

CHAPTER - IV

Research Setting

The present research has been conducted in textile and pharmaceutical industries in Gujarat. Textile industry has been the oldest and by far the most important bread winner for people in India for years together.

TEXTILE INDUSTRY IN GUJARAT	
COMPANIES	OVER 1000
KNITTED COTTON	300
RMG	700
40 PERCENT IN	AHMEDABAD
60 PERCENT IN	GANDHIDHAM,MORBI,MEHSANA, BHUJ
EXPORTS	15 PERCENT
DOMESTIC SUPPLY	85 PERCENT
VERY SMALL SECTOR	85-90 PERCENT
SMALL SECTOR	10-15 PERCENT
LOWER MEDIUM	FEW
MEDIUM	VERY FEW

SOURCE: IIM (AHMEDABAD)

However, offlate because of various reasons the industry has not been doing well which resulted into closure of thousands of textile units in Bombay and Ahmedabad. Textile Industry has been marred by recessions, labour problems, government policies

etc. Ahmedabad, which was once called the "Manchester of India" because of its textile industry can hardly boast of its glory of yesteryears today because of the steep decline in textile business and closure of many units. The industry had many problems to face. Few of them are enumerated hereinbelow:

1. The technology being used today in quite a number of textile units cannot compete with the multinational giants which has been making their produce more costly, more time consuming and lower on quality scale.
2. The Government policies have not been favouring the textile industry, which was initially instrumental in boosting the economy of the country. Not only textile industry but the textile machinery manufacturing industry has been hit badly by the government policies. This has resulted into growing burden on textile units, which have already been fighting lone battle to survive in globalised market conditions.
3. The textile units have been a home to labour problems and still the industries have been trying to come to terms with the constantly nagging problem. Because of being labour intensive, the units are today finding it difficult to feed the numbers which were recruited in old times but which no longer add to the productive advantage of the company. The companies' being cash ravaged have also not been able to provide good sop to the employees to opt for Voluntary Retirements which is another reason for unrest.
4. The productivity in textile Industry in India has not been good. The reason has been straight. The productivity levels that were agreed in yesteryears have not been enhanced because of the lack of agreement between the management, workers and their unions. This is making the industry highly vulnerable to becoming the victim of changing time.

5. Ignorance of Research and Development in core areas.
6. Poor quality cotton and silk resulting in sub-standard texture of garments.
7. Threats from removal of tariff barriers and free trade regime and lack of creativity in fashion designing.

Pharmaceutical industry on the other hand has done extremely well in last decade or so. The industry has really been growing by leaps and bounds. However, this optimism has been threatened by the possibility of change in Indian Patent Act, 1970 looming large on Indian pharmaceutical industry. Intellectual Property Rights have always been an issue of dispute between the developed and developing countries. The strongest proponent of strengthened intellectual property provisions as part of World Trade Organization (WTO) is the United States because of the obvious reasons i.e. the companies most concerned about intellectual property are United States based. The reason cited for this hue and cry is that "imitation goods" emanating from the third world countries cause them to suffer huge losses, the point that is vehemently disputed by third world countries. The WTO agreement includes provisions which require changes to be made in the Indian Patents Act of 1970. Such changes would have direct bearing on the drug industry in the country. In fact the Indian drug industry has especially been targeted by the pharmaceutical multinational national concerns for alleged violation of the principles of "free trade", which supposedly provides the philosophical underpinning of the WTO agreement. It is another matter that the principles of free trade in an unequal world are designed almost entirely to benefit those who are more equal than others, namely countries in North America, Europe and Japan. Moreover a strong patent regime, as outlined in the WTO agreement is harmful to the interests of not only the third world but also a large number of people in the developed world.

Intellectual property rights (IPRs) come in five varieties: patents, plant breeders' rights, copyrights, trademarks and trade secrets. The major substantive changes sought by the developed countries in the pharmaceutical sector is a switch to a product regime from the present process regime. The implications of this shift might be seen on drug prices, impact on health care and self-reliance in the Indian industry. According to experts there is going to be a definite impact as far as the above three issues are concerned. The changes in line with WTO in Indian Patent Act of 1970 being more in favour of multinational concerns (MNCs), they are going to rule the market at their whims and might monopolise the market, thereby, destroying the Indian Drug industry. They might also indulge in spiralling up the prices of the drugs. However it remains to be seen how the government plans to handle the issue that is going to be very much vital for the survival of the Indian pharmaceutical industry.

The study was conducted in 8 textile and 7 pharmaceutical organizations in Gujarat. In all more than 30 industries were approached by the researcher for getting the permission for data collection out of which only 15 companies agreed to participate in the research. The purpose behind selection of textile and pharmaceutical industry was to compare the two industries in terms of their organisation culture and to study its effect on various other variables. Textile industry has been counted amongst the oldest and still in the grip of conventional practices, whereas pharmaceutical industry has been seen as a progressive industry. A comparison, therefore, would give enlightening findings for academicians and practitioners. These industries are spread over the State of Gujarat and, therefore, meet the objective of the study. However, because of unwillingness of industries in Saurashtra region to participate in the research, this study could not cover the industries of that region.

Textile Industries:

Reliance Industries Limited, Naroda:

Reliance Industries Limited is a pioneer organisation in the field of Textiles in India. The company is professionally managed and is a part of the Reliance Group of Industries which is a highly diversified and well-known group in India and abroad. The Group is headed by Chairman and Managing Director, Mr. Dhirubhai Ambani. Over past 3 decades Dhirubhai Ambani by his sheer hardwork and perseverance has taken Reliance Group to the Top of Indian Corporate scene. Today he is an institution in himself and has been the driving force not only for his group but has been an icon for the corporate world.

The Reliance Group has its major operations at Patalganga (Maharashtra), Hazira-Surat, Naroda- Ahmedabad and Jamnagar (Gujarat). The 8,730 crores Reliance Industries Limited also plays host to 2.60 million domestic shareholders. RIL's value chain provides a clue to its tomorrow. Structurally, there are seven sisters that form part of the two brothers' core businesses: Polyester fibres (contribution to business: 34%, and market share: 40%) fibre intermediates (22% and 55%), polymers (25% and 45%), polymer intermediates (25% and 55%), chemicals (13% and 38%), textiles (5% and 60%), and oil and gas (1%). Barring oil and gas, which is still a question mark, RIL leads the market by miles in all the other constituents.

The company employs about 7,500 people at its works at Naroda, Ahmedabad. Textile has been amongst the core businesses of the Reliance Group. The works at Naroda is headed by President. There are about 8 (eight) layers of management managing various operations like manufacturing, marketing, sales, finance, personnel & HRD etc. The organisation is complex in terms of its structure with great amount of

vertical and horizontal differentiation. However, there is lesser amount of formalisation and centralisation.

The main products of the company are textile fabrics, suiting, shirting, furnishing fabrics, pillows, saris, dress material and yarn packages. The company has both domestic and overseas market. In last three years, the company has neither made profits nor incurred losses. The company is passing a very crucial and tough time and is presently engaged in restructuring and modernisation drive. Irrespective of the hard times that the company is passing through, one thing is clear that Reliance Group is putting tremendous force behind changing with the time and is showing openness to change. With strategic focus and leadership skills the company is trying to make a comeback. HRD practices are being accorded importance. The data was collected from supervisory and above cadre employees, based on their willingness to participate in the research.

Ashima Syntex Limited, Ahmedabad :

Ashima Syntex Limited is a company of Group Ashima which is an upcoming group in the Textile Industry. Located in the heart of India's textile city, Ahmedabad and sprawling over 275,000 square meters, the manufacturing complex produces the best in cotton fabrics. Group Ashima is one of the largest textile players in Asia and has earned accolades from discerning buyers across the globe.

The organization has state-of-art technologies from some of the leading names like... Tsudakoma, Benninger, Reiter, Sucker-Muller etc. The organization has been making continuous upgradation of technology and is procuring new technology justifying its motto of *Total Texcellence. Global Texcellence*. Substantial investment in the most

sophisticated technology and equipment has resulted in the creation of an impressive range of global winners – Denim, Shirting, Bottomwear and Interlining.

The Philosophy at Ashima propagates “The integration of Man, Machine, Technology, Expertise and Enterprise into a world-winning combination of cotton textiles.” There are three different plants, namely, Denim plant, Dyecot plant, Knitted Fabric Processing plant in the premises of Ashima Syntex Limited. The company employs about 1500-2000 employees. The company along with taking experienced people have also being laying emphasis on input of young professionals in various departments. There is tremendous emphasis on house keeping, quality and customer focus.

The company has introduced the ‘Farm to Fabric’ concept for Total Quality Management. It begins with the selection of cotton on the field and ends with delivering finished fabrics at the doorsteps of the customer. The company selects the finest cotton from dedicated farms, gin them in-house and spin them to generate high value yarns. The company has about seven layers of management handling various operations. The company has got a complex organisation structure with high horizontal and vertical differentiation. There is a moderate level of centralisation and formalisation. The company has been making profits in last three years and its annual turnover is around Rs. 500 crores.

The company produces 100% cotton fabrics like shirting fabric, denim fabric, bottom wear fabric, knitted fabric, interlining etc. The company has both domestic as well as exports market for its products. The company has been implementing some of the

sub-systems of HRD. The data was collected from officer and executive cadre depending upon their readiness to participate in the research.

M/s L.D. Textile Industries Limited, Ankleshwar:

M/s L.D. Textile Industries Limited is located in Ankleshwar G.I.D.C and is engaged in the business of Synthetic Spin yarn. The company employs about 1500-2000 employees in its various departments. The company has six levels of management with General Manager at the helm of affairs. The company has a highly complex organisation structure with high degree of horizontal and vertical differentiation. There is high degree of formalisation and centralisation.

The yearly turnover of the company for 1996-97 was about 79 crores. The company made profit in 1994-95 but has since been incurring losses. Most of the company's product off-take is from domestic market and customers. The company has been facing rough weathers since last couple of years on account of recessionary market. HRD activities are absent in the organisation.

M/s Soma Textiles and Industries Limited, Ahmedabad

M/s Soma Textiles and Industries Limited, Ahmedabad is a company of Somani Group of Industries. The company where the present study has been conducted is the Unit no. 1. The Unit no. 2 is in Baramati, Maharashtra. The unit at Baramati, Maharashtra employs about 260 employees. The company employs between 500-1000 employees at its works in Ahmedabad. The organisation structure of the company is complex in nature with high degree of horizontal and vertical differentiation. However, there is moderate degree of formalisation and centralisation. The company has about 8 layers of management.

The combined turnover of Unit 1 and Unit 2 of the company was Rs.110 crores and the company has been making profits since last 2 years. The products of the Unit-I, which is a composite mill, include Denim cloth, saris, shirting, blouse cloth etc. Unit-II produces Cotton Yarn and all the produce from Unit-II is exported to European and African countries. These products have both domestic and export market.

Being quite old, the company has passed through many a testing times. Firstly, because of the textiles being recessionary type of business, the company has had difficult times during such period. Although the company could survive the crash/decline of the Ahmedabad textile industries, but it has had its impact on the industry. The company had to face labour unrest and market's impact, however, it has been able to come out of it. Now, the management at Soma textiles is trying to consolidate the organization by rightly emphasizing on the development and effective utilization of its Human Resources. The company has been making authentic efforts towards the introduction of HRD activities in the organisation to make its Human Resources more effective and competitive.

Gokak Vadodara Spinning Mills Limited, Vadodara:

M/s Gokak Vadodara Spinning Mills limited is a Division of Forbes Gokak Limited. This unit is Vadodara was established in 1942, as the spinning division of the New India Industries, which manufactured textile accessories. In 1990, this textile division of the New India Industries was taken over by Gokak Patel Volkart Limited and given the name of Gokak Vadodara Spinning Mills (GVSM). In 1992, by the merger of Gokak Patel Volkart Limited and Forbes and Campbell Limited, it became a part of the Forbes Gokak Group.

Off late, the company has been facing problems because of decline in business attributed to recession in textile industry and various other reasons. Efforts are on to re-engineer the operations, upgrade the technology and meet the demands of the customer. The Forbes Gokak Group has defined its mission, vision, goals and quality policy (detailed below) as a part of its progressive efforts.

Mission:

We, the people of Forbes Gokak and associate companies, are dedicated to providing quality products and services in diverse fields of textiles, consumer durables, paints and pigments, cutting tools, business machines, moulded plastic, property development, exports and related areas, to our customers, in a fair and efficient manner and at a reasonable cost to both sides. Our reputation, which has been established on the basis of Integrity and Quality, extending our 200 years, is our proud heritage which we strive always zealously to preserve. We continue to endeavour to reach the Best International Standards in Quality and Service in each of our enterprise.

Vision:

We are committed to achieving substantial growth by expanding and diversifying our existing activities and moving into allied lines estimated to be profitable in the long terms. We will also divest or modify those activities which do not show long term potential.

Goals:

Profitability:

To achieve a minimum return on investment of 10% over and above the inflation rate. (Return on investment as measured in terms of profit before tax on the capital employed).

Growth:

To achieve a Group Turnover of 4 times the turnover of 1995-96, by the year 2005-06.

Customer Loyalty:

To ensure that customers become and remain our loyal friends and our most effective spokesman and advertisement.

The works at Vadodara is headed by General Manager (Operations). The company employs about 500 employees. There are 8 levels of Management in the organisation and the Organisation Structure is complex in nature with high degree of vertical and horizontal differentiation. There is a great degree of emphasis on following rules and regulations i.e. formalisation, and the decision-making is centralised. The company had very troubled industrial relations in the past because of which the company and its employees had to suffer a lot.

The annual turnover of the company is around 33 crores and the company has been incurring losses since last three financial years. The company is one of India's largest yarn producers and is ranked amongst the foremost mills in the world of its kind. They are also amongst the leaders and pioneers in carpet yarns – tufting, backing and fringe – dyed and blended. With ultra-modern shuttleless loom, Gokak is a major manufacturer of canvas and belting ducks, which find application in shoe uppers, tarpaulins, belting, as well as in carpet backing.. The main product of the company is cotton yarn which is procured mostly in the domestic market. The company is promoting HRD activities with training been the mainstay.

Garden Silk Mills Limited, Varelli:

Garden Silk Mills Limited is situated at village Varelli near Surat. Garden Varelli is one of the most well known sari manufacturer in India. The company is professionally

managed and been amongst the few successful companies in the textile industry. The company has 6 levels of management and its organisation structure is complex in nature, with high amount of horizontal and vertical differentiation. However, there is moderate level of formalisation and centralisation with flexibility in applying rules and regulations and delegation of decision-making authority wrested in various individuals to quite an appreciable extent.

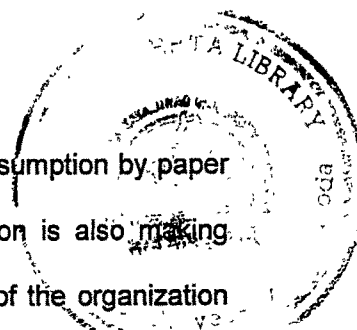
The company employs between 3000-4000 employees. The yearly turnover of the company is around Rs. 250 crores Garden Varelli is a profit making company and has registered good profits in last three years. The products of the company includes dress materials, saris and furnishing fabric. The company believes in providing quality product and puts greater emphasis on customer focus.

Shri Dinesh Mills Limited, Vadodara:

Shri Dinesh Mills Limited was established in 1935 and is amongst the oldest textile organization in India. The company is known all over India for its suitings. The company employs approximately 1400 employees at its works at Vadodara. There are about 6 layers of management forming a pyramid structure. Organisation Structure is complex in nature with high vertical and horizontal differentiation. Following rules and regulations is considered indispensable and the decision making is highly centralised.

The company has been making profits with the help of its modernisation and restructuring efforts. The products of the organization include woollen fabrics, worsted fabrics, woollen yarn and felt. The company's light weight suiting fabrics has been satisfactorily accepted by the market which also fulfils the demand for worsted

trousers. The felt manufactured by the company, in addition to consumption by paper mills is also being sold to the newsprint industry. The organization is also making efforts to increase its export market. Some of the other products of the organization and its subsidiaries include basic chemicals, electroplating salts and chemicals, brighteners and additives etc. The company is carrying on HRD activities in form of training.



Arvind Mafatlal Group, Navsari & Nadiad Units:

The present study has been conducted at Navsari and Nadiad Units of AMG. AMG is amongst the oldest standing textile industrial house in India. The group's core competence area has always been textile business inspite of diversification into various other businesses. The group is vast with International stature. It is amongst the 10 largest business houses in India. It owes its existence to Seth Gagalbhai, the grandfather of present Chairman. The first Textile manufacturing unit of Mafatlal Group was set up in 1905 at Ahmedabad. The 1930s and 1940s saw growth of the group in the textile industry. Around 1950, the group started diversifying into dyes and chemicals and in the 1960s entered petrochemicals business by setting up the first petrochemicals company, National Organic Chemical Industries Limited (NOCIL), in India in collaboration with Royal Dutch Shell Company. Thereafter, in collaboration with Hoechst AG, Polyolefins India Limited (PIL) was set up. In 1970s and 1980s the group engaged basically in consolidation of the existing business. The Group also diversified into information technology, chemicals, engineering industry. The late 1980s saw the Group further diversifying into the financial service industry, gas distribution and later into health care business.

The companies of THE ARVIND MAFATLAL GROUP INCLUDE:

TEXTILES	: MAFATLAL INDUSSTRIES LIMITED (The Mafatlal Fine Spg. Mfg. Co. Limited is now merged with MIL)
PETROCHEMICALS	: NOCIL (The merger of NOCIL and PIL was declared in Nov. 1994)
CHEMICALS	: NAVIN FLUORINE INDUSTRIES NAVIN CHEMICAL ENTERPRISES
ENGINEERING	: MAFATLAL MICRON
SERVICES	: MAFATLAL FINANCE COMPANY LTD.
HEALTH CARE	: MAFATLAL MEDICAL DEVICES PVT. LTD. FRESENIUS MAFATLAL LIMITED

Nadiad Unit:

This is largest unit of AMG, producing cotton fabrics of the finest quality, which are exported to the sophisticated niche markets of Europe, UK, USA, and the Middle East. This mill is equipped with modern machinery, weaving and dyehouse sections. It also has well-equipped laboratories for quality control. The plant has a strong customer perspective and is oriented to provide quality assurance to customers.

There about 4000-5000 employees working in this company. The major products are Pinpoint Oxford Shirting, Broad Cloth, Yarn Dyed Shirting, Yarn Dyed Twills and Checks-Brushed, Printed High Twist voile, Printed Dress material, Satins, Corduroy, PC Uniform Cloth for school uniforms and dyed high twisted voile for the domestic market. The company was awarded the ISO 9002 Quality Certificate by BVQI, London in December 1994.

The Organization has got about 8 levels of management structure. There is moderate amount of centralisation and formalisation. The company has got an HRD department and lot of emphasis is on Management Development, Supervisory Development and Workers Development Training Programmes.

Navsari Unit:

The composite mill, established in 1931, caters mainly to domestic market. This mill is one of the two having a dyehouse attached. There is a separate dyeing facility for suitings as well. The plant is equipped with a 2MW pressure steam turbine which generates 34,000 units daily i.e. about 25% of the total daily requirement. The main products are Polyester-Cotton Yarn Dyed Shirting, Dyed Voile, Dyed Cotton Poplins, Camouflage Prints, Dyed bottom wear fabrics, Polyester Cotton, Polyester Viscose, Polyester wool suitings, Bottom wear fabrics. This company was also awarded the ISO-9002 certification by BQVI, London in May 1995.

The company has an employee strength of 3500 which includes 3000 workers and 350 staff. This unit of Mafatlal Industries also puts a great amount of emphasis on HRD with various training programmes being organized from employees in the organization.

Off late, the textiles business of Mafatlal Industries has not been doing well and the Rs. 698 crores Mafatlal Industries incurred huge losses amounting to Rs. 43.08 crores in 1996-97. To repair the damage of the losses incurred during the last decade, Mafatlal has been, over the past year-and-a-half, dismantling the group's ambitions in petroleum and petrochemicals sectors. The group has already sold of its stakes in Gujarat Gas Company to British Gas. With the emphasis on consolidating in the core

business of textiles, the Mafatlal Industries, has been taking some strategic decisions which maybe just the shot in the arm that the group requires to bounce back to its good days.

Pharmaceutical Industries:

Glaxo India Limited, Ankleshwar:

Glaxo India Limited, Ankleshwar is one of the most successful companies in the Pharmaceutical industries. Glaxo is engaged in manufacturing of Bulk Drugs. The company is highly professionally managed with tremendous emphasis on quality, customer satisfaction, competitiveness, safety and Human Resource Development. The philosophy at Glaxo lays tremendous emphasis on achieving excellence. The Glaxo excellence process outlines:

Vision :

A world class company focussed on delighting customers by constantly exceeding their expectations in terms of quality, service, value and safety.

Mission:

The corporate purpose is to develop, manufacture and market safe and effective medicines and exceed its customer's expectations in terms of quality, service, value and safety through constant innovation.

Excellence:

Satisfying the customer by consistently achieving and improving upon agreed requirements.

Excellence Policy:

- The quest for excellence will be reflected in everything that the company does.
- The management will continuously evaluate its performance to ensure that it exceeds its customer's expectations and improve its standards of excellence.

- The spirit of excellence will be felt by all within the Organization.

Values:

- Fairness and impartiality
- Long term focus.
- Good corporate citizenship
- Ethical business conduct
- Concern for people.
- Competitiveness
- Individual responsibility

Fairness and Impartiality :

- The management will try to be fair and impartial in its dealings with its customers, business associates, employees and shareholders.
- The management believes in equal opportunity for all employees.
- The management use the same standard if trust and respect in all its relationships.

Long Term Focus :

Glaxo India is committed to the long term and expresses this through investment in the future by-

- Introducing innovative medicines of proven value through a world class team.
- Recruiting dedicated innovative and creative people.
- Training and developing staff at all levels.

Good Corporate Citizenship:

- The management will be proactive in improving its environment.
- The management will participate in and contribute to the well being of the local community.

- The management will actively contribute to the national priorities in health and safety.

Ethical Business Conduct:

- The management will observe the highest standards of business conduct.
- The management will have integrity in all its dealings.
- The management will comply with the law and all appropriate codes of practice.
- The management will be responsive to all its customers, particularly patients and health professionals.

Concern For People:

Glaxo considers people as its most valuable asset

- The management will treat people with trust and respect.
- The management will be open in its dealings within an interactive environment.

Competitiveness:

Glaxo believes in reaching out to customers first, faster.

- The management believes that speed is a value that gives competitive advantage.
- The management will eliminate bureaucracy and enhance competitiveness.
- The management believes in looking outside the organization to use what is best and continuously improve its own standards of performance.

Individual Responsibility:

- The management will provide to its people with a sense of purpose and fulfilment through delegation and acceptance of individual responsibility and accountability.

The company employs about 270 employees. There are about 7 levels of management. The organization structure of the company is less complex with lesser degree of vertical and horizontal and vertical differentiation. The company is flexible in terms of rules and procedures although very strict regarding safety, house keeping

and other norms. There is greater degree of decentralization with departmental heads having autonomy to make decisions.

The turnover of entire Glaxo India Group stands at Rs. 680 crores and the company has been registering profits since last three financial years. The main products of Glaxo are Ranitidine, Cephalexin, Salbutamol etc. Glaxo India Limited with its leadership in market has become a household name because of its products. HRD activities are given greater emphasis with training and performance appraisal being implemented effectively.

Alembic Chemical Works Limited, Vadodara:

Alembic Chemical Works, Vadodara is one of the oldest pharmaceutical company in Gujarat and in India. The company's Head Office is in Vadodara and is headed by Chairman. Ever since its establishment in 1907, Alembic has been a major exponent of industrial development in India. Over these years it has maintained its pioneering character, diversifying its area of operations and continuously developing its skills and ability. Alembic is a public limited company with about 18500 shareholders.

Today Alembic one of the largest pharmaceutical companies in India, based on the philosophy of indigenous technology. Alembic is the largest producer of Erythromycin and penicillin in private sector. With its no. 1 position, Althrocin is the largest selling pharmaceutical product in India. Some of the milestones of Alembic are:

- Largest manufacturer of Erythromycin in India and leading manufacturer and exporter of penicillin formulations in the world.
- First Indian and second in the world to manufacture Roxithromycin, right from the basic stage.

- One of the largest exporters of finished formulations to over 30 countries including Germany, U.K., France, Spain etc.
- Winner of Certificate of Excellence in 1992 from Ministry of Science and Technology.
- Winner of "First Award" by Chemexcil, for excellent performance in export from Ministry of Commerce for the year 1991-92.

Alembic distributes its products through 40 distributing centres throughout India. Its products are also exported overseas in countries like Australia, Burma, Srilanka, Kenya, Malaysia and Mauritius.

The company has about 8 levels of management with a complex organization structure. There is great degree of horizontal and vertical differentiation. There is also moderate to high degree of formalisation and centralisation. The company employs between 2400 employees. The annual turnover of the company stands at around 300 crores and the company has been making profit since last three years. Alembic puts a lot of emphasis on welfare activities for its employees and is also contributing towards the Social Development. Some of the amenities provided by the organization are as under:

- **Residential Colony:** A large colony, well laid out amongst trees, gardens and playgrounds, provides accommodation to nearly 340 families of Alembic employees. The colony is served by a full-fledged co-operative society.
- **Canteen:** Alembic maintains a large air-conditioned canteen which can serve over 500 persons at a sitting. Over 1500 persons take their meals here daily; all the facilities of the canteen are subsidised.

- **Medical Centre:** Bhailal Amin General Hospital meets the medical needs of Alembic employees and their families as also of the general public of the neighbouring areas. The hospital has an out patient department. The hospital has a Family Practice Clinic offering organized health services and guidance regarding prevention of diseases. A Family Welfare Centre is also functioning in the Hospital since 1968.
- **Alembic Vidyalaya:** A landmark in the colony is the Alembic Vidyalaya, a High School with about 2400 students from kindergarten to Higher Secondary Classes with general, science and commerce streams.

Alongwith Welfare activities, the company has also been encouraging HRD activities with training being the mainstay.

Core Healthcare Limited, Ahmedabad:

Core Healthcare Limited, formerly known as Core Parenterals Limited started its operations in 1988 with an investment of Rs. 11 lakhs. It grew from strength to strength and today it has become an international multi product Healthcare company with an estimated assets base of Rs. 690 crore and a turnover of around Rs. 272 crore for 1995-96. Its product range encompasses a wide range of Health care products, including intravenous (IV) fluids, irrigation solutions, total parenteral nutrition, blood products, renal care, surgical, medical disposables and devices, medical equipments, pharmaceuticals, small volume Parenterals etc.

The company's manufacturing facilities are based at two locations about 50 kms from Ahmedabad. One at Rajpur and the other at Sachana near Viramgam. The Sachana facility, an integrated Healthcare product campus is one of the largest facilities for

manufacturing IV fluids in the world. The capacity of large volume parenterals stands at 240 million bottles making Core, one of the five largest manufacturers of IV fluids in the world, the capacity of small volume Parenterals is 46.44 crore ampoules per annum, while the medical devices division manufactures 42 of crores syringes and 8 crores of Intra Venous (IV) administration sets per annum. The MDD, NOVA and the FTD plants at both the locations are certified under ISO 9002 certification from BVQI. The company has a full-fledged R & D Centre to develop pioneering products in the field of Healthcare. This centre has been certified as a 'Recognized R & D Centre' by Department of Scientific and Industrial Research. A captive power plant has also been set up at the Sachana Complex for the power requirements of the company. Various divisions include :

- Fluid Therapy Division.
- Critical Care Division.
- Medical Devices Division.
- Pharmaceutical Division.
- International Division.
- Renal Care Division.

Core is an approved supplier with International agencies like UNHCR, WHO etc. It has been regularly supplying its products for humanitarian causes.

Mission:

"It is our endeavour to saving life world wide by achieving and maintaining excellence and leadership in the fields of healthcare, both, within India and internationally. This we shall achieve through maintaining continuously technological edge over competition, manufacturing products of world class wide thereby making our products

available at affordable prices and ensuring the highest standards of excellence (Qualitative and Quantitative performance) in all aspects of work.”

Core Values:

- Think Big. Be an undisputed leader. Plan to win.
- Bring pride to your country, family and self. Always.
- Build success on qualitative excellence, in all aspects.
- Do not compromise, on anything, anytime.
- Be totally committed. Persist till you succeed. Do not quit.
- Focus, specialise. Do not dilute. Establish a competitive advantage.
- Detail and plan to the last nut, both strategy and logistics. Do not operate at macro level only.
- Be goal oriented, have total clarity.
- Every person you deal with is a customer. Be always and absolutely customer oriented.
- Use modern methods and technology. Be quality, technology and research oriented.
- Make long term investments, in products, markets, brands, capabilities, technology and research, and people.
- Build your organization on youth. Give them responsibility, authority and excitement.
- Work for excellence and achievement. Money is an essential by-product of good work.
- Do not repeat a mistake. Even once.
- Adverse situations also offer an opportunity. Convert them into an advantage.
- Never regret. Plan for the future.

- Do not solve problems. Eliminate the root cause.
- Work hard. Be disciplined.
- Create a value based culture.
- Respect people. Be sensitive. Give benefit of doubt to others. Offer support. Put yourself in the other person's shoes. Do unto others atleast what you would like others to do to you.
- Enjoy your work.

The company has about seven levels of management. As far as organization structure is concerned, there is moderate degree of vertical and horizontal differentiation, which makes the structure less complex. However, there is greater degree of formalisation and centralisation, with strong emphasis on rules and regulations and discipline. The company employs between 2000-3000 employees. The annual turnover of the company is around 171 crores. Although the company is a profit making unit, however, it did had to face some financial reverses in last three years. However, the company is headed by strong and energetic leadership and has been doing relatively good business.

The company has established an HRD department and lays emphasis on HRD activities in the organization. HRD processes in the organization centre around the culture building, creating role models and policies and procedures. The organization believes in creating a value-based culture. Right from the beginning, the organization has stressed on the values of excellence, persistence, thinking big and a leader, commitment, building on merits and bringing pride to the country, family and self by achievements etc. The role models like Eklavya, Maradona etc ambience, policies and practices, open communication channels to update people on the progress of the

company and 'values' by Chairman and Managing Director and other Senior Managers, internal programmes and inter-divisional mobility are some of the mediums for internalisation of values and culture building. The company also encourages behavioural research in the organization.

Sarabhai Chemicals Limited, Vadodara:

Sarabhai Chemicals Limited is a unit of Ambalal Sarabhai Enterprises and is in the business of formulations. The company started in 1943, at which time the company started manufacturing prescription drugs, starting with a modest introduction of a few products and chemicals. Growth and Development, the important features of Sarabhai Chemicals made it one of the most prestigious companies' in India. In terms of life saving and essential drugs, Sarabhai Chemicals has played a very vital role in India.

The product list of the company is quite big. The range includes vitamins, tonics, anti-arsenic, digestive enzymes, ointments, liquid oral, antibiotic orals, injectables etc. Some of the well-known medicines include Reclor, Pentids, Limcee, Kenalog-S, Kenacomb, Kenacort Injection, Carbetazine, CRYSTAL – 4, Etinol etc. Emphasis is also laid on Research and Development in Sarabhai Chemicals on some of the following areas:

1. Process Development of new bulk drugs and intermediates.
2. Process improvement and cost reduction in fermentation process, extraction of anti-biotic and pilot plant trials for determining optimum parameters.
3. Development of new pharmaceutical formulations.
4. Development and standardisation of product packages.
5. Establishing the standards, specifications and analytical procedures of new products and intermediaries etc.

Sarabhai Chemicals has a separate research & development centre called Sarabhai Research Centre which is engaged in finding out new drugs. The following are various divisions:

1. The medicinal chemistry division.
2. The pharmacology division.
3. The toxicology division.
4. The microbiology.
5. The parasitology.
6. R & D.

Sarabhai Chemicals is one of the oldest Pharmaceutical companies in India and one which enjoyed tremendous repute in yesteryears. The company employs approximately 2500 employees at its works at Vadodara. The structure of the company is complex with 8 levels of management and tremendous horizontal differentiation. There is also more emphasis on following rules and regulations and moderate degree of centralisation. The turnover of the company is around 200 crores and the company has neither been making profits nor incurring losses. The company has been facing problems on financial and business front and has undertaken various steps like restructuring etc. to solve its problems. However, there is little emphasis given to HRD activities in the organization.

Abott Laboratories Limited, Ankleshwar:

Abott Laboratories Limited is situated in Ankleshwar and employs nearly 150 employees. The company is headed by Plant Manager. The company has about 5 levels of management. Organization Structure in the company is comparatively simple and there is less amount of formalisation and centralisation. The company is

highly driven by the market requirements and pays great importance on safety, housekeeping, quality and customer focus.

The annual turnover of the company is around 34 crores. The main products of the company are Nembutal Ester, Pentothal Acid, Pentothal Sodium, Clarithromycin, Terazosin etc. The company has very informal atmosphere and the senior managers are easily accessible and co-operative.

Sun Pharmaceutical Industries Limited, Panoli:

Sun Pharmaceutical Industries limited is one of the most fast growing pharmaceutical industry in India. In 1997, BT 500's survey put Sun Pharma at 121st position in terms of market capitalisation and the company as of today is ranked 342 in terms of overall sales. The company has been trying to go in a big way to the international market. Exports have been contributing greatly to the company's business and the company aims to account for atleast 45% of its turnover from exports.

The company has its products registered in 16 countries and under clearance in another 8 countries. Russia and the CIS, Asia Pacific, Africa, and Middle East form its market. Joint ventures and strategic alliances with international companies that share the company's values have been framed as the important component of the companies' gameplan for the long term. The company puts a great amount of emphasis on marketing. Alongwith other factors, the company brands its persistence based marketing as the major reason for its success. And so the company has established five independent marketing divisions, with a total strength of 650 people. These divisions are, namely, Aztec (cardiology), Synergy (Neurology and psychiatry), Sun (gastroenterologicals and other large volume products), Incare and Sunrise.

The company has its plants at Panoli, Silvassa, Vapi & Halol in Gujarat. The Corporate Office of the company is in Bombay. The present study was undertaken at its Panoli Works wherein about 150 people are employed. The company has 7 levels of management and has moderately complex Organization Structure. There is moderate level of vertical and horizontal differentiation with moderate emphasis on following rules and regulations and centralisation. The company is highly research and development oriented and puts greater emphasis on HRD. An emphasis on culture of learning has helped the teams in the organisation to be more focussed and aware. The quality of human resources is taken as an intangible factor to achieve higher than industry growth rate. People are encouraged to take on additional responsibility and learn from assignments outside their immediate scope of expertise. Some of the products of the company include Famocid, Alcaine-MPS, Monotrate, Betatrop, Carbicef, Clofranil, Zeptol etc. The company puts great emphasis on safety, housekeeping, quality and customer focus. The company aims at meeting the patient needs, delivering value consistently, and offering better solutions.

Searle (India) Limited :

Searle (India) limited, Ankleshwar is a company of the RPG Group which one of the most reputed and well-known groups in India. The RPG Group is a highly diversified group in the businesses of Pharmaceuticals, Agrochemical, Information Technology, Tyres, audio and videocassettes industry etc. The group is managed by a highly professional team. Searle (India) Limited, Ankleshwar is an important company of RPG Group.

The company has about 200 employees in its plant at Ankleshwar. There are about 7 levels of management structure and there is moderate amount of formalisation and

centralisation in the organization. There is tremendous amount off emphasis on quality and customer focus in the organization. The company is engaged, both in pharmaceutical formulations and bulk drugs manufacturing. The company is doing business in tablets, liquids, injections, capsules, powder pouches, ointments etc. In 1997-98 the company registered a growth of 20% in its sales. The company has introduced several new brands, namely, topdip, acedip (anti-hypertensive), glytop-SR (anti-diabetic), artispar (anti-bacterial) etc.

The company has been moving strategically in Technology absorption & Research and Development. With their motto of *Making a difference to life* Searle's future action plan include:

1. To continue process development work on new products in the field of pharmaceuticals, agrochemicals and speciality chemicals.
2. Development of speciality chemicals and bulk drugs for export.
3. To modify the process to reduce use of solvents and effluents to protect the environment.
4. Scale-up process and transfer of technology for production.
5. Productivity improvement of process used in current production and refining them with reference to quality, yield and effluents.
6. Effective utilization of Human Resources of the organization.
7. Providing best quality products and emphasizing the need of the customers.

The company puts a great emphasis on safety and house keeping. The company is conducting HRD activities like training, performance appraisals etc. RPG Group is amongst the few in India who have been utilizing the Assessment Centre Technique for effective utilization of its Human Resources.