

CASE STUDY:

Management by Fear: Some Things Never Really Change!

–Jaidev Poomath*

INTRODUCTION

Sandeep Sharma waited eagerly for his friend to drop in to the restaurant. It was 6:30 pm in a Friday evening and he had taken a short break from his busy schedule. He had some urgent work to be completed, before he left for the day. The day after, a meeting for parents was scheduled at his kid's school. He wanted to take one day leave for the same, since it was the first meeting of the year. His son started going to school just a month back. He had discussed the same with his Regional Sales Manager Varun, but it was not clear whether he really understood the matter or not. Sandeep was a bit worried. "Was Varun upset with the way I asked for a leave? Why didn't he give a proper reply to me? Why did he hang up the phone so fast?" There were no critical functions for the next day, but then this new task given by Varun kept him occupied. He wanted to finish the task as early as possible and get his leave approved.

The Organisation

Sandeep Sharma worked as a Retail Sales Manager (RSM) for a leading plastics manufacturing company. The company was known for its aggressive sales strategies. The company is pursuing fast growth in all of its different verticals. Their brands were quite well known in the market, and had products had good quality. Sandeep was relatively new into plastics, and he couldn't really identify with the industry or the company. He was in charge of retail sales for Chennai branch. His customers were basically traders and merchants. He previously worked with a medical equipments company, where he was responsible for the sale of equipments to dentists. As a Retail Sales Manager, he reports to a Regional Manager. Varun was in charge of Tamilnadu and Kerala, and was based at Regional

* Assistant Professor, Sree Narayana Guru Institute of Science and Technology, Kerala, India. E-mail: jaidevpoomath@yahoo.com

Office at Cochin. A regional manager reports directly to a National Sales Manager, a rather glorified Zonal Sales Manager.

During the last two years, the company has experimented a lot with its organisational structure, thereby causing a lot of transfers and change in verticals, mainly for senior managers. Sandeep had to report directly to three Regional Managers during this time. All of these were veterans in the company, with seven to ten years vintage. All were brought in as part of the organisational change. They came, worked in the role for four to six months, and moved on to other different verticals. Even the position of National Sales Manager saw some change, with two senior managers donning that role. The company was facing tough times in the market. Competition from smaller regional players was intense. They were losing representation in dealerships, since regional players were dishing better margins and trade discounts. Tougher environmental norms and regulations affected sales of their budget brands. From the start of the company twelve years back, no one saw this crisis coming. Leadership team in the company were trying out many things to pull up sales. Company was against giving more discounts and trade margins, instead they pushed the Retail Sales Managers to drive the volume, by focusing on their core strength-overall product quality. Regional players were not upto their standards. Targets were not revised for Sales Team. Performance was measured on the basis of targets set nine months back.

Professional Lives: How they Differ

While he was deep in thought, his friend Rajeev Nair dropped in. Rajeev worked in a small IT company, located in an IT park, towards the outskirts of the city. Rajeev was talking casually over phone, as he walked in. He seemed to be in a good mood. Rajiv said: "Sorry for keeping you waiting, it was Vinod, my Project Leader. I had asked him about options of working from home for two months." Sandeep asked: "So, what did he say?" "It's done, as soon as my current assignment gets over, which I believe I can complete by Monday. I got these two days off, since we have a 5-day week. I am planning to go take my daughter to the planetarium tomorrow"-said Rajeev.

Sandeep felt miserable. He couldn't help but compare the way Rajeev spoke with his boss, to his own interactions with Varun. Rajeev seemed comfortable, and was addressing his boss by his first name. He could not imagine doing the same with his boss. Addressing him as "Boss" or "Sir" was the norm. But that never really bothered him.

What worried him was that Varun used a lot of foul words, in his team meetings. He used his aggression as a tool to literally shame the inconsistent performers. The times were testing. Industry was going through a lot of regulatory reforms, and sales fluctuated. There were no real clear winners in the entire team, as far as sales were concerned. In fact, all most all of the major towns reported 15 to 20% lesser sales than last year. Only those small newer branches, where they had a relatively virgin market to explore, seemed to shine.

Varun also had the habit of chewing pan (tobacco) inside the office. The company had a code of conduct, and it clearly mentioned the importance of proper dress, attire and behaviour. Sandeep wondered why the management seemed to turn a blind eye to Varun's not so desirable ways. Varun himself was a star performer in the company as a Retail Sales Manager, from Coimbatore. He has been with the company for the last 5 years. But the dynamics of trade changed over the years. Varun managed sales single handed by meeting the retailers. Most of the dealerships appointed by Varun were still doing business with the company. Varun was quite proud of these too, and he often boasted of this fact.

Sandeep believed that Varun was a totally wrong choice to lead a regional team like theirs, since he never really managed employees under him, as an RSM. Sandeep had four employees, reporting directly to him. Sandeep made sure that he was a reasonable boss to his subordinates. He had read somewhere in a magazine that "employees never really quit companies, they leave their bosses" and that really made an impact on him. Of late, his team could sense that Sandeep was not really happy or involved in his job. He seemed detached, or worse, uninterested. They discussed about this in private. The young team was worried about their future in the company. Only if Chennai managed a complete turnaround performance in the coming 4 months, they could hope for a decent salary revision and bonus. This seemed tough, but not impossible.

It was one incident which took place a month back which lead to even more cold vibes between Sandeep and Varun. One day, Sandeep tried calling Varun, to update about a sales issue. He was right in the middle of the city, and he parked his bike, and dialled Varun. As soon as he started discussing the issue, Varun started abusing him, saying how miserable a leader Sandeep was, and how he cannot solve a problem of his own. Sandeep felt outraged, but he didn't bother to explain his stand. He had called to report an issue all right, but he also had a possible resolution for it. He dialled Varun so that he can go ahead with his plan. He kept the phone without discussing the issue in detail.

Later in the evening, he got a call from his colleague John, RSM of Madurai. He was one among the elite few, who enjoyed Varun's support. John was a native Cochin. He said he was on leave, but he managed to get some time to meet his boss at Regional Office. John wanted to know the reason why Varun shouted at him. Sandeep tried his best to play down the entire incident. But he was upset over the fact that Varun chose to abuse him over phone, when other colleagues of his team were present with him. John even mentioned the comment made by Varun, about Sandeep: "Poor fellow, he seemed terrified of me, that he could not even speak properly!" By now, Sandeep was sure John would have already known about the entire incident and just wanted to hear Sandeep's version. Sandeep wondered, how can a boss say something like that with pride? Does it not show his arrogance and ignorance?

John was among the four Retail Sales Managers who enjoyed Varun's support. The sales graph of Madurai was not really different from that of Sandeep. Madurai had four major customers who buy in larger quantities, and entire sales were focused on them. The volume used to come, but smaller retailers of Madurai were more or less ignored. Sandeep knew this, and in fact whenever the team had brainstorming sessions, he had suggested increased focus on these marginalised retailers. But these suggestions were not implemented.

John was also moulded like his master, Varun. He has even started smoking in office, and whenever Varun was in town, both will go to cheap bars, and spend time till late night, in the company of some of their retailers. Other three RSMs in this 'elite and preferred' team also showed similar preferences. It was not that the abuses and cuss words were limited to Sandeep. In teleconferences, Varun is often heard shouting at his preferred team members too. But it surprised Sandeep, how these four RSMs accepted their 'boss's commands' without any complaint.

Sandeep was not used to this culture. In his earlier role, he used to deal with dentists, who were much dignified in their interactions. Here, one had to deal with vendors and traders, which he felt was not really his cup of tea; having a boss who seemed to enjoy playing hard to get made it even more painful for him. Sandeep was a family man, and enjoyed his free time with wife and son. Here in this company, it was a norm to stay late, even if there is no work. Varun preferred conference calls after 7pm.

He also noted how stories will start floating, once a new manager is expected to take charge. The core common aspect in such stories will be

fear. He himself had heard lot of stories about Varun before he joined, as his Regional Manager: how people fear him, how one should be careful of interacting with him, and all that. He even doubted if the company is built on this hierarchy of fear. Sandeep could not digest this, because his leadership style had elements of freedom and mutual respect. He would never abuse a team member personally. Sometimes, he would wonder if he alone had such beliefs and values in this company. Fear factor seemed to work for almost all in the company, and they seemed fine with it.

Thoughts flashed over his mind, and soon he realised that it was time, and it was already 7:00 pm. He had tasks to complete and there was this routine teleconference over weekend sales targets achievement. After this, he planned to call Varun once again to tell him about the leave request. He felt ashamed that for something as simple as a leave request, he had to plan what he was going to say. He had no idea how Varun would react to it. Sandeep paid his restaurant bill and hurried to his office on the other side of the road. He saw crowds starting to build up on that busy commercial street. He was feeling tensed, but felt relieved thinking of the next day, when he would be away from all office chores.

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