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# ABC Energy Limited : Culture and Formalization Case Study Analysis

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## Introduction

The following is analysis of case about investigation of ABC Energy Limited company before cultural changes and formalisation in employee relations and management style.

Throughout this case ABCEL employees' daily life, habits, engagement with management and cultural situation before changes are to be reviewed.

## India & ABC Energy Limited

In 2003 and 2005 Acts applied by India government provided opportunity for growing market conditions in energy sector. Those regulations were primarily focused on electricity generation. There were major players in electricity generation field and market conditions pushed those companies to act in a more systematic way in terms of corporate affairs and working environment culture.

ABCEL was founded by initiative of 2 firms : an enterprise focuses on power and energy : ABC Infra Private Ltd and a company working on infrastructure construction : XYG Ltd. ABCEL's vision was focused on being a world class energy major with its operations.

Shivam Kumar, Chief Executive Officer, needed to assess current culture before applying more rigid rules, regulations and processes. It would be a feasibility exercise to analyse employee's working style, inter-personal relationship, current rules and praxes. Those in mind, employees were requested to sketch their approach to company they work for, ABCEL. Kumar was aiming to examine employees' psychological readiness for a deep cultural change.

## Situation before Cultural Changes

Company management was open to new ideas and feedback from employees, welcoming discussion and questioning of seniors about employees' concerns. Moreover, in terms of employee relations, employees were self-organising, not requiring any one to keep track of what they deal with. They were welcomed like a family member who are expected to provide outcome at work.

Employees were free to plan their personal development. There were no documented policies or processes to define firm actions. Mostly decisions were made by CEO and sometimes board was consulted for some decisions.

Top management was reviewed positively by employees and people who are joining or leaving company were shown a smooth transition, not requiring any entry or exit policies/processes. This situation was getting negative reaction from sister organisation employees.

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Dressing style among ABCEL employees was not distinct. Everyone was wearing casual daily clothes which make them look like regular people on the streets. Employee dressing style required to be more formal, reflecting corporate image.

In ABCEL, there was no hierarchical organisation. All employees' were allowed to call and get in touch with everyone at every level causing confusion about who the responsible is and who is accountable for what. In addition to that, there existed no rewards and recognition system applied. Some people were rewarded by CEO.

Top-down information flow was corrupted. Experience gained while working for ABCEL was vanishing as the employee quits the job. There needs to be a policy for handover of the work and learnings from the quitter to new responsible.

### Conclusion

Case is an evaluation case focusing on present cultural situation in ABC Energy Ltd. before new rules and policies are applied.

ABCEL company is lacking hierarchical processes which should exist in such an enterprise. No meritocracy, accountability or rules exist for company growth. In an ideal organisation, to keep the gained experiences employees are encouraged to work as a team and rotated regularly. Aggressive markets pushes companies to work in a more agile way. An agility requires self organising, empowered teams those work in a systematic way in an environment having unbendable rules and policies.