**Case Study: Open System in Organization Behaviour**

Case Study

Ramesh Mishra had just finished his first month at Vaishnavi Textiles Mills Pvt Ltd. He had joined as Chief Engineer, Mechanical for their factory units in Maharashtra. The organisation was 70 plus years old, with its corporate office in Mumbai and six manufacturing units spread across Maharashtra and

Gujarat. A very successful promoter run organisation, Vaishnavi Textiles, had a turnover of 275 crores in the FY of 2019-2020. Like every other organisation, the pandemic had a significant impact on the production and the sales of the Vaishnavi. Revenue took a hit. By mid-2021, the organisation

managed to recover significantly. With an employee base of 1500, the management had a leadership

team that had been with the company for at least 20 plus years. Most of them were known to the

promoters and were hired for their financial acumen and people management skills. Loyalty was a

critical value that the organisation gave a lot of importance to. The management ensured that ALL

employees were paid full salary through the pandemic, and no one lost their jobs irrespective of their

role and hierarchy.

Ramesh Mishra had a B. Tech in Mechanical Engineering and started his career with SoftTex

Garments. He worked in their units for close to 10 years. He had connected well with the leadership

in the corporate office and the factory units. Some of them were friends for life. The organisation gave

much importance to technical expertise and innovation and insisted on recruiting individuals who

demonstrated good business and financial acumen. The pandemic had a massive impact on

SoftTex’s business. The organisation had to let go of individuals who had limited work due to the

lockdown. SoftTex couldn’t afford to keep them and, with regret, had to let them go. Ramesh Mishra

was one of those who had to look for another job. The role at Vaishnavi Textiles came up around April

2021, and by June 2021, he was recruited. Unlike SoftTex, Ramesh went through five levels of

interview. He was interviewed separately by all of the promoters across three generations, the head

of Operations and the CFO.

Within a few weeks, Ramesh realised that the work culture at Vaishnavi Textiles was very different

from that at SoftTex. The firm was centralised, and the structure was very bureaucratic. Approvals

from at least two members of the promoters were essential for payment of any amount above INR

5000/- to be enforced, and an OK from all promoters was necessary for a policy to be changed or

implemented. Employees at Vaishnavi textiles were comfortable with this structure; many found it

comforting. However, Ramesh had concerns about fitting in. While the leadership credited him for his

expertise and sought his advice on crucial matters at the factory unit, the final decision was made at

the corporate office. He felt that he had to be ‘somebody’s guy’ to get things moving. He had

attempted to connect with the rest of the leadership team and invited some of them to his place for a

meal. They politely declined. At the end of 3 months, Ramesh shared his views and assessments on

the Maharashtra factory units to the Head of Operations:

Attrition at the units was less than 2%.

At least 49% of the employees were 60 plus years of age

Technology had to be upgraded. In places where a state-of-the-art technology was brought in,

retention of experts had become challenging as the leadership was not well acquainted with the

new technology

Most of the labour force were local. And close to 25% of the labour workforce had at least two

generations from the local households employed at Vaishnavi Textiles.

Ramesh was keen to bring in a few changes.

He recommended:

1. Exploring the addition of a few machines and processes that could bring greater efficiency. The

machines could be procured easily, and he knew of people who could be hired quickly to

implement it. He estimated a 10% increase in production with the additions.

1. Compulsory retirement of all those who are above the age of 60. Positions are to be filled in

through promotions within the system and hiring a few more engineers in the age group of 35-40

with relevant experience (Industry and Technology).

The head of Operations listened to him, nodded and said that he would revert post discussions with

the rest of the management in a couple of weeks. Ramesh didn’t feel confident about the response.

Nonetheless, decided to wait. At this point, Ramesh chose to take a couple of days off. He wanted

time to think.

Problem Statement

Vaishnavi Textiles needs to relook at the Organisational Culture, especially aspects that impact Hiring,

Retention and Feedback mechanisms (to and from the Management) to be effective and more

efficient in the current market conditions.

Case Questions

Read the case carefully, refer to the module notes and video, complete your readings and do any

associated research required before you attempt to answer the questions given below:

1. Identify the several concepts and characteristics of Organisation Behaviour and specifically of

Open System organisations that this case illustrates.

2. What advice would you give Ramesh?

3. Is there an ‘ideal’ workplace? Explain.

4. What do you think are some of the key issues that Ramesh’s team would have to deal with,

considering that the team leader:

I. Is struggling to fit into the culture of the organisation?

II. Has expectations that might not be met with?

III. Is low on motivation?

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| **Criteria Ratings** |  | **Pts** |
| Understanding and  Analysis of the Key  Issues. | **5 pts**  **Full Marks**  Identifies,  Understands, and  has presented a  thorough analysis  of all the key  issues | 5 |
| Observations and  /or  recommendations  on solutions  provided in the  case study. | **5 pts**  **Full Marks**  The solutions  provided or  analyzed are  well-reasoned  and  accompanied  by logical and  relevant  observations  towards most  of the issues. | 5 |
| Alternate solutions  and /or options  provided by  participant.  Provide method of  comparison  between  alternatives. | **5 pts**  **Full Marks**  Participant has  provided alternatives  and recommended  in order of priority  with rationale. Has  also suggested a  method to evaluate  the alternatives  provided. | 5 |
| Literature  Research and  Review. | Has read and referenced at least  5 or more articles written and  published in the last 10 years.  Associations made are  presented well. Connections are  made; however, participant at  times struggles to articulate it | 3 |
| Writing Skills/  Professional  Presentation. | No grammatical  and spelling errors.  Ideas are  presented with clarity of expression and appropriately referenced | 2 |