

Case on Employee Retention

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Abstract– It is important for every company to be able to retain employee. This is the secret to success. But companies fail to realize. They all value the worth of an employee in terms of the salary being paid to him, not the skills he brings to the table.

Keywords: Employee retention, Conditions valuable, Paid well mentored, Challenge, Promoted Involved Appreciated, Valued Employee Attrition Trusted.

I. INTRODUCTION

Companies realize the importance of Employee Retention is but fail to practice the right approach at the right time, leading to a very high rate of attrition and employee turnover. This is what proves detrimental to the company. Companies need to remember that employees work longer for a company when they are:

- Paid well
- Mentored
- Challenged
- Promoted
- Involved
- Appreciated
- Valued
- Empowered
- Trusted

This case is a classic example of employees being paid well but not trusted and mentored properly, resulting in high labour turnover and taking the company to the brink of closure

II. THE BACKGROUND OF THE CASE

The case refers to Ajit, who was appointed at the middle level in the company and was responsible for driving student recruitment and ensuring that the sessions go as planned and the students were ready for the corporate world. He was also required to fill in to teach subjects from his core area pan India. The company decided to start distance learning for their employees. Here Ajit was required to fill in as a faculty for getting the CD's made for the students. He not only had to arrange faculty for the recording but also take sessions himself. Of course student recruitment was critical to the success of the company and he was required to evolve a pan India strategy for the company. He was critical to the company as the company was new and try to establish itself in a competitive market full of regulation of all types.

III. THE UNAVOIDABLE TURN OF EVENTS

All was going well for Ajit. Had a good job that gave him money, power, recognition and respect. But he was still not happy with the way the company was being run. His

displeasure was sometimes visible in his attitude. He had become a little moody and would not talk to all in the otherwise friendly tone, that he was known to be in the organisation. In spite of this entire one could say the job was going well and he was contributing to the company in a very positive way. His efforts bore fruits when the time to give yearly performance bonus came. He was graded as the most useful employee and was paid the highest performance bonus of Rs.3,25,000. Ajit was delighted when this was announced, but he could not share the news with his family as that very day, while attending a workshop, he suffered a brain stroke and got paralysed. All his dreams were shattered.

He could not believe it. The next 7 days were spent in the ICU of a hospital, where he battled for his life and given his attitude he come out victorious, he came to consciousness, he was shocked at what destiny had in store for him. Suddenly all his friends disappeared and he was left to face the loneliness of life. He fought back and regained strength to walk on his feet in two months. All this time his company paid him salary, but he needed more than that. He wanted to join his job as soon as possible. So he continued with physiotherapy and put in a lot of efforts to get fit. In the meantime, he got a call from his boss. He was happy to tell his boss that he would be joining back in the 1st of the next month. His boss was happy to hear that, after all he was a valuable employee of the company till then. The next day he received a call from his boss again, who told him he could join duty provided he fulfilled three conditions put forth by the company.

1. He would not walk with the support of a stick. Ajit readily accepted this condition as he was already walking without a stick.
2. Since he was paralysed the company told the second condition as he would come to the office without any help. Till then Ajit had a male nurse supporting him the company said it does not have space to make one person sit in the office while Ajit works. Ajit had no choice so he agreed to that too.
3. Finally, Ajit was told to bring a letter from his family stating that he is fit to work and his family takes the responsibility if anything happens to him on duty. Ajit knew his family would give that letter

to him as they knew how curious he was to get back to work. It would help him recover faster.

Ajit was so curious to get back to work that he agreed to all these conditions spontaneously. After this, Ajit went to his doctor for a final consultation before joining duty. The doctor advised him to discontinue certain medicines. He further added that there would not be any problem but Ajit may get convulsions, which many patients do when the medicines was discontinued. So it is better that he postpones his joining by one week. Going by the doctor's advice Ajit called his boss and told him very openly as he did not want to mislead his employees. His boss said OK and kept the phone.

Ten minutes he called up Ajit and told him to resign from the job. Ajit pleaded that he needs the job badly as he has his mother, wife and son to feed. No amount of excuses worked and he was forced to resign. His boss told we do not want a handicapped person in the office.

Life changed overnight for Ajit. An employee who was rated so high just the previous month was told to resign and go. What Ajit kept asking himself what wrong he did to get such a punishment? Instead of deciding to retain good talent and see if he could deliver, the company took a decision for Ajit and made him resign. This changed Ajit's life, all his friends from the company stopped talking to him as they thought he would ask for money. Ajit was still undergoing the process of rehabilitation and was spending on medical expenses. The worst was yet to come. The star insurance with whom the company had insured Ajit was informed that Ajit has left the company and the insurance company refused to reimburse the medical bill. This was all a result of sudden increase in BP, when Ajit had no clue that he was suffering from BP. Seven days before this fatal attack Ajit returned from Europe. The issue involved here is was the company ethical to tell Ajit to resign. If he was supported at this point of time, his loyalty and devotion for the company would have increased immensely. But that was not to be.

The fact is that this approach of the company affected the morale of all the employees and suddenly people started leaving the company. So much so that Ajit's boss was also told to resign and the CEO also resigned because in the performance appraisal the following year, both were rated badly and got negligible amount of incentive. This left the company without a head and the division was on the brink of closure. The point is it right to leave your employee in a lurch. Companies talk great things they do while reporting on Corporate Governance, but the ground reality is very different.

The company has a new CEO but is still running directionless. We are not trying to tell that Ajit was indispensable, but the company was not fair to him. The practice of employee retention is so critical for the success of the company, which companies often lose sight off while comparing that to the cost of the employee. The damage it can do to the company an employee's morale is immense and should not be measured in terms of the salary of one employee. If a company loses employees who matter it is inviting trouble.

Companies need to remember that employees stay when they are:

- Paid well
- Mentored
- Challenged
- Promoted
- Involved
- Appreciated
- Valued
- Empowered
- Trusted

The reason why employees started leaving the organisation was employee's were not trusted and valued. There was no provision for mentoring and involving the employees.