

The making of a Great Place to Work® - the story of Classic Stripes

This year, Classic Stripes, a little known Indian company in automobile graphics and signage, was second in the list of the Top 25 Great Places to Work®, the annual list of India's best employers compiled by the Great Place to Work® Institute and published in Businessworld. The list features names like Google India, Mindtree Consulting, Infosys, Godrej Consumer Products, Johnson and Johnson Medical India..to name a few.

The Great Place to Work® Institute uses the same methodology globally to select companies to feature in the Great Places to Work® list. A company can make it to the list only if employees feel that it is a great place. So a randomly chosen set of employees anonymously take the Great Place to Work® employee survey to give their verdict. The survey measures trust, pride and camaraderie which are the hallmarks of great places to work®. Every year the list produces a few surprises.

Classic Stripes is, however, not a surprise. It has been in the list for last three years. In fact the first year it made the list it did not even have a HR manager! (No, it would be simplistic to say that's why they made it to the list!) I was keen to meet the founder and key architect of this company.

Kishore Musale, the founder of companies like Classic Stripes and Durabuild is an unassuming person. His father was an entrepreneur and an educationist who set up a number of educational Institutes, despite not being highly educated himself. The desire to serve the country is strong in Kishore and perhaps the origin can be traced to the family business established on 15th August 1947, the day India became Independent. The family business was manufacturing the Metal Labels for the Business Houses like Hero Cycles, L & T, Phillips, HLL etc. In Metal Labels they were the Business Leaders. However, Kishore's story is not about nurturing inherited family jewels.

At an early stage when many of his friends were studying in well known public schools, Kishore was sent by his father to study in the military school in Punjab which had a lasting impression in his formative years. The luxurious life of a businessman's son was not for him. Right from getting up at 530am every day, the military school made sure that discipline and hard work would be values that were internalized. Resultingly, Kishore did not get a chance to be a social snob, which is the fate of many others from similar backgrounds.

Right after class 10 Kishore went to Canada to pursue his higher studies (eventually graduating with a Commerce degree). Exchange control regulations meant that he had to learn the value of money at an early age. Even today many of the lessons learnt working part time in McDonalds comes handy for Kishore.

Kishore came back to the country and after a brief stint with the family business decided to set up Classic Stripes as a separate company in 1987 in the business of automobile graphics.

Like all entrepreneurs in those days, he too struggled with issues like lack of awareness about discipline and quality and all pervasive corruption. Kishore started with five people in a small *Gala*. For one year Kishore and his friends were just making samples. It took 5000 samples before Honda of Japan agreed to be a customer. The rest is history!

Classic Stripes is an amazing story of starting with untrained non –matriculates and creating a world class company which today is the largest manufacturers of automobile graphics in the world, and a quality leader.

From the beginning Kishore followed certain principles.

1. Wealth creation is for everyone, not just the owner.

Classic Stripes has a profit sharing scheme for everyone. The bonus which started at 8.33 per cent of salary keeps on increasing every year and is currently at 14 per cent. Employees with more than 5 years service gets Rs.25000 and keeps on getting it every year after completing 5 years. Average salary of a worker will be Rs. 20,000 per month in their factory. Compensation in Classic Stripes is impacted by their profitability, not by industry benchmarks.

2. Quality at source, not at inspection

Kishore keeps giving the example of Sony which has no formal Inspection for quality because of the belief that quality is produced at source. Regardless of volumes, Kishore is relentless about being number one in the world in quality.

3. No labour unions

Kishore is the union leader! When the bonus was the statutory minimum of 8.33 per cent Kishore challenged it. Today it is more than 14 per cent. A year ago, on achieving targets, each employee received a motor cycle (scooters for women). Employees in Classic Stripes talk about the Chairman & Managing Director at the slightest opportunity. Whether it is visiting an employee for his daughter's wedding in a rural district in Maharashtra, or skipping a ceremony at home during *Bhai Dooj* to go for *Griha Pravesh* ceremony of an employee who bought a flat, there are hundreds of instances of Kishore attending to personal requests of employees.

For all his caring, Kishore is clear about not seeing a role of an union in his Organisation. Instead there are committees of all kinds comprising all employees. There is a Relationship Committee that meets twice in a month comprising employees across levels. Some time ago, when employees of Classic Stripes were being threatened and pressured by outside unions to unionise, they approached Kishore to work out a joint strategy to keep unions at bay.

4. Adherence to values

Kishore has no pretensions of being a management guru. However, he is a role model in honesty, integrity and ethics. In an era where it was common for businessmen to take out funds from their Organisations, Kishore has been an exception. His employees trust him, as is obvious from their comments. It is only recently that Kishore and his team have come up with their Vision, Mission and values. Trust is a mutual process at Classic Stripes. During the last floods in Mumbai, the Company put up a notice for all employees stating that it will reimburse all losses that employees may have suffered due to the floods. In most Organisations, there would have been an elaborate verification process. Classic Stripes went by what employees said. Before HR Managers reading this have visions of hundreds of employees queuing up to receive “compensation” let me hasten to clarify that only nine employees out of a total of more than 300 came forward. Either the employees were extremely honest or extremely proud. In either case, this is a culture that is clearly working for Classic Stripes.

5. We are a family

“In our organization, our family members are also given importance. For example, the company regularly organizes family get togethers, picnics, and drawing competitions for children. If my son has to do any courses during the vacation, the company provides the help monetarily. Our children are invited to our office to show how we work. Our children’s drawings are printed on Diwali greetings which company distributes. I think this is a unique thing about our company to take care of our family with us. To make even our children feel proud that their parents are working in Classic Stripes” The above employee comment indicates why Classic Stripes’ employee turnover is still in single digit. The concept of family extends beyond employees. The Kishore Musale Charitable Trust works with 200 schools and subsidises the education of 25,000 children. From an attendance figure of an abysmal 15 percent, school attendance has gone up to more than 90 per cent in these schools, by implementing simple steps; for example, building toilets for girl children and providing free uniforms and textbooks.

In May, Kishore Musale will represent Asia in a global conference on creating Great Places to Work® in Mexico. During the conference, he will discuss how the home grown philosophy of Classic Stripes is relevant for Organisations in developing countries all over the world.

The question that arises from the above is what will happen if Kishore Musale is not there. How long can the Organisation culture be driven by one man? Kishore is aware of this issue. Three years ago, (after the first time his company made it to the Great place list) Arun Berera left Daneher Corporation USA to be his Group President. Ajay Kosambi came back from Tanzania to head HR. Today there is a dynamic mix of old timers and new professionals from outside. And it is this team that is trying to institutionalize the core values. Kishore admits that only 10 per cent of his time is now taken by day to day operational issues at Classic Stripes. His values are seemingly shared by his team. When you enter the HR Head’s room you will not know where to sit because there is a circular table in the middle of the room with no head! Nor is there a slightly

elevated chair for the occupant of the room! Small signs, but like the canteen and the toilets these signals are important for all employees to know that “we are equal”.

Classic Stripes continues to fascinate me. It is not a Harvard Business School case study on HR systems and processes. Yet, when it comes to trust, pride and camaraderie they are right up there. Kishore is puzzled as well. “There is magic happening, I know, but even I do not know why it is happening or how” We can only make surmises.

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