

Human resource Challenges and Opportunities in Indian Organizations

*Type of Company: Manufacturing – Oil & Gas Equipment
(Flow Control Technology)*

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Present Status: Currently Working as IT Application Lead In Schlumberger / Cameron, Bogota, Colombia on a short term assignment for building team here in Bogota, With Schlumberger / Cameron (Coimbatore) for last 11 years. Prior to this, worked in USA and Canada as a Business Intelligence Consultant for three years and worked in SAP Labs India for one year. Prior to this Worked as a Lecturer in Amity University, Delhi, for more than 2 years.

Manufacturing Company – Oil & Gas Equipments (Flow Control Technology)

Interview with Country Head & HR Manager.

This Company is an entity (In Coimbatore) of a US Based Oil & Gas Company in Manufacturing Flow Equipments like Valves and Blow out Preventers. This Company was established way back in 19th Century in Western Texas Region in US and successfully running since then. The Organization survived many ups and downs in the market and improvising on continuous basis. From last fifteen years, the upper management started exploring on how to bring down the overhead costs so that Profits can be maximized or sustained since there are lot of competitors started building the similar products and it's no longer easy to have the luxury of same profit margins. One of the options is to have an Engineering design Support Center in low cost locations like India. Luckily they already have a small office in Coimbatore in which they are doing drafting work for flow control Equipments. Then they thought of extending the same location by renting a new big office. But the Challenges are like it's not a Tier-1 City in India

where we can build teams with Quality Man Power and sustain for longer term. But this idea worked well with some challenges in finding and recruiting the talent. With this success the upper management expanded this office with all the parts of Shared services like IT, HR, Finance and Sourcing. This way they were able to replace the high cost workforce in USA and UK with 1/6th of the cost. Now the Coimbatore facility is running successfully with current head count close to 700 which was once 50 and planned to extend to 1000 in couple of years. We got a chance to interview both Country Head and HR Manager who were with the organization for several years and have gone through the process of building the team from the very beginning.

Business Opportunities and Challenges:

The Company is seeing lot of customers from the Middle East Asia are willing to sit with the Engineering teams when their product which was ordered is in design Phase. This way they can get the exact variant of the product can be designed and this will minimize the risk of any mismatches to the actual business requirements. With the idea of having an Engineering setup in the same or nearly same time zone will encourage them to get engaged with these teams from the base locations itself without even travelling. This way number of orders started increasing slowly. Also with the presence of Sourcing teams in India made it easy to identify and source some of the Critical Materials which were getting sourced from other high cost locations. In order to build a suitable team in Coimbatore that can support the Engineering Support services the higher management faced several issues like bringing the best of the talent to Coimbatore and convince them to settle here for long term. After having interviewed several candidates they have realized the below gaps are there.

- Getting Relevant Man Power to Coimbatore and form stable teams in Coimbatore office (Tier 2 City) is the biggest Challenge. We have better Cities in India for the same kind of Work like Mumbai, Chennai, Bangalore and Hyderabad which are known for Engineering Work Force in the areas of oil and Gas.
- The exact skill set and experience that is relevant to the Product of this company is difficult to get from the market as they observed lots of gaps in the standards and kind of tools which were used to manage the existing designs are little different from the regular market in India.

- Even though we bring candidates, they need lot of knowledge transfers and special training to make them up to standards of this company product designing.
- The company initially encouraged the senior staff who are working in US and UK to return to India and work and offered attractive pay for the right candidates. This idea worked well and they are able to bring few critical candidates so that they can start building teams and can train them and bring them up to the speed. This way they were able to build teams with minimum strength and slowly started delivering results.
- But in the longer run they cannot use the same strategy of bringing the expats or training already experienced staff who were recruited from other local companies. To reach to the next level they have to plan something different.
- In case of setting up teams for IT, Finance and Sourcing also they have faced similar issues in the beginning. Later they have overcome these issues with a different planning.
- One more important aspect of setting up a new engineering setup also having competitors in one of the low cost countries of Europe (Romania). During the building stage of the engineering and other teams whenever there are some delays in the delivery of expected results ... there are other folks in higher management in US and UK who wanted to develop a center in Romania by trying to take advantage of this delivery issue. So the challenge is like who ever took the responsibility of team building is always on hot fry pan ... so there will be no chance of error.
- Last but not the least, whenever we build new teams we need to make all the new members will be understanding and following the ethics, compliance and core values of the organization this way we can really motivate and encourage them to stay and perform for longer term with the company.

Organizational initiatives to manage business and human challenges:

Coimbatore is a Technical Education hub. We can see few top 20 Engineering Colleges in India like PSG Tech are there in Coimbatore. Most of the MNCs which are recruiting technical talent from IITs and NIITs are present in the Campus Placements for PSG Tech Coimbatore. Supported by this idea there are many Engineering Colleges that were established in Coimbatore and all of them are running with high standards. For example Amrita Institute, CIT,

KCT etc...Presence of the talent Pool from best of the Institutes gave a real good opportunity to build talent pool in support of the experienced Professionals who were recruited from other MNCs from all Major Cities of India. It's relatively easy to build talent for Sourcing and Finance as most of the Indian Professionals working in the Middle East Asia locations were encouraged to relocate to Coimbatore Office. These Professionals were offered nice packages and positions accordingly so that they can come to Coimbatore and build teams with younger talent. The higher management in Coimbatore have taken some decisions that changed the face of the Coimbatore office setup.

- The higher management planned to have a special diploma course that covers all the Tools & Techniques that were used in this companies engineering design process.
- They got into partnership with few of the engineering colleges in the City so that the interested students can avail this course and can apply for training in this company.
- This way the best performers can be absorbed by the company and bring him/her up to the speed and can groom them according the company's core values as they are just coming from the Colleges freshly.
- Slowly the teams started to get the talent with relevant skills and they are performing really well in good time. This way they are able to build Low Cost High Quality performing teams with in span of two years.
- As this is a manufacturing company and they can see through at least next two years business and feel safe and stable with the job in hand unlike the service industry.
- The reason for this is ... any product or order that comes in can be fulfilled or delivered in 6 to 18 months of time. This way at any point of time you will know the current orders and Backlogs and generally you will know next two years business and that will make feel safe and stable and everyone feels like "we have enough work to do for coming two years".
- This idea made the teams very stable and almost every one joins here will prefer to stay longer term. "If you see the Attrition rate here is always been less than 5% which is the best in any standards" quoted by the HR manager.
- Based on the similar idea they started building the IT, Finance and Sourcing teams to support their respective head teams in US and UK. Now it's relatively easy for the higher management to do this part.

- With a little turbulence in the initial stages... all these teams were built in the similar fashion except no special diploma was needed for these teams.
- Finally the team in Coimbatore is one of the most highly engaged teams throughout the company globally. This fact was established by the survey (Engage to Excel) conducted by a third party agency.
- As mentioned earlier they started with 50 and now are roughly 700 and going to become 1000 in couple of years.