

Power and Politics

INTRODUCTION

Study of power is important in the corporate environment. Power depends from person to person and its use depends upon the attitude of an individual. Power in public life is different than corporate world. While former is situational the later is object oriented. In public life, its promises may or may not work as desired. Proper use of power in organization is necessary so that the sources of power is not misused and directed towards attainment of organizational goal. It is important to understand the manager who uses power to understand employee behaviour, because methods of using power are different for different managers in the organization. It is therefore essential to allow minimum power that may be necessary to maintain peaceful environment. The study to understand how power is acquired and used for attainment of organizational goals is essential.

Power

Power is derived from the official position held by an individual in an organization. As Rosabeth Kanter says, “*power is the ability to get things done.*” Those in power are able to marshal their resources in a way that helps them achieve their goals. They are able to be effective in their jobs and earn the respect of others. Having power as resource can help you gain support, information, supplies—everything and anything that is needed to be productive in your job¹. Power is a tool and resource, a means as an end while politics represents tactics used by employees to use to manipulate power in organizational setting. Leaders use power as a means of attaining group goals. Leader use power to ensure compliance of job assigned to them. Power is also used to control various activities of individuals and groups. A purchase manager may be given power to procure raw material worth only Rs 10,000 in one transaction. This is to control his activities. A leader may use punitive power to prevent individual from restraining undisciplined activities. Manager having power to promote his subordinates uses it to attain organizational goals. Power should be used for attainment of growth of the organization and should be reward oriented in nature. Threat of power is not desirable as it has negative re-enforcement character inbuilt in it. When we discuss power, authority is associated with it. Authority is acquired from the organizational hierarchy. When we say that HR manager has an authority to employ an individual, this authority is associated with the appointment of an individual

as HR manager. It is therefore legitimate. Authority relationship of various individual is contained in organizational pyramid chart, higher one goes, higher the authority. Authority and power go hand in hand. To be effective, power and authority should be equalized. Authority and power are synonymous. But in present environment it is observed that while authority remains constant there is a tendency to exercise more power. This is because of the politics played by an individual to maintain higher influence over resources. On the contrary, there may be situation when an individual does not use full potential of his authority for one reason or the other. Interpersonal and group conflicts are indicative of more influence one wants to exercise in the organizational setting. These happening are common to every layers of organizational hierarchy. Power is therefore personal and acquired. Power is an ability of a person to possess what he feels as valuable and deprive another person of the same. According to Wolfe, *power is potential ability of a person to induce forces on another person towards movement or change in a given direction within a given behaviour region, at a given time*. Cavanaugh² states that 'Power' is a multifaceted concept, which has been analysed from interpersonal influence process, as a commodity to be traded, as a type of causation and as an issue in the study of values and ethics.

Politics is a process whereby power is acquired and used to influence behaviour of others. It is endemic to every organization. People form groups, camps or cliques when they play politics. People playing politics for power where ethics, moral values, organizational goals are of little concern. Dalton³ identified following six areas where politics was being played actively.

- Pressure for economy
- Co-operation of officially powerless experts with their administrative superior line and staff-relationship.
- The conflict between labour and management for interpreting agreements.
- Uncertainty about standards and strategies of promotion.
- Difficulty in linking reward with productivity
- Practicality of policies

Dalton observed that various type of alliances tend to develop among individuals, these alliances may be vertical, horizontal or mixed and are prime means of acquiring influence. This phenomenon of acquiring and exercising power seriously changes the command and control system in the organization. It forces to deviate from the established norm and process.

Bases of Power

French and Raven (1959) and Raven (1965) have put forward following six bases of power.

- (a) **Rewards:** This power source derives from the person's control over resources, for example power to control human resources, pay and promotion. Greater the perceived value of each rewards the greater the power. These rewards can be extrinsic in nature with tangible values as well as intrinsic such as praise or recognition.
- (b) **Coercive:** The power to punish or reward, the power to threaten and to use one's position to force others to take action. It reflects the extent to which a manager can

deny desired rewards or administer punishment to control other people. For example a threat to meet given targets otherwise there would be reduction in salary.

- (c) **Legitimate:** The power which is exercised in accordance with organizational rules. This power which is exercised with the authority of organization. Power derives from our cultural system of rights, obligations and duties, whereby position is accepted by people, i.e. right of private property.
- (d) **Referent:** This depends on charisma or personal attraction of the individual. Interpersonal skill and emotional support from others are the sources of power for a person. Stronger the association, stronger the power. For example Mahatma Gandhi, people believed in his ideology.
- (e) **Expert:** Power which derives from knowledge. Sometimes called sapient authority, this is power based on an acknowledgement of others expertise e.g. Physician.
- (f) **Information:** Information about people, events or other facts assist prediction about future behaviour or events.

Power exists within two parties i.e. those exercising it and those responding to power. Power is the capacity to mobilize resources for effective use. Mobilizing capacity depends on the situation involved. For details see Figure 14.1 below:

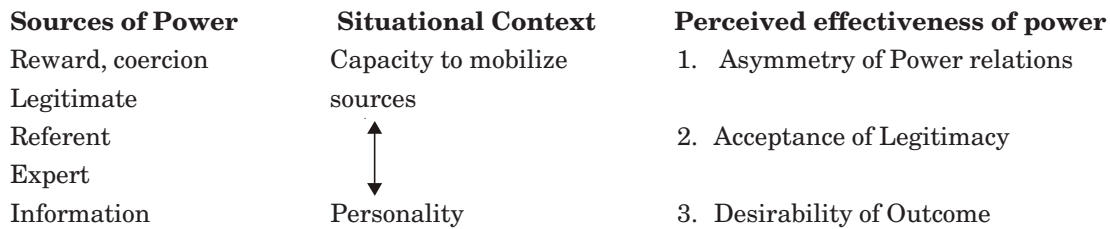


Fig. 14.1. Source and effectiveness of power.

Capacity to exercise power depends upon the situation which provides opportunities or restrictions on the use of power and the personality of those wishing to exercise the same. Asymmetry of power refers to the perceived differences between the power of involved parties and its relationship. Personality refers to physical and psychological advantage an individual has over other persons. For example Sachin Tendulkar enjoys charisma and power related to it due to his personality. The military power relies upon the notion of legitimacy. If it is challenged the whole system will collapse.

Sources of Power

Organizational Based

1. **Knowledge as power:** Information Technology has taken a big leap in the last two decades. Information is necessary for top management to take decisions. Information is vital to carry out various operations in the business environment. Thus a person or a group holding information becomes more powerful than their counter part. Flow of information is necessary for continuous production or service operations. Persons who are in position to control the flow of information wield enormous power to influence the behaviour of others.

2. **Resource as power:** Resources are necessary for any organization. While material or tangible resources can be procured easily, it is the availability of these resources, at right time, at right place in a required quality and at a competitive price. Any person having monopoly over scarce resources wield power. When project is required to be started, it is government agencies which delays the project for want of various resources, like power, water, etc. Human Resources are critical. Any person having direct or indirect control over making skilled persons available holds power. Organization cannot survive without adequate availability of various resources.
3. **Decision Making as power:** Decision making as power in organization rests with the head of the organization. Decision making is delegated to departmental heads depending upon the nature of work, ability of the departmental heads and the trust enjoyed by them. Decision making is one of the most important processes of management. Decisions are influenced, may be by subordinates, peers, friends or even family members who are psychologically close to decision maker. Therefore, both a person having decision making authority and a person who can influence decision making have power in the organization. Hiring a close relative, purchases in the organization, client selection etc. are day to day events in the organization which, indicate the power centers.
4. **Power Centers:** There exist people in the organization who desire to be more strong. They also want people dependent on them. Specialists, people with special powers deliberately delay decisions or hold resources so that they become more demanding. Power centers exist in various departments. It may in form of reservoir of power.
5. **Dependency:** Strength of power depends upon degree of dependency. Greater the dependency on the power holder greater influence will the power holder exercised over his subordinates. Dependency is directly related between power holder and those do not have it. Power holder holds power of retention to be able to increase dependency. All managers have two dimensional power base. One is the power generated by the organizational authority and the second, the personal power by virtue of personality as proposed by Whetten and Cameron⁴.

Centrality: Centrality refers to activities which are central to organizations. Finance is central activity in the organization hence the finance manager holds power in excess of his authority. Finance manager further allocates funds to various departments. Department heads therefore also become powerful not because they can further allocate funds to their subordinates but because centrality of activity. Managers of various departments have power based on their departmental position. In addition they enhance their power position by virtue of opportunities they get to control activities that are central to the organization. This gives managers authority to control various units and sub-units.

Scarcity: When resources are in abundance there is no problem as everybody would get them based on their requirement. When resources become scarce, a person obtaining it will appear to be more powerful. Finance is a scarce resource if a director of an institute manages to obtain additional funds from AICTE or by way of consultancy obviously he becomes more powerful in the eyes of management. Same is true of a faculty which may not be judged by efficiency of imparting knowledge but by obtaining finance for the institute from external sources.

Uncertainty: Management is related to planning for organization. It is basically related to identification of organizational objectives, evaluation of various alternatives and selection of best course of action and planning resources to put in action the course selected. Uncertainty of availability of required manpower with specific skills, raw material, finance can play havoc with the plans. There are situations when government policies change with the change government, that further makes situation more critical. A manager who has a vision and can appreciate what is likely to happen in future and takes corrective actions in advance obviously garner additional power. According to Kanter⁵ most power goes to those people, in those functions, that provide greater control over what the organization finds currently problematic. For eg. sales and marketing people when markets are competitive, production experts when materials are scarce and demand is high; personnel or labour relations specialists when government regulations impinge; finance and accounting types when business is bad and money tight. There is a turning to those elements of the system that seem to have the power to create more certainty in the face of dependency, and to generate a more advantageous position for the organization.

Substitutability: Greater the value of a person in the organization, the greater the power it holds. There are some people who amass power because of their speciality. By virtue of their contribution to the organization they become indispensable. However situation changes due to marketability of a particular brand of profession. Software engineer were in great demand in the organizations. They demanded high salaries and perks. They were indispensable a few years ago. As of now they have very restricted market for them. They could not be substituted by another person. What is important is that people have a tendency to take advantage of their specialization and high demand in the market and exploit organizations by using added amassed power.

Allocation of Power

Division of Work : Work is divided in the organization based on technical and functional requirements. Though all jobs are important from the organizational point of view, yet it can not be denied that some job is comparatively more important than the other and persons holding those jobs holds more power irrespective of their personal leadership qualities. Division of work brings dependence hence power. There is also a smoothing effect phenomenon hidden in division of power because of distribution of power among various appointments thus leading to minimizing absolute power with a particular authority.

Organizational Power

Organization allocates power in two ways:

- (a) **Structural power:** Organization structure has hierarchy of authority. Higher the position higher the legitimate authority. Mere granting of authority does not make a person powerful unless he uses it effectively. Invoking sanctions, awarding promotions or even punishments makes a manager powerful. If a leader does not use power, displays lack of interest, does not keep pace with development, delays decisions and lacks effective communication it makes a manager ineffective and powerless.
- (b) **Functional Power:** Functional power is related to a job a person does. By virtue of division of labour explained above, people in organization do a very specific

element of a job. Interdependence of employees develop rather smoothly which culminates in completion of job. Any specialization in isolation does not lead to power generation, rather it diminishes its effect. Scarce skill, longer duration of a person in organization, extent of access to vital information are some of the factors that makes a person more powerful. Power comes from functional exclusiveness which can be achieved as under:-

- (i) Devote more effort, time and energy on unbeaten, unattended fields.
- (ii) Develop friendly work relations.
- (iii) Share information with your subordinates and make them part of decision-making. By seemingly sharing, one attains more power.
- (iv) Communicate judgements rather than justifying it.
- (v) Handle expertise carefully and yet let there be exclusiveness of skill.
- (vi) Be available when required. Gather relevant information before decision.

POLITICS

Politics is about access to power. How organization structure promotes opportunities available or enhance access to power is therefore of considerable importance. Pfeffer⁶ defines “politics as those activities taken within organizations to acquire, develop and use power and other resources to obtain one’s preferred outcome in a situation in which there is uncertainty or dissensus about choices”. He further states that power is a force, a store of potential influence through which events can be affected. Politics involves those activities or behaviours through which power is developed and used in organizational settings. Power is a property of system at rest; politics is the study of power in action. An individual, sub unit or department may have power within organizational context at some period of time; politics involves the exercise of power to get something accomplished as well as those activities which are undertaken to expand the power already possessed or the scope over which it can be exercised. Departments in organizations are dependant on each-other in varying degree. It is the degree of dependency between departments, the power relationship is expressed. Such relationship can be collaborative or conflictual depending upon the variables. Chief among the variables is mutual task dependence. This is an incentive for collaboration, but also an occasion for conflict and the means for bargaining over inter-departmental issues. (Walton and Dutton, 1969)⁷. They have further stated that role problems cause inter-departmental friction. Blocked promotions, role ambiguity and faulty performance appraisal leads to scapegoating. Interpersonal skills plays a vital role in management of political influence. Sub-units control contingencies for one another’s activities and draw power from the dependencies thereby created. A sub unit power is related to its coping with uncertainty (which includes preventing uncertainty) to substitutability (whether there are alternative means of performing the operations) and centrality (the degree to which sub unit is linked into the organizations systems. (Crozier, M.)⁸.

Organizational Politics

Political behaviour is designed and initiated to overcome opposition or resistance. If there is no opposition, there is no need for politics. Miles has identified five major reasons that have strong influence on political orientation of organizations. These are illustrated as under:

Scarcity of Resources

As discussed earlier any person or unit who has control over allocation of scarce resources yields power. Political influence plays an important part in how these resources are distributed to various departments as against the rational need.

Non programmed Decisions

Resolution of non-programmed decision is a complicated matter as there are no set solutions. These unique problem involves consideration of various factors and variables. They remain ambiguous in nature and subject to political maneuvering by those who have knowledge and techniques to solve them. Politics plays a vital role in organizations to create decisions in favour pertaining to sensitive areas like strategic planning, mergers and acquisitions, policy change and so on.

Ambiguous Goals

When setting up of organizational goals, departmental objectives and individual task are well defined. There is no room for ambiguity. However there are organizations where these are not clearly spelt out and ample room for discretion exists. In such situations people manipulate decisions and situations in their favour by playing political games intelligently.

Organizational Change

Organizational change is continuous process. People who are in position to take decision can very effectively influence the decisions. These change may include vital areas like restructuring, creating new departments, launching a new product line, appointment of key personnel at top levels and thus creating a **lobby** within the organization. This may prove to be counter productive and harmful for maintaining peaceful atmosphere.

External Environment

External environment is highly mobile and generally unpredictable. It is the ability of the organization to meet the challenges effectively by appropriately maneuvering internal environmental factors, technology and processes. Thus political behaviour is heightened when these are managed by interested people. Rechar (1988) states that “resources are continuously becoming scarce and competitive and the ever changing technology makes the environment more complex to handle, requiring organizations to continuously evaluate their goals and strategies. This would make most organizations political in nature so that managers in responsible positions must become sensitive to political processes and games in order to play their role in acquiring and maintaining political power⁹. Pfeffer has concluded that “In situations in which technologies are uncertain, preferences are conflicting, perceptions are selective and biased and information processing capabilities are constrained, the model of an effective politician may be appropriate one for both the individuals and for the organization in the long run”.

Techniques of Political Plays

Mintzberg (1983) has suggested the following strategies to wield political power in the organizations.

1. **Cultivate right allies:** One must have alliance with right people who are rising

- in the corporate ladder. It is necessary to develop friendship with upper level management. It may also be advisable to form alliance with boss's secretary or someone who is close to powerful person.
2. **Be positive towards others:** Human being wants to be appreciated and complemented for any work done. When you appreciate other people they will develop a positive outlook towards you and may be helped when situation demands.
 3. **Reciprocity:** It is good to help others. Accordingly, recognize those members of the organization who will be more powerful in future. Help them so that they reciprocate the same when you need their support.
 4. **Be persuasive:** It is necessary to develop a persuasive technique to get the job done. Forceful agreements when stated eloquently are often highly influencing. It improves your image and substantial pay offs in a future time.
 5. **Image building:** One must build a positive image and create good impression in the organization. One must therefore be honest, sincere, attentive, sociable and display an organizational citizenship behaviour.
 6. **Control information:** More the critical information and fewer the people who have access to it stronger the power base. It is therefore necessary to control and disseminate critical information when it is likely to have impact and serve self interest.

Machiavellianism (1469 - 1527)

Niccolo Machiavelli, an Italian philosopher has formulated a set of behaviour for maintaining political power. Christie and Geis have formulated an attitude scale in conformity with some basic tenets of Machiavelli. The aim of the scale is to measure the extent to which an individual follows Machiaveli views. This scale is known as "Mach Scale". The characteristics of people who measure high on Mach Scale are as follows:

- They have high esteem and self confidence and behave in their own self interest even at the expense of others.
- They are considered by others as cool and calculating and that they would not hesitate to take advantage of others.
- They tend to form alliances with people in power for the sole purpose of benefiting themselves.
- They believe that "end justify means" even if it involves lies, deceit and moral compromise.
- They manipulate others by false flatter and exaggerated praise and that they will make friends only for the purpose of using them.
- They have a very unfavourable views of human nature. They believe that "anyone who completely trusts anyone else is asking for trouble.
- They will not set others stand in the way of their personal gain.
- They are on the look out and select situations where their tactics would work most effectively such as face – to – face emotional, unstructured and ambiguous condition.
- They are able to exert control over such unclear situations.

The above attitude indicates selfish and unproductive in organizational setting. Management must identify such individuals in the organization who muster political power

by adopting machiavellian tendencies and be prepared to take measures to counter their designs. This will ensure healthy work environment.

Pettigrew (1974) has identified some behavioural patterns that executives generally use to follow to enhance the political power in organization. The catalog shown below refers to influence process between specialists and executives. Pettigrew describes the way specialists credibility is undermined by the executives in Table A below:

STRATEGIES USED BY EXECUTIVES

| <i>S. No.</i> | <i>Strategies</i> | <i>Actions</i> |
|---------------|-----------------------------------|---|
| 1 | Strategic Rejection | If executive is self assured and powerful, rejects the report. |
| 2 | “Bottom drawer it” | Executive sends a memo praising the specialist’s the technicality, and then puts it away and forgets it. |
| 3 | Mobilising political support | Executives calls it the credit’s from colleagues. |
| 4 | Nitty- gritty tactics | Minor details are questioned, and mistakes in details are raised to try to discredit the whole report. |
| 5 | Emotional tactics | Relies on appeals to emotional states. |
| 6 | But in the future—— | Argument that data may be historically accurate but does not consider future changes. |
| 7 | Invisible man | Avoidance, often with the support of a secretary, so no discussion can take place. |
| 8 | Further investigation is required | Specialist is sent away to collect more information, either because terms of references are changed, or to follow up the more interesting issues raise in the support |
| 9 | Scapegoat | A suitable scapegoat, who is raised as a threat to any change proposed. |
| 10 | Deflection | Discussion is deflected away from the main areas by concentrating the attention on less crucial matters. |

Table A : A catalog of ploys adopted by managers : Pettigrew 1974.

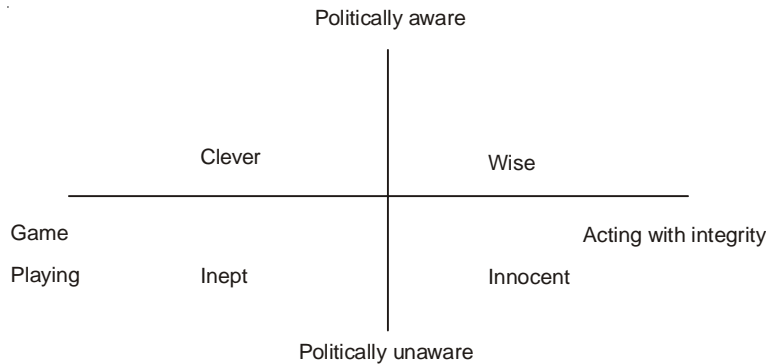


Fig. 14.2. Behavioural Model—reading political situations

Political behaviour is of two types first an ethical behaviour which is acceptable and an unethical behaviour. Baddeley and James (1990) seek to distinguish between 'politicking' and 'maneuvering'. The former refers to acting in self-defence, self oriented where people defend their ego by employing tactics which is called 'game playing'. The latter approach is distinguished by the sense of personal inequity where conscious decisions (choices) are made in different situations. The other dimension in the organization is political awareness, generally referred to the extent a person is able to understand and interpret the political behaviour in the organization. In simple word, how one is able to 'read' a political situation. Baddeley and James¹⁰ have suggested the behaviour model of various managers as given in Figure 14.2 above:

Reading political situation

Each of the four boxes above presents behaviour – clever, inept, wise and innocent, depending upon the persons capacity to read situations and their propensity to play games or to act with integrity.

SUMMARY

Power is derieved from the official position one holds. Those in power are able to marshal resources to their advantage.

Power, authority and responsibility are inter-related. French and Raven have identified six bases of power. These are reward, coercive, legitimate, referent, expert and information power. Effectiveness of power depends upon the situation, perceived differences between the power of involved parties and its acceptance of legitimacy. Power can also be enjoyed by the people having charismatic personality. In organizational setting power base can be enhanced by using knowledge and other resources. Managers can improve their importance by delaying decision making and creating power centers. Creation of dependency, resorting to centrality of resources, creating scarcity of resources and uncertainty leads to a feeling of an enhanced authority. For efficient working, it is necessary to delegate power to subordinates, resort to division of work to the maximum extent, modify organization structure if required and give functional powers to all the individuals so that they feel empowered and develops a sense of responsibility. Politics is about access to power. Power is the property of systems at rest while politics is the study of power in action. It is the dependency between departments, the power relationship is expressed. Managers can play power to their advantage by creating scarcity of resources, resorting to non-programmed decisions, setting ambiguous goals, introducing organizational changes in vital areas and managing external environment. There are various techniques of political play. These include to cultivate right allies, being positive in dealing with others, being reciprocal and persuasive thus building a right image.

Niccolo Machiavelli (1469-1527) has formulated a set of behaviour for maintaining political power. Christie and Geis have formulated an attitude scale in conformity with Machiavelli's teaching. The scale is known as 'Mach Scale'. Machiavelli suggest that end justifies the means and that the job must be accomplished at any cost. He has suggested various techniques of manipulating power. Pettigrew has identified some behavioral patters that executive generally follow to influence management process. Among other things it includes rejection, mobilizing political support, questioning of minor details with a aim to

discredit the individual. Avoidance, deflecting the main issue and making a person scapegoat if situation demands. Baddeley and James have suggested a model of reading political situations. They have classified individuals as clever, wise, inept and innocent depending upon the political awareness a person has and his ability to read situations and their propensity to play games or to act with integrity.

TEXT QUESTIONS

- Q. 1 Define power. What are the various bases of power?
- Q. 2 What are various organizational factors which if suitably manipulated can lead to enhance one's power base?
- Q. 3 How can managers play power to their advantages to improve self-image? Are these techniques desirable in the larger interest of the organization?
- Q. 4 Explain various techniques of political play.
- Q. 5 Explain in detail the characteristics of people who measure high on Mach Scale. Do you recommend such attitude conducive to organizational growth?
- Q. 6 What are various strategies used by executives when they interact with specialist to undermine later's credibility as suggested by Pittigrew?
- Q. 7 Explain the model proposed by Baddeley and James.

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Case

SUDHAKER GHATE: AN ENTREPRENEUR BY CHOICE

Sudhaker Ghate, a successful entrepreneur and recipient of the 'Vijay Ratna' award, has been the chairman of Miraj Pharmaceuticals since its inception. The award is given by the International Friendship Society every year to 20 people for substantial contribution in their respective fields. Miraj Pharmaceuticals is a family managed organization that was

started by Sudhaker Ghate about 23 years back. Initially starting as marketing organization, he expanded his business by adding manufacturing units to it later on.

Ghate has three sons and a daughter; two sons are Chemical Engineers and the third is a Pharmacist and all of them have obtained postgraduate degree in management. His sons joined him as Vice-Presidents after 1982. His daughter has been looking after computer operations at the Corporate Office. All of the family members including his wife are board members and most of the decisions are restricted to the top management. The sales turnover of the company in the last financial year was 12 crores and had a manpower of 600 people. The marketing network of the firm was covering almost the entire country having divisional offices at Bombay, Calcutta, Delhi and Hyderabad. The sales force of 250 medical representatives was given 'detailing training' regularly as a part of staff development activity. Apart from inculcating professional skills and capabilities, it had contributed a lot in creating an environment where interaction and information sharing could take place easily amongst executives and staff. The marketing strategy was based on review of the market through such meetings.

Ghate was born in small village in Maharashtra in the year 1934. He was the youngest in a family of nine children. His father was a farmer and was educated upto the primary level. As his father was very particular about the education of his children, Ghate went to Nagpur after high school. He did his intermediate at Nagpur and then graduation from Bombay. Being determined about progressing in life, he completed the Bachelor's degree in Pharmacy followed by a degree in law at Nagpur. During his college days he believed that he was of a different 'breed'. At that time he used to chalk out his future plans. He always wanted to do something of his own. In spite of discouragement from his mother and elder brother, he thought of starting and managing a pharmaceutical unit when he was a student. His father was all along a source of inspiration to him. He joined a pharmaceutical company as a medical representative in 1959 and rose to the position of Deputy Sales Manager in the span of seven years. He was transferred from Nagpur to Bombay in 1966. By now he had seriously made up his mind to quit the job and start an enterprise of his own. Morally supported by his wife, he took the final decision and resigned in November 1967 from the company in which he had been working. The only financial resource available to Ghate at that time was gratuity and provident fund with which he made his initial investment of Rs. 55,000/-. His friends helped him in setting up the firm. Instead of venturing into manufacturing he thought of capturing market share first and took a loan licence with another company. He used to get two types of tablets and a capsule manufactured by the company under the formula and supervision provided by him. He encountered many difficulties while marketing the products and realized that a common product that could be prescribed to every second patient would fetch a better market than the products he was offering. At this stage he was assisted by his wife in secretarial work and two medical representatives in field work.

He knew from his experience that a particular tonic called "Metatone" was doing well in the market. He went for an agreement with the concerned pharmaceutical company and then onwards used to get the tonic manufactured by them and marketed it under his own registered brand name 'ViTL' tone'. Although he met with heavy losses during the first two financial years, he could reach the breakeven point in 1971. He applied for Government land in Bambaay to start a manufacturing unit and succeeded in getting a loan of Rs. 1,98,000 from Maharashtra State.

After acquiring the land and capital for investment, he went ahead with the manufacturing as well as marketing of ViTL tone. He could achieve 100% annual growth for quite few years. Encouraged by the performance, the firm came up with four more pharmaceutical manufacturing units at Nasik, by the year 1985. As suggested by his enthusiastic and change oriented sons, ten more products were added to the product line by now. Ghate was taken aback when the firm met with heavy losses during the financial year 1986 – 1987. As it came to him as a shock, he went in for extensive market surveys, only to find that a few of his new products which were introduced in the recent past were not doing well in most of the regions. He restricted the market territories for such products and even stopped the manufacture of some of them.

The strategy worked and he started to regain his position in the market. The main product of Miraj Pharmaceuticals, i.e., 'ViTL-tone' alone achieved 26 percent line by adding one product every year and came up with a new project every second year. The firm also diversified by acquiring a sick chemical unit in 1989, which started production in September 1990. Now, Ghate was planning to enter into a joint venture by starting and running a pharmaceutical unit at U.A.E.

QUESTIONS FOR DISCUSSION

1. What were the personal characteristics of Sudhaker Ghate which helped him to become an entrepreneur ?
 2. What led to heavy losses in the financial year 1986 – 87 ?
 3. Does this case reveal anything about the vision of Sudhaker Ghate ?
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A HUMAN RELATIONSHIP QUESTIONNAIRE

The following questions ask you about how to behave at work, what you believe about human relationships, and what value you place on them.

Each question is presented as a statement; you are asked to choose one of five possible responses:

Strongly agree: Agree : Don't know : Disagree : Strongly disagree

There are no right answers, and no wrong answers; so please be as honest as you can.

| | <i>Strongly agree</i> | <i>Agree</i> | <i>Don't know</i> | <i>Disagree</i> | <i>Strongly disagree</i> |
|---|-----------------------|--------------|-------------------|-----------------|--------------------------|
| 1. You should only tell someone the real reason for doing something if it serves a successful purpose | [] | [] | [] | [] | [] |
| 2. People who lead upright and respectable lives will get on in the world | [] | [] | [] | [] | [] |
| 3. Braveness is inherent in most people | [] | [] | [] | [] | [] |

(Contd.)

| | <i>Strongly agree</i> | <i>Agree</i> | <i>Don't know</i> | <i>Disagree</i> | <i>Strongly disagree</i> |
|---|-----------------------|--------------|-------------------|-----------------|--------------------------|
| 4. You should always assume that people can be villainous and that this will appeal if given a chance | [] | [] | [] | [] | [] |
| 5. Telling people what they want to hear is the best way to deal with them | [] | [] | [] | [] | [] |
| 6. The old saying that 'there's one born every minute', is not true | [] | [] | [] | [] | [] |
| 7. Laying to other people cannot be forgiven | [] | [] | [] | [] | [] |
| 8. Giving the actual reason rather than ones which may carry more weight is the way to behave when asking someone to do something for you | [] | [] | [] | [] | [] |
| 9. It is sensible to pander to important people | [] | [] | [] | [] | [] |
| 10. It is hard to be successful in an organization without cutting comers | [] | [] | [] | [] | [] |
| 11. What differentiates criminals from other people is that they are foolish enough to get caught | [] | [] | [] | [] | [] |
| 12. Euthanasia should be a choice for those having an incurable disease | [] | [] | [] | [] | [] |
| 13. In the final analysis, most people are good and well meaning | [] | [] | [] | [] | [] |
| 14. You should only act when it is morally defensible | [] | [] | [] | [] | [] |
| 15. Humility coupled with honesty is a better combination than dishonesty and self importance | [] | [] | [] | [] | [] |
| 16. Unless forced to work hard, most people will not stretch themselves | [] | [] | [] | [] | [] |
| 17. Being good in all respects is quite possible | [] | [] | [] | [] | [] |
| 18. The death of a parent is more easily forgotten by most people than the loss of a piece of property | [] | [] | [] | [] | [] |
| 19. It is simply asking for trouble to completely trust someone else | [] | [] | [] | [] | [] |
| 20. It is best always to be honest | [] | [] | [] | [] | [] |

Table 4.2: Scoring key for human relationships questionnaire

| Question No. | <i>Strongly disagree</i> | <i>Agree</i> | <i>Don't know</i> | <i>Disagree</i> | <i>Strongly agree</i> |
|--------------|--------------------------|--------------|-------------------|-----------------|-----------------------|
| 1 | 5 | 4 | 3 | 2 | 1 |
| 2 | 1 | 2 | 3 | 4 | 5 |
| 3 | 1 | 2 | 3 | 4 | 5 |
| 4 | 5 | 4 | 3 | 2 | 1 |
| 5 | 5 | 4 | 3 | 2 | 1 |
| 6 | 1 | 2 | 3 | 4 | 5 |
| 7 | 1 | 2 | 3 | 4 | 5 |
| 8 | 1 | 2 | 3 | 4 | 5 |
| 9 | 5 | 4 | 3 | 2 | 1 |
| 10 | 5 | 4 | 3 | 2 | 1 |
| 11 | 5 | 4 | 3 | 2 | 1 |
| 12 | 5 | 4 | 3 | 2 | 1 |
| 13 | 1 | 2 | 3 | 4 | 5 |
| 14 | 1 | 2 | 3 | 4 | 5 |
| 15 | 1 | 2 | 3 | 4 | 5 |
| 16 | 5 | 4 | 3 | 2 | 1 |
| 17 | 1 | 2 | 3 | 4 | 5 |
| 18 | 5 | 4 | 3 | 2 | 1 |
| 19 | 5 | 4 | 3 | 2 | 1 |
| 20 | 1 | 2 | 3 | 4 | 5 |

Calculate your over all total score: _____

Analysis

| Score | Comment |
|--------------|---|
| 20-38 | Goodness shines through you. How do you survive ? |
| 39-54 | No is not an impossible word to say, you only think it is. |
| 55-69 | An honest cynic; at least relatively honest. |
| 70-85 | Congratulations – you could be an honorary member of the Borgia family. |
| 85-100 | You might even be able to teach Machiavelli something ('Never give a sucker an even break' – W. C. Fields). |