

**BIM**

**BHARATHIDASAN INSTITUTE OF MANAGEMENT**

Interview with Mr.MuthuKumar Thanu

VP (HR ) Murugappa Group .

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- 1. Murugappa group is a 100 year company deep rooted in “Ethical Business” and values. When ethics and business have been considered to be oxy-morons, how was the journey for Murugappa groups?***

The Journey has been pretty good. That’s probably one of the reasons why Murugappa group is so much diversified. I think we picked up the businesses and acquired businesses that came our way. One of the strength has been that group has been able to put same culture on which the group intended to build itself. We have been able to transfer to business we acquired over a period of time.

I think the means as much as the ends have been very important to us. If you hold on to your values you can sail through testing times is the learning to the group. I think we have applied for 16 to 17 licenses during license raj and managed to get one or two licenses. That has not prevented us from growing. We might have not grown as aggressively as business do, but we have grown quiet well.

- 2. Murugappa group has created a land mark in transforming a family run business to a professional run one from 1993. It raised many an eye brows by making the transition process a smooth one. What was the driving force behind this historical but smooth transition?***

Let me put it this way, I think in terms of work culture, the group, even before this transformation, has always been encouraging professionalism. Empowerment was given to people even in pre transmission stage. Therefore that being the background, it’s not a much of difficult journey to transfer the management in hand of the professionals. To that extent it has not been difficult. Even the promoters were like professionals.

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Again that's the foundation which the group was built. It's not been easy at all. I think being modest and being humble are one of the values every body practices including promoters, so in fact that gets rubbed off on professionals. I was not there when it took place, but from what I hear and from what I see, that's what it has been. So as long as you are always professional in a mind, it doesn't matter whether a professional is managing a company or a promoter is managing the company. I think professionalism is common to both.

### ***3. What differentiates Murugappa Group from others in the market? Could you tell us what is the hierarchy levels in the management?***

I guess in most of the places it's the value which differentiates. From company to company, country to country, values become very important. We actually in management have 10 grades and 3 levels, the first level being executive, second level is management, and third level is leadership. Then we have the grades.

### ***4. HR is one of the most important functions in any organization. How do you manage HR in Murugappa Group?***

The group has always been known for its progressive HR practices, even before the IT companies came to the country in a big way. Some of the best professionals who are in the market today, especially in south have been part of the group in some point of time or other. They have worked with some best partners in the country. The group has always been focusing quite about it. HR function has always been there, it has become more visible because in sectors like IT, everything involves people and if you did not have people, you go around and shop. HR function is one of the premier functions of today. Whenever the people are there, HR functions are there. Every manager should be a HR manager. So it's everybody's function.

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- 5. *Murugappa an empire by itself with a man power of over 28000 employees and stretching across 29 companies. What do you think as the greatest challenge of being an HR Vice President of such a large conglomerate?***

Different business has different HR challenges. Processes that we have, had common thread, and values that we have, had common thread. We have not had any large industrial relation issue. Talk about rudimentary errors or earlier issues; I think it was over with late 70's and early 80's. We have not had any major problems in different business. If you ask me about challenges in large, it is to move forward and to be able to take the organization to move towards the customer. Though a lot has happened there is tremendous opportunity here. The leadership development would be a challenge. It was a challenge of past, challenge of future would continue to be so. Third one I would say would be retention. The way things are moving forward though we don't have any problems to worry about at this time

- 6. *Recently, Murugappa Group has been accredited with SA8000 certificate for successful implementation of HRMS. What were the initiatives taken towards this direction?***

Again in HR implementations different companies within the group fall in different stages some of them would, say, have fulfilled the minimum requirement of HRA Systems, some of them have gone to maturity stage - where they have performance system online. They are not only online, the system actually goes back to tell you which of the areas where you need to spend more time with people, in which of the areas people were doing extremely well - that is the other side of maturity. Then you also have knowledge management practices in some of the business. So you got both extremes and some businesses in between.

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### ***7. Can you tell us about the competitive advantage this has given to the Group?***

Tremendous! Finally at the end of the day this kind of information goes indicative on where and what you need to focus on. If you are able to do that, that itself becomes competitive advantage. Now people are big competitors in organizations. People management is where you need to focus on to enable you to have that people competitive advantage all the time. I think people will make all the difference.

### ***8. What prompted Murugappa group to implement KM system and what are the challenges faced?***

Two aspects, some are to the requirements of the HR which will enable you to provide the services to employees better. It means that the employees are not worried about the back end processes. Finally I want the end delivery to be very efficient. Those are the concerns of HR. Sometimes in knowledge management system the end beneficiary is not end beneficiary. He is directly the end beneficiary as well as the person who directly wants the content and are the people who make use of that. HR only becomes the enabler in this process. That also becomes very critical for the business. So we may not address both.

### ***9. How far have you implemented the KM system? Do you have a CKO to manage KM? How far do you think, it will be successful?***

No we haven't gone to that level at all. We bought the software and couple of businesses in TPI and QUMI. It's working fairly well. In QUMI, it is specifically working fairly well. We don't have a chief knowledge officer; we haven't come to that maturity at all. Probably it will take another 5 to 7 years to come to that level. If it is one business, it has become fairly successful, so probably we will be taking QUMI forward. Others we will take in stages. Once I force these things, I don't know how successful that would be. The need will have to come from there.

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***10. In August 2005, Carborundum Universal has entered China to set up an abrasives plant in China. What are the opportunities you see in the Chinese market?***

Let me put it this way, I think we have not gone for a full fledged manufacturing facility as of now in a place like China. There are some advantages that India offers and some advantages that China offers. In particular products where China does not have competence, it makes sense for us to move over there and give those products to the Chinese market. If we find the opportunity for the product in the market, that's the time we will go over there and establish that kind of facility. Until then, it's more sense that we start in a small way. We do have a trading house for few businesses. In moving forward we have to see. It is a small move that has to be done by Corborandom universal.

***11. Murugappa group has ventured into technical collaborations and other partnerships. While many companies in India and abroad are facing trouble in sustaining their relationship. What was the factor that successfully guided Murugappa in maintaining cordial terms with their Partners across the globe amidst the cultural diversity?***

I think that's a good question! There is a lot of talk on partnership – partnering, how to make it successful, I think if you ask me, the values that any business should have is to be fair and follow the adherence principle. In any business transaction, if the situation is not win-win for both the parties, they will not be into that. In any relation whether it's a vendor, customer, employee, supplier, partner, whether it's with business partner situation at the end of the day will have to be win-win. If its

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not, there we are not there. As long as its win-win, we will be able to carry that forward.

***12. It's heartening to note that Murugappa group is one of the pioneers in R&D. Can you elaborate on this note?***

R&D investments we are planning to increase from the present level to 5%, I think that will go up. I think we are the only company in India to have a R&D for sugar and fertilizer also. Also we have R&D team, I think each of the business we have own R&D set up plus the technology combined with R&D which is headed by one of the directors. He is the mentor director for these activities, so there is a lot of support and focus on R&D from apex level.

***13. What are the implications on the culture of the organization by inviting technology changes?***

I would not be able to say much on that, I don't know to what extend it is the linkage between cultural diversity and technology, it is difficult to say. Because technology in any culture should be able to work provided you are able to put technology in place. Right now if you ask me its cultural neutral, unless a place has got a culture for killing a technology, I don't think any place inviting the technology will work towards that. I don't think it will have much implication.

***14. Knowing Murugappa group and its contributions towards the community through their AMM foundation, what is your view on CSR?***

One of the approach and philosophies of the group or promoters has been, when ever you do business you should contribute back to the society. Our foundation has been around for more than 50 to 60 years. We run hospitals, we run schools, also have a polytechnic. We have recently opened a hospital in Vizag. We have a hospital

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in Ambattur. So the company's philosophy has always been providing support to community where ever you are operating from. We also have scholarship for underprivileged, so it is the continuous activity. The kind of progressive work that they do in education is phenomenal. They go beyond the academics for the development of children.

We have small wing of Murugappa group, its part of the foundation which is called Murugappa chettiar research centre. Their objective is to demystify science and technology to help rural and urban poor and they have come out with many projects that have helped the rural and urban poor.

### ***15. What are the performance measures you have adopted for the employees?***

360 degree measurement and all that, we make use of them in pockets. Otherwise we have a standard open evaluation system and all the objectives are based on balanced scorecard. Open system has got appraisal programmes. Some are online and most of it is off line.

### ***16. How are the training needs identified? How is the training carried out for the employees? How frequently do you give training to the employees?***

It's continual actually. Every business develops a training plan for every individual and every function. Input is an ongoing activity. On an average, I would say each executive would go to at least 8 days of training in a year. Product training, process training, behaviour training etc. are there which they go through in a continuous basis. Based on business type, based on individual strength and for various improvements, it is a continuous activity where input come from training analysis, and what are the addition are whatever bought by us. A new concept in the market is involving the boss in the part of the training plan, the boss nominates for a program.

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***17. You continuously invest in the employees so much, but without contributing back to the company, many trained and talented people quit the jobs and join other companies. How do you feel about this?***

The market is looking for such kind of people. If you don't develop for yourself, you are not developing for a country or to a sector. It doesn't matter if he contributes or not. He is going elsewhere and contributing to company or country. BHEL has contributed so many leaders to the markets. There are companies like that. They would like to contribute to the society. In any sector we have to focus on that, we have to spare people for the country.

***18. What do you think (as a HR) are the most essential attributes that are required by management graduates to make it big in the corporate world?***

It's a very big question to answer. However, I would put a few attributes for management grad training into the industry. I would say some of the critical things would be the initiative and drive, ability to make the things happen, achievement to add up. That is basically achievement orientation. Right attitude is very important. Relationship management is even more important. When a person is able to understand the business, the product, and the customer, then that coil becomes a tool drive for spirit. Unless you understand, whatever the awareness you have and do is nothing but garbage in – garbage out. So you have to understand business fundamentals. Attitude, adaptability, wanting to achieve, willing to learn, listening are some of the qualities.