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## Self Managed Teams- A Case Study on Tata Marcopolo Motors Limited, Dharwad

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### *Abstract*

Dealing with labour issues has always been a daunting task for professionals all across the country. Complicated labour laws, labour disputes, production losses & industrial unrest is some of the serious challenges manufacturers and their HR departments are facing. An effective management and a strategic leadership is what make all the difference. However for all practical reasons managers cannot be present in all places for a company. Thus collaborative effort of the workforce is essential. Teams are often self- directed and self managed, that is they have no formal manager but are expected to complete tasks as a whole. Many organizations have adapted to the SMT concept, and are successfully heading towards progress. Reasons mainly being the empowerment given to the team members decisions are quick and reactive. In order to succeed, a SMT (Self Managed Team) requires understanding the strengths and weaknesses of all team members. It also needs to have clear objectives towards which the team may strive in future. Tata Marcopolo (TMML), Dharwad has also adapted to SMT and the management feels that work environment has changed and transformed into a motivating and engaging one for the employees. This paper is an attempt to understand the importance and validity of the concept of SMT and analyze its strategic implementation at Tata MarcoPolo Motors Limited at Dharwad.

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### *Introduction*

In today's competitive business, it has been observed that superior technology, efficient task design and organizational process, good planning etc., are necessary but not sufficient for the success of an organization. Collaborative Team work and unity among employees is also required. Work teams have proved to be very effective in recent times where every organization is striving hard to have the competitive edge. Teamwork is used across many different industries to increase performance, employee unity and work culture. Companies that must frequently develop new ideas or products using a project based approach assemble teams in order to diffuse responsibility. Self managed teams, is one such type of a team where

a group of employees is responsible and accountable for all or most aspects of producing a product or delivering a service. Self-managed teams have grown rapidly in popularity following their introduction in the 1960s. Around 80 percent of companies in the Fortune 1000 and 81 percent of manufacturing companies use self-managed teams within their organizational structure.

Self Managed Team is a system designed to achieve organizational efficiency, effectiveness and enhance the healthy organizational relationships between internal and external stakeholders such as unions, associates, customers and suppliers. Goodman, Devadas, & Hughson (1998) and Pearce & Ravlin (1987) suggest that self-managing teams lead to enhanced organizational effectiveness. Some longitudinal case studies of organizations that implemented self-managing teams found improvements in commitment and performance (e.g., Goodman, 1979; Hackman, 1990; Walton, 1977)

Self managed team (SMT) emphasize the importance of creating intrinsic motivation, so that individual associated within the organization can take responsibility for their performance and add value to the developmental process. Unlike in the traditional models where there is a hierarchical mode of administration, here there is a perceived sense of freedom whereby members plan, determine and manage their day to day activities. Self managed teams have proved to be an efficient way of human resource management in an organization, since they not only enhance creativity and innovativeness, but they also lead to a situation where more is achieved while the operating costs are reduced (Glick 1998).

#### **About TATA Marcopolo Motors Ltd. (TMML)**

Tata Marcopolo Motors Limited (TMML) is a 51:49 joint venture company of Tata Motors Ltd. (TML) India and Marcopolo S.A. Brazil for manufacturing of buses in India. The Company's over 4,900 employees are guided by the vision to be "Growth with Quality". Established in 2007, Tata Marcopolo Motors presence indeed cuts across the length and breadth of India. Over 38000 Tata Marcopolo buses ply on Indian roads, since the first rolled out in October, 2007 from Lucknow. The Company's manufacturing base in India is spread across Lucknow (Uttar Pradesh) and Dharwad (Karnataka). Following a strategic alliance with Marcopolo, Brazil in 2006, this JV has been taking help with technology and expertise in chassis and aggregates from Tata Motors, and expertise and know-how in processes and systems for bodybuilding and bus body design from Marcopolo, Brazil. Both companies actively participate in the management.

The buses will conform to international standards in quality and safety, and are marketed not only in India but also in all Tata Motors focused markets globally. The foundation of the company's growth over the last 5 years is a deep understanding of customer needs and the ability to translate them into customer-desired offerings through leading edge Engineering, New Product Introductions with the help of Tata Motors and Marcopolo. Tata Marcopolo Motors (TMML), as a part of its **employee engagement initiative** launched the 'self-managed team' (SMT) at Dharwad. According to the HR Head this initiative will ensure employee empowerment at the grassroots level, improved employee morale, increased efficiency and a culture change in the overall approach.

### ***How did it Happen?***

An interview was conducted with the HR Head of TMML Mr. MSRK Prasad. He informed that the management along with employees decided to adopt SMT in the company as an initiative towards employee engagement. It aims to give ownership and accountability to its employees so that they feel involved in the process improvement. They will be motivated to build themselves into a multi skilled & disciplined workforce. SMT set their own goals and charters derived from the Company's mission vision, objectives and they take directions primarily from their goals instead of only from a supervisor. Teams combine different skills and talents to work together towards a common purpose or goal without much of usual supervision. The usual supervisor takes the role of a coach, guide, trainer and facilitator for the team members rather than that of a director or controller of the work to be done.

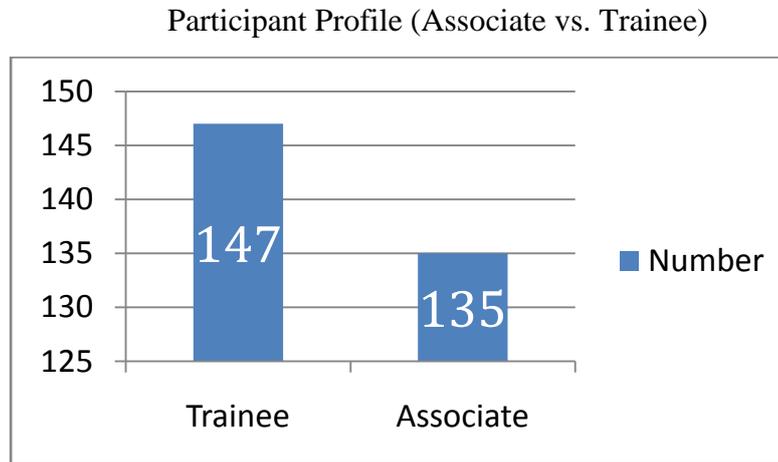
Before the execution of the SMT a **readiness survey** was conducted by the company to undermine the requirements of the system. After the implementation an **assignment survey** was done to know the level of implementation and area of improvement. Primarily it was applied only to the shop floor employees, however later it was applied at all the levels. Though, the management staff will be part of controlling and reviewing the SMT process and directing the same.

### **SMT Readiness Survey**

A questionnaire was prepared with 21 statement items which had different responses. It had 5-level rater scale. Each response had different scores attached to it.

- ▶ Strongly Agree (SA) – 4

- ▶ Agree (A) – 3
- ▶ Disagree (D) – 2
- ▶ Strongly Disagree (SD) – 1
- ▶ I Don't Know – 0



Graph 1- Profile of Participant

Score calculation for each statement- The score for a statement is calculated by aggregating the scores obtained by all respondents to a statement and dividing it by the maximum possible score. This score is then converted into a percentage score.

$$\text{Statement Score} = \frac{\text{Total score obtained for a statement}}{\text{Maximum score possible for that statement}} \times 100$$

**SMT Readiness Statement wise score (%)**

SNO	STATEMENT ITEMS	SCORE(%)
1	The nature of the work in our plant lends itself to a team-based approach rather than to individual effort.	81.83
2	I feel encouraged to come up with new and better ways of doing things	80.50
3	Given a chance to learn multitasking, I will surely avail the opportunity & learn.	77.84

4	I take pride in working for TMML for the quality of our brand & Products	77.75
5	It is possible to organize work so that teams of employees can take responsibility for entire jobs.	77.57
6	My colleagues would agree to a change in work rules and job classifications to have more flexibility and autonomy.	77.22
7	I am comfortable taking an additional responsibility for my team	75.00
8	The physical design of our workplace lends itself to working in teams.	73.32
9	My manager/ supervisor treats me with respect	70.48
10	I am satisfied with the recognition that I receive from my superiors for doing a good job	69.33
11	I am satisfied with my company as a good place to work	68.00
12	I am encouraged to solve problems brought to me by my internal customers.	65.87
13	I believe that positive changes will happen as a result of this initiative	65.87
14	Generally employees would be interested or willing to organize into teams.	63.56
15	We have frequent training programs to enhance our skills & gain knowledge.	61.44
16	My company supports my efforts to balance my work life & personal life.	59.84

17	Management believes that front-line employees can and should make the majority of decisions that affect how they do their work.	58.07
18	Our organization has systems that provide timely information to front-line employees.	58.07
19	I am satisfied with overall pay and benefits package	57.27
20	Employees can suggest and implement improvements to their work without going through several levels of approval.	53.46
21	Our organization has a history of following through SMT or other initiatives such as empowerment.	44.15

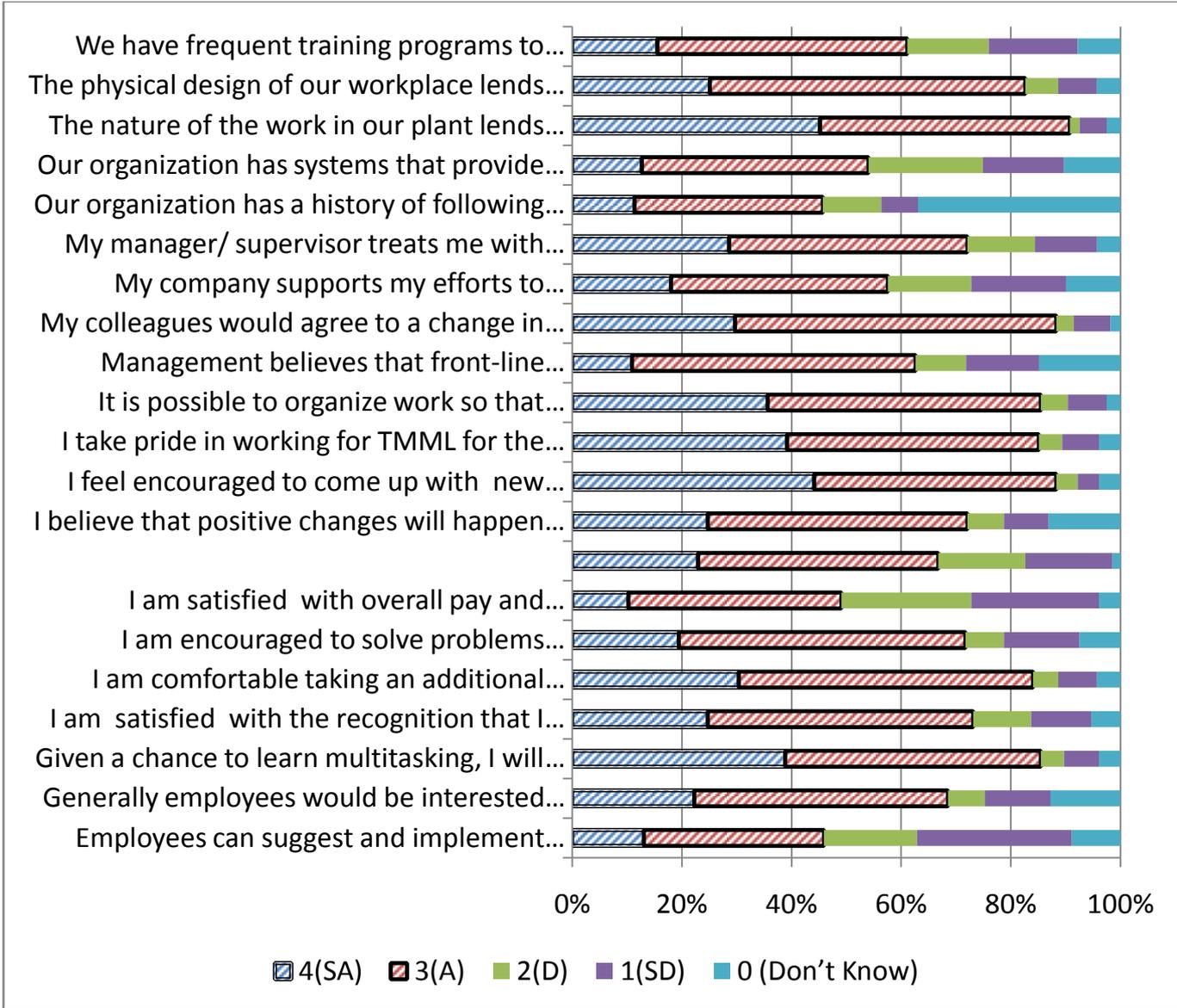
Chart 1- SMT Readiness Response

The chart below is a plant wide response to the SMT Readiness survey conducted at TMML. It is suggestive of the fact that majority of employees are positive about the implementation of SMT in their company. Less than 60% - Indicates needs to be looked at, immediate attention may be required at certain area

Between 60% & 80% - Indicates favorable readiness, can be further improved

Greater than 80% - Indicates overall readiness

Here it can be seen that a majority of responses to the statements are between 60%-80%, signifying a positive indication from the employees regarding SMT implementation.



Graph 2- Plant wise Overall Responses

*Key Drivers for SMT Implementation*

- ▶ Nature of work leads to team based approach.
- ▶ Employees are motivated to come up with new ideas.
- ▶ Willingness to learn multitasking.
- ▶ TMML’s Culture Capital - “THE PRIDE FACTOR”.
- ▶ Responsibility for entire jobs can be taken by teams by organizing work.

*Concern Areas for Implementation*

- ▶ Lack of visible initiatives in the past e.g. empowerment.
- ▶ Hierarchical barriers while implementing improvements.
- ▶ Dissatisfaction with pay & benefits package.



- Open house
- Face 2 Face
- SAM (Shift Assembly meeting)
- Team meetings

### **Team Scorecard**

Team score card reflects the performance of the teams on a daily/weekly basis. The scorecard captures the important attributes that are required for the success of the organization. Parameters under each of the attributes are identified team-wise, which could be different from team to team. Then, targets are set for these parameters & scores are given based on target Vs actual expectation. This scoring system helps the team to understand & appreciate their performance better. They also compete with each other based on the scores, thus enhancing the organization competitiveness.

### **Star Caps**

The STAR Caps model focuses on critical functional parameters that every employee and process must ensure. The parameters that mostly apply are- Safety, Quality, Delivery, Cost, Team/Morale, 5S.

The guiding philosophy of STAR cap model is to propagate situational leadership, where the role & accountability are clearly defined.

### **Star Model**

Step 1: Defining the STAR points like:

Safety, Quality, Delivery, Cost, Team, Morale, 5S

Step 2: Evolving the roles of the STAR caps

Once the STAR points are defined, roles & responsibilities of the STAR caps should be defined.

Step 3: Defining the critical skills required for a STAR cap

Step 4: Identifying STAR caps

Step 5: Training the STAR caps

Step 6: Implementing the STAR caps

Step 7: Handholding the STAR caps

### 3R Magic

Employee *recognition* is a communication tool that *reinforces* and *rewards* the most important outcomes people create for business.

Essentials:-

- HR to establish clear criteria and communicate to employees for what performance, contribution or behaviour it is eligible
- Any team/individual who perform at the level or standard stated in the criteria should receive the reward in timely manner.
- The recognition should occur as close to the performance of the actions as possible, so the recognition reinforces behaviour the employer wants to encourage.
- Consistency of the process without favouritism is the key to make employees believe in the system and raise their contribution
- A 3R committee involving associates & shop IR can be established and empowered in a mature state to define and implement

#### *Matrix for 3R Magic Implementation*

Rewarding Head	Rewarding Parameter	Individual / Team	Reward	Frequency	Document	Resp person to track and recommend
1. Individual Attendance	Full attendance of an Associate throughout the Quarter (Zero authorised or un-authorised absence)	Individual	1) Appreciation letter signed by Head-HR & Plant Head	Quarterly	Attendance Record (Annexure-1)	Coach and Shop HR Officer
2. Innovativeness	Finding solutions to chronic problems and suggesting ideas which will contribute in significant improvement in Productivity, Quality, Cost, Safety etc.	Individual	1) Appreciation letter signed by Head-HR & Plant Head 2) Spl lunch/Tea with Plant Head/HR Head	Monthly	Before-After Format (Annexure-2)	Shop Incharge
3. Exemplary attitude of help & ownership	Rising to occasion (staying back and helping during breakdowns or crisis)	Individual	1) Appreciation letter signed by Quality Head & Plant Head	Monthly	Format as per Annexure-3	Shop Incharge
4. Learning attitude	Enhancing knowledge and skills at own initiative	Individual	1) Appreciation letter signed by Quality Head & Plant Head	Monthly	Format as per Annexure-4	Shop Incharge

Figure 3- Matrix for 3R Magic

### **Skill Mapping**

Skill Mapping is prepared keeping the following as the basic objective:

- Empowered, flexible and multi-skilled team
- Valued individuals
- Maximize growth & performance
- Build ability to strive for continuous improvement

**O- M-E-P Cycle:      Operate/ Learn  
                              Execute / Maintain  
                              Improve/ Excel**

Modus Operandi:-

- Establish the desired technician criteria - feedback from all
- Develop manufacturing flow to ensure better understanding – include services/utilities/lab
- Perform technology/ process mapping – listing technology involved, tasks to be performed, skills required and standards of performance for optimal efficiency and productivity
- Based on the above, develop the progression steps for 3 blocks

### **Human Value Action Teams (HVAT)**

Human Value Action Team acts like a shop-floor HR team, which raises the hidden concerns or issues and addresses them before they become teething problems. They provide the leadership to the employees & raise genuine concerns of the employees & solve them. They ensure that all the basic requirements of the employees are met.

The HVAT team constitutes members from the shop-floor itself and a few representatives from the management handhold them.

### *HVAT Structure*

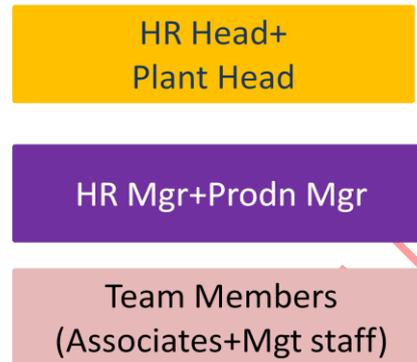
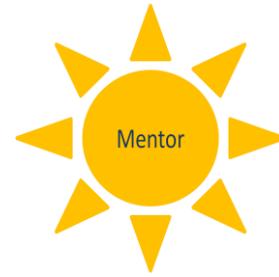
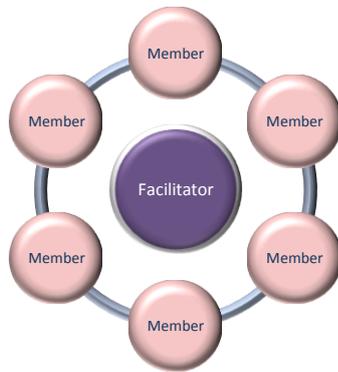


Figure 4- HVAT Structure At TMML

- ❖ HVAT is as a body, driving TMML's value framework (communicates both ways top down and bottoms up) for all the Associates .It abides by the guidelines of Value Governance System manual.
- ❖ HVAT plays a vital role in employee engagement, reward and recognition & celebration in coordination with HR.
- ❖ In case of any indiscipline, HVAT is responsible for investigating and recommending restorative actions within 48 hours of any complaints or grievances brought to the notice of the team by any employee.
- ❖ The HVAT is responsible for conducting surveys and gauging peoples' pulse at regular intervals to assess the prevailing culture and to recommend corrective actions for the same.
- ❖ The HVAT is responsible for auditing all systems related to people/culture and recommending required actions.
- ❖ The tenure of HVAT shall be for 1 year. Every year new HVAT shall be selected.

### **Learn –Teach-Learn (LTL)**

As part of this system, employees share their learning experiences they gained through practical experience or through books with peers. This process ensures the continuous learning of the individual in non-organizational context also.

Key to success of SMT is to ensure high levels of interaction & participation across levels. Learn-Teach-Learn (LTL) is a very good platform to achieve the same.

### **Performance Management System**

It is a vital step in the SMT journey as the associates also need to be evaluated like members in management team when the process matures, but on different parameters. This gives a great opportunity for individuals and teams to get recognized for specific and consistent contribution made for the growth of the organization. Also, it builds a strong system to develop multitasking and enforces a culture of associates developing a habit of imbibing values which are crucial to influence others to exhibit right behaviours. PMS considers factors like the skill levels attained and the number of multi skills acquired based on the nature of job performed. Also behaviour & attitude exhibited which are in line with value system. It also keeps into account performance on the job which is based on score card on a consistent basis.

### **Post Implementation Analysis of SMT**

As discussed earlier after the SMT was executed at TMML, a survey was conducted to analyze on the drawbacks and suggestive interventions were prepared. The survey said that manpower was not as per the process hence it should be arranged accordingly excluding the line champion. The SMT implementation depended on production base which was unacceptable. Thus it would be executed at all times including high & low rate of production. Reshuffling the team members was disrupting the work hence that had to be avoided. As it was found that team coaches were not working it was decided that additional responsibilities would be given to them. The shift assembly meetings were not taking place as per required hence more vigilance was required to ensure that SAM were held appropriately. The associates had to be included in STAR caps. Certain complications were seen while filling the scorecard thus convenient methods had to be adopted. Communication gaps were also noticed henceforth a proper defined communication was followed with same data to avoid any gaps. The survey revealed that problems were not solving periodically hence corrective measures were required to solve them in order to avoid their repetitions. Another important loophole identified was that one team member was working in three different shifts, it had to be rectified so that each team member identifies himself in a single shift. Findings of the survey suggested that new recruits were not fully aware about the concept of SMT hence trainings need to be given to them with respect to SMT and its importance. The STAR caps

and captains are not given their due recognition and benefits. Appreciation and encouragement need to be given to them so that they are motivated enough to perform better.

### **Conclusion**

Self managed teams definitely made the employees at TMML motivated and empowered to take decisions at work. Also it made them enthusiastic about their work culture and how it can be improved. However it can be said that despite all the benefits of SMT, TMML had to face certain challenges which were causing hindrance in the implementation. Shortage of planning, and time consideration due to unrealistic expectations often result in failures. Empowerment to employees who lack decision making skills or even judgemental skills leads to wrong decisions and also wastage of time. Moreover all employees are not good team players so any misfit might disturb the functioning of the team. Thus in order to execute SMT effectively these challenges have to be dealt with by the management.

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