CREATING A HIGH PERFORMANCE CULTURE IN SAIL

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Abstract:

Being a responsible Manager/Leader of an Organization, it is our prime responsibility to establish a culture that is well received at workplace. For us to remain competitive in this global scenario, we need to build a culture that creates High Performance Organizations. This paper would deal with the various definitions of High Performance Culture in Organizations, Various factors that attribute in creating a High-Performance Culture and the steps involved in achieving High Performance Culture. In order-to make the understanding of the topic better, Steel Authority of India Limited(SAIL) is considered for study, assessment and implementation techniques.

Introduction:

As we are aware that Steel is very integral to the growth of any economy and is one of the measures for assessing the prosperity and economic development of the nation. Without Steel, the economic vibrancy of a nation would collapse as there is not one trade of importance that could be carried on without it. Yes, it is rightly said as "There is a little bit of SAIL in everybody's life" by Steel Authority of India Limited(SAIL) the major Steel producer in India. Here, "Steel" is referred to as "SAIL".

Success and sustainability in the steel industry will depend upon the ability of the Organization to respond to the emerging dynamics and its capability to deliver high performance consistently. This paper attempts to explore the significance of high performance culture in the context of SAIL and seeks to respond to the on-going challenges and issues surrounding its high performance culture.

Steel Industry is a deregulated sector. Competition dynamics in steel industry is fierce and cut-throat. For staying competitive in the liberalized economy with increased global competitiveness, organizations need to be adaptive, lean and performance oriented. High Performance Organizations can only become the role models/benchmarks for the Organizations in the business world.

Organizational Culture:

Organizational Culture is a difficult term to be expressed or defined distinctly. Organizational Culture can be expressed as the heart of the people. Culture can be anything like Symbols, Slogans, languages, behaviours, dress codes, etc..,. Every Organization has a culture that is either designed or is by the virtue of practice. In simple terms Organizational culture is the personality of the Organization.

"Culture is the way we do things around here"- Burke and Litwin, 1989.

High Performance Culture:

High Performance Culture of an Organization are not just dependent on simple factors or the common things, but it is the total context of how we run our Organization to create greater results. It includes What our Organization does, how

we get the things done, how we make decisions, Analysis of What did not work in the past, Identifying What is going to work and Finally having a clear vision of what we are going to achieve by making the changes.

High Performance isn't just about achieving "greatness" or "excellence" concepts that are far too static. Nor is it just about ensuring long-term survival by building a company that will last. High Performance is about outperforming the rivals again and again, even as the basis of competition in an industry or market changes.

The steel sector generally follows a cyclical trend in terms of growth which is linked with the demand and supply around the globe. With the setting up of various steel manufacturing units, the capacity production has increased vastly creating an excess capacity situation. Also the various factors like prices of raw materials, changes in the demands of customers, strict environmental norms, cheaper imports from the neighbouring countries have become the contributing factors for companies to become competitive. The current scenario demands the organizations to redesign themselves according to these globe to live else perish. This phenomenon alarms the manufacturers to become a High Performance Organizations.

"High Performance Organization Survey 2007 – commissioned by American Management Association (AMA) & Institute of Corporate Productivity asked 1369 respondents about a series of Organizational characteristics that the literature suggests are associated with high performance. The results revealed that High Performance Organizations are superior to their low-performance counterparts in the areas of*

- *Consistent Strategy and Vision Clarity*
- *Employee Morale*
- *Talented Leadership*
- *Ethical Standards and Customer Focus*

From the above the message is very clear that for Building a High Performance Culture emerges by design and not by accident."

How to Create a High Performance Culture?

An Organization's Culture is created by the virtue of practice.This can be best explained by the story of Monkeys.

A Group of Scientists placed five monkeys in a cage and in the middle they placed a ladder with banana on its top. Whenever any monkey tries to climb the ladder, all the monkeys were beaten miserably. Soon in some time, whenever any of the monkeys tries to climb a ladder, all the other monkeys not wanting to be beaten badly stopped the monkey climbing the ladder and beat him. Soon, none of the five monkeys attempted to climb the ladder. Then One of the money was removed and a new monkey was put inside the cage. Seeing the banana, the new monkey tried to climb the ladder and all the other old monkeys started beating him on the fear of getting beatings from the master. With no idea on why he is being beaten by the fellow monkeys, the new monkey stopped attempting to climb the ladder.

The same way, all the other old monkeys were replaced with new monkeys one by one. Whenever the new monkey was attempting to climb the ladder, all the other

monkeys stopped him from doing it. Now when all the new five monkeys who were in cage were not beaten for climbing on the ladder by the master but still they did not attempt to climb. The above anecdote speaks on the mentality of the group which is obvious even for an Organization which doesn't have a designed culture. This example shows us how important it is to have a strong culture in the Organization.

A High Performance Culture can be evolved in an Organization by encompassing our logical implementation of the Strategies developed based on the market demands to utilize our capacities, strengthening our work force to convert all our challenges into opportunities. Many research and literature clearly reveals that Organizations fail to perform because of the failure in the leaders. This is because, the transformation of the culture requires influential leaders to adopt to the requirements and exhibit themselves as "EXAMPLES"!

The biggest challenge for the Organizations to become High Performing Organizations is to "Unfreeze" all the established behaviours persisting in the organization and to imbibe motivation among the employees to change to learn the new behaviours. We need to then "Refreeze" the culture once the learning starts creating results. This process is to be repeated very often to keep us performing better and stay competitive in the market.

Creating High Performance Culture in SAIL:

In order to create a High Performance Culture for SAIL**,** we need to identify the strategy needs, efficiency of the system, employee mind-sets, customer requirements and market scenario in particular for the Organization. For this we need to identify the important drivers/attributes/features that will enable High Performance Culture in SAIL. The various attributes and solutions to achieve High Performance Culture can be derived based on Literature Review, Interviews with Top Management, Case Studies, SWOT Analysis and Research Methodology.

In simple terms, culture is about what groups of people think and how they behave. In large organizations such as SAIL there can be many different cultures. Choosing the right approach to culture change requires a good understanding about what motivates people to behave in certain ways.

- Clear commitment and communication from leaders is crucial.
- Involving and communicating with people at all stages will help them to engage with the change process.
- People need to be lead through different stages of change and given opportunities to try out new ways of working.
- Feedback and reward are important to reinforce desired behaviours.
- Systems and culture are closely linked, and positive behaviours can become the norm through changing what systems require people to do.

Solutions for Creating a High-Performance Culture in SAIL:

From the Literature reviews, Interviews with the Top management and SWOT analysis, the various attributes that are required in creating a High-Performance Culture in SAIL are derived.

Strategy Reinforcement:

- The successful creation of a strategy statement is very critical to the company's future, because strategies must be designed to generate sustainable growth and development for the Organization.
- In order to have a successful strategy, we will have to:
  - o Evaluate our Resources
  - o Clarify Goals
  - o Define Customers
  - o Examine Competitors
- To survive and prosper, Organizations must reinvent and reengineer based on the situations. This requires managers to learn to change their mind-sets, world views, values, skill sets, management processes, and it also requires theOrganizations to change their resource configurations. Organizations need to stretch out their imaginations beyond their capabilities. This could be achieved only by leveraging all its resources.
- SAIL's strong Vision statement has not actually reached the bottom most level of employee in the way it is supposed to be. It is the responsibility of all the hierarchy levels to impose the importance of understanding and working according to the Vision Statements/ Mission Statements to their next levels. Leaders must help the employees in interpreting their daily routine jobs in terms of value addition they are creating towards the vision and even in terms of financial terms, if possible.
- We must eliminate any confusion prevailing over policy making/policy amendments in the company. Any new policy or amendment that is made by the management need to be clearly stated and explained to the bottom line for which reason it is made.
- Strategy must be rigid, but the way of accomplishing must be dynamic with respect to the market fluctuations and internal limitations.

Effective Leadership

- A major responsibility lies with the young engineers and managers (Front-line Executives) who have closer contact with the members at shop floor to keep themselves inspired and encouraged.
- A still major role lies with the middle and top management levels in maintaining the front-line managers to be at highly inspired levels which will in turn affect the complete organization.
- SAIL, on its verge of having a great number of superannuation in the coming years it is the right time to make some policy changes to cater effective successor planning schemes. Reviewing the promotion policies in such a way that high performers in the organization reach their suitable positions keeping in mind the successor planning.
- More responsibilities can be delegated to the senior non-executives to manage the shop floor activities individually which in turn gives them a sense of accountability to perform better and understand the difficulties of management.

Technological Advancement

- An online portal must be made where all the employees of SAIL have the access and could start posting and sharing their valuable ideas and suggestions. A constant watch at this portal need to be from the Top Management so that it doesn't gets diverted at its purpose. Those ideas/suggestions which gets the most applauds from the people must be highlighted.The Proposers may also be made available for implementing them across the various units of the Organization. Also, an Inter- Plant knowledge transfer system must be thought of.

- Identify the Key performers in each department in all the units of SAIL based on their technical skills. Depute them temporarily for a short period; say 3 months in other units where the same technology is used. This will not only enable knowledge sharing but also gives a refreshing mood to perform better after they come back to their workplace.

- Leverage the Technology to make the life simple.

Motivation and Rewards

- The new ideas and suggestions that come out from any levels must be highlighted at all possible levels and ways.

- Employee Satisfaction is one of the very important terms many organizations fail because of which they perform low. All measures need to be extended to motivate and encourage the employees for making them satisfied in the maximum possible ways.

- The culture of celebrating any accomplishment, however small it may be has to be reinforced with sufficient funds. Surprising the employees with gifts on their personal special days, not necessarily the gold coin or dinner set, even a small watch/a simple pen/a greeting card of its own SAIL style can motivate them to do wonders.

HR Initiatives

- Arrange regular workshops to empower employees with the latest knowledge as well as the change required for the organizations to perform better. It is the responsibility of the top management to communicate the hard stones in front of the organization at every possible level and means.

- We can start putting up posters and banners in the shop floor insisting the importance for the development of new practices which involves risk taking at safe levels.

- Creative people can be organized and encouraged to stick to schedules. It is also believed that organized people can be high performers.

- The high attrition rate of young talented employees needs to be more looked into. Management need to study the reasons behind such attrition.

Managing the Supply and Supplier

- Raw material is a major factor for any organization to function. A joint consortium can be made like ICVL (International Coal Ventures

Limited) for other raw materials like Ferro-alloys, scrap, lime, refractories etc..,. to ensure timely availability and better pricing of raw materials.

- Device new technology for optimizing the utilization of indigenous raw materials in which quality/composition of the material is the constraint.

Identification of Market thrust & New Marketing techniques

- All those employees who have their work practice involving the customers must be given special instructions about how to interact with them to know what the customers and the market requires.
- All employees must be shared with the knowledge onthe concept of New Product Development.The employees must be taught about the value-addition and revenue generated by the New Product Development technique.
- "Employee Advantage System" – Availing special offers for employees of SAIL to promote purchasing our products. This will enhance vast workforce of SAIL indirectly getting involved in the marketing.
- Make the Brand image reach the bottom most level of the society by introducing latest promo techniques such as print and electronic media. This is enable our market penetrates up to retail consumers too.
- Strengthen the delivery mechanisms in ware houses in order to reduce the waiting time of dispatch.

Customer Delight

- A more informative and catchy website exclusively for SAIL's wide product range can be developed. An online "Customer Redressal System" is to be developed which will take care any queries regarding products/ availability/ Consigner details/ Technical Support etc..,. Also, this must have a real time complaint addressing facility.
- Strengthen the delivery mechanisms in ware houses in order to reduce the waiting time of dispatch.

Manage the market fluctuations

- "Profit Centre" needs to be developed in all the departments which will have a close idea on the market price fluctuations. It will have the details of all the consumables used in the departments along with their current market rates which will be updated regularly. It must develop new ideas to maintain the Techno-Economic Factors (TEF) at the lowest possible levels thus increasing the profit.

Actionable Points to Achieve High Performance Culture in SAIL:

- **Special Awards:**Introduce special awards every month in all the units of SAIL separately identifying the high performers. Let their names be displayed in all the notice boards of the plant. Recognition pays more than the monetary rewards.
- **Redesign PMS:**Introduce a separate column in the

Performance Management System (PMS) to add details of the job for which they were awarded as High Performers. Let these jobs be taken into consideration while grading the employees. Performance Related Pay (PRP) structure needs to be reviewed such that performance of the employees are given more importance during the grading process.

- **Learning from the Failures:** Arrange a separate workshop for the workforce employees on "Learning from the Failures". Make some planned failures and allow them to come out of the problems. They will have different methods and the best methods widely accepted be recorded for future.

- **Performance Improvement Workshop:** Arrange a workshop comprising Middle management, Frontline management and workforce employees to find solutions to Current problems. This must be conducted separately unit wise every month. Before conducting these workshops, resource persons need to be identified. They must discuss with the respective section in-charges to list out the burning issues that prevent the section from performing better. This must be made the theme of the workshop.

- **"Thinking out of the Box"** - Young, vibrant and energetic young managers who think differently on the market outlook need to be made a team for marketing the products with the Senior Executives mentoring and supporting them.

- **Delegation of Powers:** Reduce the hierarchical levels to the maximum possible levels. Delegate the front-line managers with more authority and responsibility. This can create more accountability in them thereby making them better leaders for tomorrow.

- **Customer Delight:** - is what we always have to have to become a Global Player. It is the extra mile that we go more than the satisfaction levels to the customer. A great ambience/ service at the warehouse even can even create this delight to the customers. We also should add more value to our products by getting regular feedbacks from the customers about the product delivery, quality and satisfaction levels.

- **"What SAIL means to the World?":** We can conduct a competition on "What SAIL means to the World?" where all the units of the SAIL can nominate teams with a catchy 2-minute video showcasing SAIL as a global brand. The videos from the teams will be uploaded in social media sites and the video which bags the most number of views, likes and shares will be adjudged the best Video and the same will be uploaded in the SAIL official website. This can give the creators the sense to own the Organization.

- **Mind Blowing Mondays:** Every team meets on the 2nd Monday of every month and everyone in the team shares something positive they did or simply it could be a

positive quote or an anecdote. Though these are available on the net, people tend to remember when told in such a setting and it will motivate them a lot. Also people should be encouraged to talk about their failures if any and how they have overcome them.

- **80-20 Rule:** Employees should be encouraged to spend 80% of the time for doing their regular jobs and 20% for taking up a pet project which would add value to the organization. This could be anything like presenting a paper / donating some hours for CSR activities, bringing about process improvements etc. SAIL is spending a great deal on training its employees. But the big question is that are we investing on the right kind of training programmes. We have to undertake a study in order to assess the training needs for different roles, efficiency of the current programmes and also analyse the return on training investment to ensure that we are investing on the right kind of training programmes, methods and people.

- **Shadow Boards:** As the name suggests, the Shadow Board is a parallel board constituted by internal employees. A team of 10-12 Executives in the E4 to E6 levels from different Plants/Units should be selected through a rigorous process. The role of Shadow Board members is to challenge conventional ways by bringing in fresh ideas for growth and sustainability. They will be asked to choose three to four strategic areas of their choice deliberate on them for a period of one year and then make recommendations. These recommendations should then be presented to the actual board. The Board can then take a call on whether any of these recommendations can be implemented or not. This concept would offer great value to our organization.

  o It will help in building a very strong leadership pipeline
  o Help in bringing fresh perspective to the existing strategy
  o Facilitate the bottom up communication process
  o Motivate employees to go the extra mile

Conclusion:

Creating and maintaining a High Performance Culture is Challenging but it can be done. Empowering employees and entrusting the responsibilities on them with the belief on their capabilities will for sure motivate the employees for achieving a High-Performance Culture. Thus, from the study it is very clearly evident that High Performance Culture can be evolved only through continuous Practice.

Sun Tzu says "If you know the enemy and know yourself, your victory will not stand in doubt; if you know Heaven and know Earth, you may make your victory complete."

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