaded on the Milaap website, along with the need for the loan.

What makes Milaap unique is that anyone around the world, Indian or non-Indian, can lend to the poor in India through the website. Currently, Milaap is the only platform in the world to facilitate this. Once you lend on Milaap.org, you can track the loan through your Milaap account. When a borrower begins to repay the loan, your account gets updated to reflect this. Milaap believes in engaged-giving, where the lender knows who the money has gone to, for what purpose, and is also updated when the repayments come in.

By lending through Milaap, you could be helping a laborer in rural Tamil Nadu build a toilet at home or you could be helping a youngster in Karnataka undergo vocational training that will help him get a job. You could even be ensuring that a family in rural West Bengal no longer needs to live in darkness, by helping them buy solar lighting. The power is in your hands!

For its unique platform for a benevolent cause, Milaap deserves a **Standing Ovation!**

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