A World-Class Family Company Based on Values

A firm that truly looks after its workers becomes a world-class garment manufacturer.

Few garment workers from the villages of Sri Lanka could imagine themselves being thrust into a global career that would have them relocated to New York City within a few short years of taking on the job. But T.N.S. Kumari, who got a job working for MAS Holdings, found herself in just that situation.

Her humble beginnings were not a hindrance to her at MAS Holdings, where humility also happens to be a defining value, and the opportunities she’d been given only reinforced it. When Ajay Amalean, one of the owners of MAS Holdings, visited his New York office, Kumari got a driving license and rented a car to pick him up from the airport, making several practice runs before his trip to make sure she knew the way when he arrived.

Such is the admiration of the Amalean family. Mahesh, Ajay and Sharad, three brothers, started MAS Holdings in 1986 with some savings their father had left them. They now have 85,000 people working for them in 15 countries. MAS, which makes Nike apparel and Victoria’s Secret underwear, is not just a globally successful, world-class company, it’s also changing lives in Sri Lanka, a country emerging from decades of civil war.

“How values shape the business

These values define MAS’s sense of responsibility to its workforce in Sri Lanka, giving it iron-clad CSR credentials, which has, in turn, helped it attract its renowned clientele and talented workforce. MAS’s salaries are a small fortune to those in areas where the only professions are low-paid rice farming. After the conflict ended in Sri Lanka, Amalean said “we took it upon ourselves, asking what is it that we as corporate leaders can do in order to help with the healing and with the reconciliation? We had two customers who wanted additional capacity and we could have put plants anywhere in the world. We chose to put them in the north of the country (formerly controlled by the Tamil Tiger rebels). It was both an ethical and a financial decision. It had to be both.”

“How values shape the business

These values define MAS’s sense of responsibility to its workforce in Sri Lanka, giving it iron-clad CSR credentials, which has, in turn, helped it attract its renowned clientele and talented workforce. MAS’s salaries are a small fortune to those in areas where the only professions are low-paid rice farming. After the conflict ended in Sri Lanka, Amalean said “we took it upon ourselves, asking what is it that we as corporate leaders can do in order to help with the healing and with the reconciliation? We had two customers who wanted additional capacity and we could have put plants anywhere in the world. We chose to put them in the north of the country (formerly controlled by the Tamil Tiger rebels). It was both an ethical and a financial decision. It had to be both.”

“Treating people with respect and dignity is
crucial,” said Amalean, but it doesn’t stop there. “We realised about 12 years back that we needed to do more than that. So we actually approached our staff and asked them if there was anything they wanted help with. They asked for two things. We thought it would be in the area of health, but it turned out to be in the space of education. And they said, ‘Could you teach us English? Could you teach us computers?’ And that started with the empowering of our team members at that level in teaching them English and computers,” he said.

Empowerment also defines how MAS attracts talent. “We were traditionally called people in the ‘rag trade’; we wanted the environment to be so good that those who would otherwise have gone into multinational companies, to foreign banks, actually came and work with us. Giving people responsibility and leaving them alone to do the work they wanted was the approach we took with everyone who worked with us."

“Trust and mutual respect” aren’t just buzz words either and have come to define how MAS does deals. These values shape what it aims to get from the deals, which is more than just customers and revenue. Amalean shares how this approach led to bigger and bigger deals for the company.

“We were fortunate to enter into a strategic relationship with MAST Industries, the sourcing arm of L Brands. They were looking for a joint venture partner in our part of the world. We realised that with that relationship, we could achieve our aspiration of establishing a world-class company, with good management and financial disciplines as well as good HR practices. Through that association we established a strong relationship with Victoria’s Secret.” he said.

“When I did the first joint venture with MAST Industries, Martin Trust, then president of MAST Industries, and I, just shook hands and did the deal and downward descended upon me his vice president of marketing and vice president of legal and administration. I looked over my shoulder and I realised I did not have any professionals by my side. It was clear to me that if we did not have professionals of the same calibre that our partners have, we would not be equal partners in this business, and so we brought in good professionals to run our business. MAS is a family-owned business, run by professionals of great calibre.”

Due to its success with MAST, MAS was able to enter into new partnerships with companies like Triumph International, Courtaulds Textiles and Charnwood Elastics which further enriched its business and its culture, building further scale and growth.

**Fashion focus**

Visit INSEAD Knowledge
http://knowledge.insead.edu

Despite its exponential growth, MAS stayed focused. Amalean says there were many opportunities to get into other product categories. “When your business is good and you have strong P&Ls, you get really tempted to do a lot of things.” Instead, MAS consistently invested in its core business, whether it was manufacturing, design, or supply chain and, given its focus, it put everything it had into continuing to learn new management techniques to keep the customer satisfied.

Randel Carlock is a Senior Affiliate Professor of Entrepreneurship and Family Enterprise at INSEAD and the Berghmans Lhoist Chaired Professor in Entrepreneurial Leadership at INSEAD. He was the first academic director of the Wendel Centre for Family Enterprise and is the director of The Family Enterprise Challenge, an Executive Education programme for family business leaders.

Find article at
https://knowledge.insead.edu/blog/insead-blog/a-world-class-family-company-based-on-values-5036

Download the Knowledge app for free