

CHAPTER

1

INTRODUCTION TO ORGANISATIONAL BEHAVIOUR

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INTRODUCTION



Krishnamurthy was appointed as CEO, Steel Authority of India Ltd (SAIL) in mid-1985. He did not bring in any outsiders at the top or at senior manager levels in any significant numbers and worked with the pre-existing management team. The CEO spent initial months meeting various stakeholders. He met an estimated 25,000 persons individually or in groups and briefed them on the SAIL situation and asked, in turn, their views on what the problems were and what could be done. Based on these dialogues, a turnaround strategy emerged that was written up as **Priorities for Action**. These priorities were improvement of work culture, optimal use of installed facilities, increased productivity, profits through better cost control, and customer satisfaction.

Krishnamurthy also signed a **Memorandum of Understanding** with SAIL's parent ministry, which set out the respective commitments and obligations of the two sides. He met the unions to co-opt them into the turnaround. His aim was to get them to agree to curb labour indiscipline. He also met SAIL's customers to understand their problems and get their suggestions. He developed close relations with the Association of Indian Engineering Industry, many members of this body being vendors to SAIL or its customers.

He also mounted vigorous and innovative campaigns to co-opt the staff into the turnaround. Further, he conducted two-day workshops for senior managers of SAIL on **Priorities for Action**. Eighty managers participated, in batches of five. These managers conducted similar workshops in their plants and offices. The **Priorities for Action** were mailed to all the quarter million or so employees of SAIL for discussion and local action. Shift meetings were encouraged to discuss policies and priorities and to brainstorm on what could be done locally.

Incentive schemes were also made more effective. Besides multi-skilled training for workers, extensive training was provided to officers also. A perspective plan was prepared for HRD's role in bringing about attitudinal change in the staff and better