

Human Capital

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Employee Exit: To Retain Or Let Go

Employee turnover remains as an issue of grave concern for employers, and according to a study by Gallup, an employee lost implies a loss of up to twice the employee's annual salary, apart from the possibility of losing out on the brand value. An organisation gets into a Catch 22 situation when a potential talent is exiting, and is unaware whether to hold him back by rewarding him or to let him go.

BY DR. POORNIMA GUPTA

Sunil Bansal received an e-mail that he had been selected in an MNC where he had appeared for an interview last month. Sunil would routinely appear for job interviews to remain abreast of the market. While he had not been seriously contemplating on leaving his job, this was a very good offer which made him slightly restless. It felt like it was the right time to move on, and yet, he was hesitant in handing in his resignation. His boss Raj, who was only slightly older to him, was also a good friend, and hence would be disappointed. Sunil began to reflect on his life and his career at DL Auto.

Sunil is a 32 year old Sales Executive at Dalton & Lome Auto, and has been working with them since the last five years. This is his third job after he completed his MBA in Marketing. He also has a degree in Mechanical Engineering from a reputed institute. DLA is a Swiss company that manufactures exhaust components with leading automobile manufacturers as its clients. The company has its operations in over 10 countries with an estimated employee strength of 10,000 people. The Indian subsidiary where Sunil worked, had an annual turnover of 500 Crores. It was a very young company, and the average employee age was a mere 35 years. The company had a very flat hierarchical structure with only 3 levels in the management - Sales



Executives, Manager and General Manager. Thus, his Boss Raj Sharma, the Marketing Manager, reported to the GM who reported to the Global Head in Switzerland. The engineers in the plant were hired on contract. DLA took pride in its low employee turnover, and a high degree of personal loyalty to the company. To this end, they ensured that their policies were highly employee friendly. Since they were located outside the city, the company provided them with transport facility. This translated to coming home at a fixed time, which

was a huge advantage. Food was also provided to all the employees at a nominal cost. With recent interventions, salary was now at par with industry standards. They also held annual family picnics and Diwali dinner. His wife and children were friends with his colleagues' families.

He reflected that he had independence in making most of the day to day decisions regarding his work, with minimal interference from his boss, who was only few years his senior. That had given him a lot of confidence in dealing with

suppliers as well as clients. The company encouraged freedom and self-reliance to all its employees, and a greater degree of decision making for junior staff.

The employees were regularly sent on training to develop their skills in India and abroad. He himself had been sent to numerous conferences and trainings to understand their product and be cognisant of the latest developments in their field across the world. Recently, his colleague wished to shift from marketing to HR. She was encouraged to take up courses in HR, and upon qualifying, was given an opportunity to work in the HR department. She later went to head the department when the HR manager left the organisation.

Last year, the logistics manager left the organisation. And instead of hiring a new manager, they gave the opportunity to a junior quality in charge, who was made the logistics head as they believed in growing employees from within as a means to motivate the staff. He and his family had been to a few outbound trips with the company, and the kids had really enjoyed the activities, and were always looking forward to the next outing. His colleagues were almost his age, with the same family life cycles, and therefore, the organisation was like a big family.



Sunil was in a dilemma and decided to discuss the move with his spouse in the evening. On coming home, he told his wife Richa that he had received a job offer from GROS Auto and was thinking of accepting it.

Richa: Oh! But I thought you went for the interview just to keep yourself abreast with the market.

Sunil: Yes, I did, but this opportunity means a hike of 20% and a Senior Manager's position.

Richa: But you are quite comfortable here at DLA, aren't you?

Sunil: Yes, I am, and that's the trouble. I am too comfortable. There is no challenge in the job anymore. I have been with DLA for 5 years now, and I have been doing the same job for the last 3 years. Initially, it was exciting, but now it has gotten very boring. The negotiations have become routine, and are hardly fun. The field I work in is very narrow. There are only a few companies in this line. If I continue here, I am afraid I will not be able to broaden my horizons and not be employable anywhere else. I am afraid of being in a rut.

Richa: But why don't you talk to Raj about this? He may give you some other area to work in.

Sunil: There are no other viable areas. In fact, Marketing is the most enviable department in the company. Right now, the assignment I am handling is the toughest. Last year, there was an opportunity in the logistics department where I could have become the head of the department, but it was given to someone else as my manager refused to relieve me. I do not know if any such opportunity will come again. I have been in this organisation for 5 years, and have the same designation. My responsibilities and salary have increased over the years, but I am basically working alone. I have no one to supervise. I am not developing any managerial skills. My counterparts have become managers or higher elsewhere. My salary may be at par with them, but when I tell someone that I am

a Sales Executive, their reaction is - Still? I cannot go around explaining the flat hierarchy and freedom to them all, can I? My friends are managing teams of people, but I am only managing clients and suppliers. I feel that if I continue in this company for a few more years, I will never get an offer anywhere, because I would not have had the experience to manage staff.

Richa: Over time, DLA can promote you to be the manager, can't they?


Sunil: Well Richa, I cannot be promoted unless there is a vacancy. You know Raj. He is not much older than me. He is not likely to retire anytime soon. He is also not likely to leave the organisation. Frankly, this is a dream organisation. Why would he want to leave? So, I do not see myself being promoted as Manager in the foreseeable future, unless he leaves. If I want to grow, I must change.

Richa: Are you sure?

Sunil: Well, I know you are friends with Raj's family, but if I wish to avoid stagnation, I must leave. I do not like to leave as I am very comfortable here, but maybe that's just the best reason to leave.

Richa: Okay. The decision is yours. I know you were chafing a bit about your role in the organisation, but the change will be big. Remember, a known devil is better than an unknown angel. But, if you are unhappy then you must resign immediately. There is no point in delaying. The sooner you sever the relationship, the better.

Sunil: I will do it this week! Let me just tie up some loose ends at the office before I hand in my resignation.

Two days later, Sunil hands in the resignation to Raj. Raj is very surprised as Sunil was an extremely honest and capable worker, and he assumed that he was happy. It would be a huge setback for him if he loses Sunil. 

About the Author

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