SIPPING THE STORM IN THEIR TEACUPS - A CASE STUDY OF EMPLOYEE BUYOUT AT TATA TEA

Binoy Joseph,
Senior Lecturer,
Department of Personnel Management,
Rajagiri College of Social Sciences,
Rajagiri P.O,
Kalamassery,
Cochin - 683 104
Kerala, India
Telephone - 0484- 2555564
Email – binoyjoseph@rajagiri.edu

ABSTRACT

Indian tea industry has gone through a number of tumultuous changes. Beginning with the disintegration of the erstwhile USSR, there was sharp decline in the demand for Indian teas. Global tea market is characterized by a stiff competition. However Indian tea companies find it hard to cope up with these pressures mainly owing to labor problems and price fixing mechanism. The latest position is such that the Tea Board is now perhaps hopelessly resigned to the fact that India can not compete in the global markets at least in the immediate future. Coupled by a high cost of production and declining prices tea gardens face a threat of closure. The case of Tata Tea plantations situated in South India has been emphasized upon for this research study. Faced by threats of closure the company formulates a strategy capable of reviving the situation. This is called as the Employee Buyout strategy. This is a restructuring strategy in which employees buy a majority stake in their own firms. It is seen as a breakthrough in dealing with both the issue of employee entitlements and for corporate rescue. It can also address a key problem of globalization, by helping to anchor capital and jobs locally and preserve communities and skills.

The objectives of the study are three fold. Firstly to analyze the causes, structure and consequences of employee buy-out in KHDP Co Ltd Munnar, secondly, to study success factors that contribute to the success of employee buy out in KHDP Company Limited and thirdly, to study whether the employee buy-out model would be a panacea for similar ailing plantations in Kerala, in other parts of India and other developing countries. Methodology comprised of field research, key informant surveys and information supplemented by available documents in KHDP Company.

The consequences of the new strategy were truly noteworthy. Within a year of the formation of new company not only were employees able to wipe off losses, KDHP Co. Ltd. earned an enormous profit. Productivity and quality too improved. New approaches have been tried out at the plantation like diversification, involvement of workers in company decisions, recruitment of business development managers etc. The birth and

growth of the KDHP model has opened up a new corporate thinking in the trouble torn plantation sector in India. It is a success story of vision, courage and leadership, blended with innovation, teamwork and collective effort, and driven by hard work. The concept of employee ownership and participation in management practiced as in KDHP for the first time in the history of plantation sector. The Employee Buyout (EBO) is seen as a breakthrough in dealing with both the issue of employee entitlements and for corporate rescue. It can also address a key problem of globalization, by helping to anchor capital and jobs locally and preserve communities and skills.

INTRODUCTION

The decade of Nineties has been quite depressing for the tea industry in India. First, it was the disintegration of the erstwhile USSR which was solidly a loyal market for the Indian teas. The USSR lifted huge volumes. In the mid 90s, when the market revived, the Russians were looking for cheaper teas. There was a scramble in the tea industry, particularly in the South, to meet the Russian demand at their prices. The South Indian teas deeply destroyed their image while matching the prices offered by the Russians and in the process totally disregarding the quality, In the North, and later in South too; the industry was continuously facing labour problems. The situation in the world markets for tea can be characterized by over supplies, a slow growth in demand, and a fierce competition. (Asopa, V.N, 2007).

Tea industry in India is at crossroads not knowing how to reverse the adverse trends in global markets that have directly affected its fortunes. There is fierce competition abroad. India's un-competitiveness on account of high cost and poor quality, and changing consumer demand has been a negative effect on tea plantations. The home markets are slowly but steadily opening to imports which can very well compete on both cost and quality parameters. The latest position is such that the Tea Board is now perhaps hopelessly resigned to the fact that India cannot compete in the global markets at least in the immediate future (Asopa, V.N, 2007).

Many tea gardens particularly in the India are facing closure as a result of low productivity, high cost of production and declining prices. Economically, these gardens are simply not sustainable. Labour have not been paid wages and other dues under the Plantation Labour Act for several months. Many tea gardens have already closed. Workers are jobless and governments have admitted thousands of deaths in the past two years.

EMPLOYEE BUYOUT

The Employee Buyout (EBO) is seen as a breakthrough in dealing with both the issue of employee entitlements and for corporate rescue. It can also address a key problem of globalization, by helping to anchor capital and jobs locally and preserve communities and skills (Jensen, A. 2006). The Worker Takeover or Employee Buyout (EBO) phenomenon emerged across Europe in the 1970s and 1980s as a reactive strategy by working people to save their jobs when faced with the collapse of their employer, due to the economic crises and industrial restructuring of the period. Faced with few alternatives in finding employment, workers became entrepreneurs not by choice but by necessity, and took over businesses usually when no one else was prepared to do so. Hundreds of companies and thousands of jobs were preserved, moribund organizations were transformed, and industrial capacity was preserved and reconstructed. In a European study of worker takeovers in the 1980s, Paton describes how people became entrepreneurs 'not by choice but by necessity' and how many hundreds of companies and many thousands of jobs have been preserved by groups of workers who had the initiative and determination to take over failing and bankrupt enterprises, usually when no one else was prepared to do so. The EBO is a democratic model that can break the mould of the insolvent uncompetitive company, generally with a command and control structure, and redesign structures based on cooperation and participation that overcome the inefficiencies and friction involved in the separation of ownership and control in the conventional corporate form.

In an employee buyout, management and a broad group of employees complete a transaction or transactions which result in an enterprise being more than 50% owned by its employees, or a "majority employee owned enterprise." Management is included, but the buyout is not limited to management and investors. Investors are often needed and included when a change of control (majority) buyout is necessary or desired. The term "employee buyout" is used incorrectly and in a misleading fashion when it is applied to a transaction where employees gain less than a majority of shares. Such transactions can be accurately described as "providing an opportunity for employee ownership," "allowing for some employee ownership," or "providing an option of minority employee ownership." EBO in Tata Tea is a rare example where 69% of the ownership is held by 13,000 odd pluckers, gardeners, drivers, clerical staff and former Tata tea managers It is a rare example of an employee buy-out in India and is probably one of the largest participatory management companies in the world, definitely the first of its kind in the plantation sector. Apart from the size the other interesting features include the context, the causes, the structure and the consequences of the EBO which is covered immediately in the case study part of the article.

OBJECTIVES

- To study the causes, structure and consequences of employee buy-out in KHDP Co Ltd Munnar, Kerala, India
- To study success factors that contribute to the success of employee buy out in KHDP Co Ltd Munnar, Kerala, India
- To study whether the employee buy-out model would be a panacea for similar ailing plantations in Kerala, in other parts of India and other developing countries

METHODOLOGY

The study follows a case study design with field research, key informant surveys and information supplemented by available documents in KHDP Company, Munnar, Kerala, India.

CAUSES

The crisis in the tea industry in India could be attributed to a variety of factors including the WTO treaties, the fierce competition in the global tea market amongst the different plantation economies, low productivity of tea in terms of labour and plant output, low demand for CTC (Cut, Turn & Curl) tea in the global market and demand for higher wages by workers.

After the removal of quantitative restrictions in April 2001, one of the major threats faced by the tea industry is the increased import of inferior quality teas into India particularly from Indonesia resulting in depression in prices. The disturbing fact is that most of the countries like Vietnam, Kenya, Nepal and Indonesia are exporting to India at low prices. Productivity of Tea in India is much lower than that in Vietnam. On the types of tea imported by major countries the orthodox tea accounted for 51 per cent and CTC accounted for 39 per cent and the rest by green tea and others. The CTC market is shrinking. In South India orthodox tea production had declined from 94 per cent in 1961 to 25 percent in 1991 and to 16 per cent in 2003. There is a need to correct this, especially in the context of the global demand for orthodox teas. The situation called for new strategies especially in plantation management, marketing and handling unions in an industry which happens to be the country's second biggest employer -- with close to a million workers on its rolls.

Poor financial performance and growing focus on the branded business led to the idea of an employee buy-out by workers at all levels. Nevertheless, as is unique about the Tatas, the business plan was very clear about a two aspects of its divestment. First, the exit from the plantations should not cause any adverse impact on the employees, several of whom had spent their entire life in the shaping of one of the best maintained and organized tea plantations in the world. Second, there should be no adverse impact on the ecology of the pristine mountains of Munnar.

EXPERIMENT

Something surprising happened during an experiment to empower workers at Thenmallay, a tea plantation nestled on a misty plateau between the heavy monsoons of eastern Kerala and the drier uplands of Tamil Nadu in South India. When Tata Tea, the then owner, withdrew its managers from the plantation in April 2004 and told the 600-odd pluckers to manage the estate themselves, productivity plummeted. After three months, the pilot project was pronounced a disaster. “The drive and efficiency that had made Thenmallay our most productive tea garden suddenly vanished,” says Chacko Thomas, a former field manager at Thenmallay, part of Tata Tea’s largest estate in South India.

The initiative was one of several options considered by Tata Tea after it decided to quit the volatile business of growing tea and concentrate instead on selling higher margin branded beverages. A sale to a third party had been rejected, Tata Tea says, because it could not win assurances on job security and the environment. Though the experiment was disappointing, it did, however, prompt another course of action. The pluckers, their suspicions perhaps roused by the loss of jobs on 22 neighboring plantations forced to close in the past three years because of falling tea prices, hinted that if Tata wanted to quit tea cultivation, it might consider an employee buyout.

Thus the task to exit was taken in right earnest in the SIPO considering various options. There was great enthusiasm to try the co-operative model of running the business and one estate in Munnar was chosen for a trial in December 2003. However, the employees did not find favor with this model for want of job security and proper management. A producer company model was also explored, but this, too had its fair share of nebulous loopholes and was abandoned.

EMPLOYEE BUY-OUT MODEL

At this point of time, the management of the SIPO gardens took the initiative of examining the possibility of the 'employee buy out' model under which employees become co-owners of the business enterprise but would function under a professional management. In February 2004, the then general manager of Tata Tea's SIPO, T V Alexander, an avid planter well-known for his path breaking leadership and management strategies, meticulously assembled a core team of young and enthusiastic managers, which devoted itself to several days of painstaking work to come out with the framework of the 'buy-out' model. At the end of several rounds of discussion and presentations to the company's middle and top management in March 2004, the unique business model took shape.

The objectives of the new model appeared as an ideal fit to the Tata Tea's exit plan, as there was an astounding realism about the sustainability of the new entity, without compromising the Tata values on social security and environment conservation. A 10-year business plan was prepared in April 2004, which was shared with the prospective financial partners, ICICI Bank, which was quite excited about the project right from the beginning.

The carefully crafted robust business model immediately appealed to chairman, vice chairman and other top officials of Tata Tea and Tata Sons and received their green signal. The spontaneous flow of support with a magnanimous measure of goodwill from Tata Tea in the form of a voluntary retirement scheme for all categories of employees so as to hand over a right-sized employee base to the new company, shouldering the responsibility of funding and managing the welfare projects such as the High Range School, the General Hospital and the Srishti Welfare Unit (a rehabilitation project for the physically and mentally challenged children and youth, who are dependents of the estate workers), and most importantly holding a 26-per cent stake in the equity of the new company paved the way for a smooth business transition.

There were many such confidence-building measures from Tata Tea for the sibling company, which are very special and very characteristic of the Tata corporate vision. The idea kindled the enthusiasm of the 13,000 estate employees, of whom more than 12,500 are workers. They came forward to join hands as shareholders to form the new company. Thus on 31 March 2005, Kannan Devan Hills Plantations Company Limited (KDHP), was born in Munnar. It is probably one of the largest participatory management companies in the world, definitely the first of its kind in the plantation sector.

Twelve months later, in April 2005, Thenmallay and 16 other plantations were bought for Rs680m ($15m) by a new company whose shareholders comprised 13,000 pluckers, gardeners, drivers, clerical staff and former Tata managers. Kannan Devan Hills Plantations, the name of the new company, is a rare example of an employee buy-out in India. Even more unusually, it is an instance of a responsible company – Tata Tea's parent company is 66 per cent owned by charitable trusts – selling a loss-making unit while also bequeathing a sustainable business structure for its worker-owners, many of whom are fourth-generation plantation workers.

"Though we were making a strategic exit from tea-growing, our aim was to leave behind a sustainable model. After all, these workers belong to the hills," says R.D.Krishna Kumar, vice-chairman of Tata Teas, India's second biggest branded tea company.

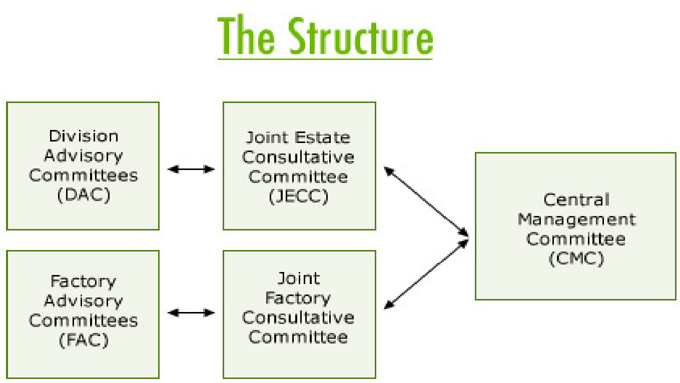

Figure 1 – The Structure of KDHP Company Limited

What gives KDHP a truly participatory nature are the facts that around 70-per cent of its shares are held by nearly 12,800 employees of the new company, there is a workers' representative and a staff representative on the board of directors, and there are several advisory and consultative participatory management committees comprising a cross section of employees at every level of the estate and factory management and also at the company level.

These positives will be augmented, Mr. Alexander believes, by bringing the new workers-shareholders into management. The participatory management will go beyond board seats for workers and extend down to the lowest operating rung of the company's 82 units. The "division advisory committee", the base level of worker participation in decision-making, meets every two weeks to discuss, in nuanced detail, how to improve output. "Field workers have an expertise that has been ignored over decades of top-down management," says Mr Alexander. "Now they are empowered. What we are doing is truly different."

The company's new bottom-up management plan instead of a top-down hierarchical approach is seen as a radical shift from the past that has been the norm of the plantation industry. The employee buy out (EBO) had to work from scratch in formulating policies covering different aspects of governance in the company including HR, quality, marketing, etc. An interesting feature of the EBO is the over-riding desire to optimise revenues from hitherto untapped areas of non-tea operations such as cultivation of medicinal plants, horticulture and floriculture, as well as plantation tourism. In all these areas, KDHP is making steady progress.

To ensure this exercise does not end up as tokenism, KDHP organized classes for workers, encouraging, in particular, women, who make up most of the pluckers, on how to get the most out of company meetings. Polls to elect workers to the division committees were validated by external observers. "We feared these forums would become places for domestic grievances and we would end up with another Thenmallay. Instead, we got smart talk on green-leaf harvesting," says J.Hudson, who heads field operations.

The upshot is greater job security for a workforce that seems to believe it can contribute to, and benefit from, wealth creation at KDHP. Some 92 per cent of the workforce joined the share scheme, far exceeding expectations at Tata, which has retained a 26 per cent holding in KDHP and will remain a large customer of the company. Indeed, the buy-out appears to have gone so well that Tata is applying the template to its plantations in north India.

To have closer association between all employees, a formalized participatory management structure has been put in place in the form of committees of management consisting of representatives of all categories of shareholding employees at the Division (the primary work unit of a tea estate), Factory, Estate and Company levels. Such committees of empowered employees suggest improvements in various matters pertaining to their relevant operations, employee welfare and safety, corporate policies and strategies etc. Relevant information is provided to enable the committees to function effectively.

To constantly improve productivity and quality in every activity of the company for the overall benefit of the enterprise, the employees and the community,

To give employees a better understanding of their role and importance in the working of the company,

To involve all levels of employees in the decision making process whereby a sense of ownership is fostered and

To satisfy their urge for self-expression

CONSEQUENCES

Financial - Over time, the group has grown from being a dominant plantation player into a branded international tea business. In line with this change of strategic focus, 17 of the 25 estates in South India were transferred to a new entity Kannan Devan Hills Plantation Company Private Limited (KDHP). The 13,000 employees of these plantations principally own KDPH, with Tata Tea having 18.2 per cent interest in the new enterprise. Given direct stakes in the fortunes of their company, KDHP worker-owners were not only able to wipe off the cumulative losses of 24 million US dollars run up by Tata Tea, within a year, but also register a post-tax surplus of 500,000 dollars as on Mar. 31, 2006. They also managed to declare a 14 percent dividend for its first year of operations. In the first half of fiscal 2006-07, KDHP reported a pre-tax profit of 1.2 million dollars or five times the figure for the same period last year. The company hopes to post a pre-tax profit of two million dollars by the end of this fiscal that ends on Mar. 31, 2008. “A proposed wage revision notification could impose a liability of over 1.5 million dollars and cut the profits”, says KDHP chairman Joy Joseph. The groundbreaking initiative, which delivers the company’s commitment to doing business in a sustainable manner, resulted in a one off profit this year and will deliver recurring costs benefit in future. Tata Tea has lowered major costs through stringent cost control and quality improvement measures, supported ably by its R&D centres. These initiatives have helped the company improve its operational performance. The results are becoming apparent. Four years of annual losses of about Rs100m were stemmed as the company revealed a profit of Rs20m for the nine months to December.

Productivity - Productivity has improved 34 per cent since April. KDHP, which grows a third of Kerala’s annual tea output of 60m kg, has also revealed the first non-tea initiative in the estate’s 125-year history. Free to innovate, KDHP will grow plants for export to European perfumers. The annual accounts of KDHP for the year end show a reasonable post-tax surplus of Rs2.37 crore. The new company declared a dividend of 14 per cent in its very first year of operations. This is no mean achievement considering that it had to work against many hurdles during the year.

Quality - The company also received many awards for its tea quality in the first and second Golden Leaf India Award, Southern Tea Competition, held in Conoor and Dubai in 2005 and 2006. In what has so far been the bastion of large corporate holdings and small growers, the birth and growth of the KDHP model has opened up a new corporate thinking in the trouble torn plantation sector in India. It is a success story of vision, courage and leadership, blended with innovation, teamwork and collective effort, and driven by youthful energy, hard work & a steely resolve. Productive and fulfilling work environment the concept of employee ownership and participation in management is practiced in KDHP-a first in the plantation sector.

NEW APPROACHES AT AN OLD PLANTATION

Diversification - As well as tea, Kannan Devan Hills Plantation's 91 sq miles can grow plums, apples and pears in high elevation areas and provide pulp for paper mills in low-lying areas. Managers are also looking to expand into tourism, on an estate that boasts picture postcard beauty, dozens of colonial bungalows and the world's largest population of ibex.

Worker involvement - As shareholders, workers should and will be heard, says T.V.-Alexander, KDHP managing director. Two employees – one from the field and another from the clerical staff – will sit on the KDHP board.

Recruitment - Twenty years ago plantation life was a sinecure; now KDHP is no longer recruiting plantation managers: "We want business development managers," says Mr Alexander. Although it has taken on some top names within the industry, the recruitment of business executives is proving tough.

Growth - Struggling rival estates have complained that they are under pressure to follow KDHP or even sell out to the new company. "We would be interested in acquisition but not now," says Mr Alexander. "Yes, we have ambitions – my aim is to own plantations in other countries."

Change in attitudes - In June, 2007 tea unions in the communist-governed state of Kerala called a strike – traditionally wholly observed and a trigger for "uneconomic" increases in wages, according to Mr Alexander. A disruption would have been a blow to the new-born KDHP. Every plantation in Kerala, the source of 7 per cent of India's annual output of 850m kg of loose tea, stopped for 11 days – except KDHP. "If our workers had gone on strike, we'd have been hurt more than economically," he says. "Our fundamental faith in the venture would have been shattered."

SUCCESS FACTORS FOR KDHP

First, KDHP's chances of success were greatly boosted by a Rs340m programme of voluntary retirement paid for by Tata and carried out before the new company came into being. Tata Tea did not disclose the buy-out plans to potential retirees, arguing that it would have encouraged people to stay for the wrong reason - to acquire shares.

Second, a smaller workforce may have improved productivity but what KDHP also needs is improved long-term yields. This means replanting tea-growing areas, four-fifths of which are decades past their economic life of 40 years. KDHP can now begin replanting, using, for example, grafting technologies to boost yields. Some 100 hectares will be replanted each year at a cost of Rs105m.

A third factor, also linked to better use of the 57,000 acre estate, of which only 22,000 acres is devoted to tea, is cultivating new products. Kerala's strict laws on land use had denied tea growers the opportunity to exploit the estate's varied topography by, say, growing fruits and cutting eucalyptus for firewood, saving oil costs. Tata's management lobbied for change, arguing it would help a pioneer venture such as KDHP. The reforms paved the way for KDHP's aromatics contract and plan to use its handsome colonial bungalows and rich game reserve for tourism. By 2010, south India's largest tea plantation will earn less than 50 per cent of its revenues from tea.

This expansion into markets and replanting will require capital, which will be easier to access because of a fourth factor. Under the sale terms, KDHP does not bear the ruinous recurring overheads and liabilities of being a Tata sibling. The estate schools, hospital and other extensive welfare arrangements will continue to operate but the bill will go to Tata, removing the biggest cost burden on the traditional plantation model.

CONCLUSION

The birth and growth of the KDHP model has opened up a new corporate thinking in the trouble torn plantation sector in India. It is a success story of vision, courage and leadership, blended with innovation, teamwork and collective effort, and driven by hard work. The concept of employee ownership and participation in management practiced as in KDHP for the first time in the history of plantation sector. The Employee Buyout (EBO) is seen as a breakthrough in dealing with both the issue of employee entitlements and for corporate rescue. It can also address a key problem of globalization, by helping to anchor capital and jobs locally and preserve communities and skills (Jensen, A., 2006). EBO in Tata Tea is a perfect example of the same. World Bank had recently sent a team to study the participative management in the 'KHDP model' and has plans to back similar initiatives in other major tea-growing areas of India. The Bank is not the only one to take notice of the 'quiet revolution' in the tea gardens of Munnar. Government of India is examining the "KDHP Model" to revive nine other defunct tea gardens.

So successful has the 'Munnar story' of participative management been that the World Bank (WB) recently sent a team to study it, and has plans to back similar initiatives in other major tea-growing areas of India, especially the famed Darjeeling district of West Bengal and in Assam state. The Bank is not the only one to take notice of the 'quiet revolution' in the tea gardens of Munnar. India's commerce minister Jairam Ramesh said, during a visit, that his ministry was examining the "KDHP Model" to revive nine other defunct tea gardens. He said there were some 20 closed tea gardens in Kerala, affecting nearly 35,000 workers. The new initiative is being discussed with the government of West Bengal state where as many as 17 gardens have been closed, affecting some 50,000 workers. Would KHDP model be a panacea for the ailing tea plantations in Kerala, India and the other developing economies?

LESSONS LEARNED-CONDITIONS FOR SUCCESS FOR AN EMPLOYEE BUYOUT

Paton and Holmstron (as cited in Jensen,A, 2006) outline three key issues for the success of a worker buyout programme. The successful EBO needs a cohesive and homogenous group of skilled workers. This reduces the number of disagreements that arise and contains those that do. It also seems to encourage employees with the latent ability and confidence to take on managerial roles. Leadership is needed which is totally committed and able to balance the short and long term social and economic goals of the enterprise. An individual or a group as in the elected assembly board of experienced workers can provide leadership. Finally, the presence of effective and consistent advisory support mechanisms is needed. We can see that the employee buyout model in the company has taken care of all the three aspects by Paton and Holmstron and hence remain successful.

The key design features suggested for an ideal EBO by Jensen are

- Equity Participation – collective and individual equity holdings for all employees ensures individual motivation and the long term stability of the organisation
- Corporate Governance – a two tier board is recommended involving key stakeholders, enabling the legitimisation of management and the ability to deal with complexity more effectively than the Anglo Saxon unitary board.
- Employee Participation – the emergence of worker self management and a team based model, restructuring the insolvent enterprise from command and control to maximise employee engagement and performance improvement
- Trade Union involvement – enabling collective bargaining over social and remuneration issues and acting as a catalyst for improved communication and training practices, resulting in high performance workplaces
- Networked Companies – companies working in a cluster to leverage resources and tendering opportunities, also as a buffer against the market offering greater employment security and hence a willingness of employees to engage in workplace change and the improvement of corporate performance.

A financial institution providing a range of financial packages, financial and management advice, training and technical support - In corporate rescue from an insolvent situation, where reconstruction is more difficult, a different model is proposed, one that will also accommodate the bottom up process of a worker buyout. Here the process of concessional bargaining over job cuts and possible cuts in the remuneration package becomes an issue to be resolved with union assistance (Jensen,A, 2006).

The employee buyout model in the company satisfies most of the criteria for success as mentioned by Jensen.

Let us hope that as time passes by this employee buy out model would not have similar fate as in the case with the U.S.steel and air transport industries where the EBO was common and successful initially but did not work in the long run since the industry as a whole was in trouble. In time, disillusionment set in and attitudes changed from "euphoria to alienation" (Whyte et al. 1983)

LIMITATIONS

Research was conducted by the author in the organization's premises, with its personnel's cooperation and with the organization's approval. The study was a modest attempt to examine not only whether employee buy out works, but how and even why it works. The intervening variable between participation and its outcomes was not studied with a causal design. This case study is also based on interviews with the key actors, supplemented by available documents and attitudinal surveys. Key actor reports can be biased, attitudinal surveys tell how workers feel about participation, not how it works in practice. Further studies which require more attention to context and better research design to be adopted with more intervening variables in the employee buyout and outcome research. One important key actors left out in the study is the trade union leaders. Hence trade union involvement in employee buy out and the role of trade union in the changed context are not covered in the study. Balanced perspectives on the model would have to be obtained from them .The findings of the study has to take into consideration this important aspect as well.

NOTE
Author is thankful to Mr. T.V Alexander (MD, KDHP Co (P) Ltd.) and Mr. Mohan. C. Varghese (Senior Manager, KDHP Co. (P) Ltd), for allow conducting the study from their Organization. I am grateful to Mr.Ahmedali, Managing Director of Cornucopia Consultants Bangalore, who was the external consultant for the employee buy out model.

REFERENCES

Asopa,V.N.(2007). Tea Industry of India :The Cup That Cheers has Tears. Working Paper. No.2007-07-02 .IIM Ahmedabad, India

Jensen, A. (2006). Insolvency, Employee Right & Employee Buyouts - A Strategy for Restructuring - A Report. Ithaca Consultancy, London.

KDHP News, Volume 1, No.3, January 2006

Paton, R. (1989). Reluctant Entrepreneurs. Open University Press. Milton Keynes.

Ramaswamy, E.A. (1999). Worker Co-operatives in India: Lessons from Kamani. Economic and Political Weekly, 30 January: 254 -7.

Strauss, G. (2006). Worker Participation - Some Under-Considered Issues. Industrial Relations, Volume 45, No. 4: 778-803

Varghese, M.C. (2007). TATEAN, Volume XIV Number 2 & 3, 13-14

Varghese, M.C. (2005). TATEAN, Volume XI1 Number.2, 3-5