# CATAL⦿GUE



LIST OF CASE STUDIES ON

# HUMAN RESOURCE
# MANAGEMENT

IBS Case Development Centre

## On-Site Medical Clinics: Perks or Productivity Boosters?

This case study helps in analysing how companies can derive benefits from a mandatory cost to enhance savings. The case also helps in understanding the importance of On-Site clinics in the era of exorbitant medical costs, ever escalating healthcare-related expenses of the employees and companies and enables a discussion on whether this model is sustainable. Or will it meet the fate of its predecessor – the Company Doctor, abandoned during 1960s.

For many observers, 'On-Site' medical clinics are the refined version of Company Doctor – a practice that has long been out fashioned by high maintenance costs. However, for the HR executives, 'On-Site' medical clinics are a novel concept that improves the morale of the employees and for top managers, this is a cost item which has the potential to boost revenues. However, in essence, it is a basic healthcare facility provided by the companies to employees and their dependents in the factory premises. Companies through setting up On-Site medical clinics want to control the soaring medical costs, improve the productivity of the employees besides enhancing the quality of treatment for the employees. The On-Site medical clinics model provides better returns for the companies on employee health-related investments compared to any other existing model. Some healthcare experts advice that On-Site medical clinics should not be confined only for controlling the medical costs and improving the productivity of the employees but also focus on improving personal health and creating community awareness on disease prevention and management. This model, hailed by one and all, however, has its Achilles Heel – safety and security of employees' health records from the managers. The possibility of managers using personal medical records of employees for undue benefits can neither be ruled out nor can be overlooked.

### Pedagogical Objectives

- To analyse the significance of On-Site medical clinics to the companies in the times when medical costs are ever increasing in the US

- To analyse how the On-Site medical clinics reduce the medical costs and improve the productivity of employees

- To debate whether On-Site medical clinics model will be a successful Healthcare model or it will be withdrawn like Company Doctor.

### Keywords

## Employees as Brands: The Case of Google

This case is written primarily to raise an interesting arguement over a simple, yet, thought-provoking concept – how can human resources be leveraged as a source of competitive advantage? Illustrated through the example of Google, this case raises many intriguing issues. In a span of a decade, Google has emerged as a technological powerhouse with two extraordinary innovations, 'search' and 'adwords', to its credit. The company attributes this enviable rise to glory to its most valued assets – the Google employees. Since its inception, the company has constantly hired only the best talent in the industry, preferring creativity to work experience. Striving to attract and retain bright and inspiring employees, Google focused on motivating its employees by creating a challenging yet fun-filled work environment coupled with a wide array of perks ranging from free food and a gym to employee stock options. Additionally to foster innovativeness, Google has adopted the '70/20/10' model, to encourage Googlers to spend 20% of their work time on a project of their choice. These efforts paid off and Google emerged as the most sought after place to work for two consecutive years (2007 and 2008). However, can a company that has focused on small teams and individual interaction with all employees cope up with the same when its meteoric climb to success has captured the interest of many competitors? The appreciation of Google's achievements has been accompanied by increasing apprehensions about the long-term sustainability of Google's informal and fun-filled culture. Whether Google's success is a result of its much hyped work culture or vice versa, continues to be an unresolved enigma.

### Pedagogical Objectives

- To analyse the role and essence of HR management across different industries and their contribution in building successful organisations

- To analyse factors contributing to Google's meteoric rise in a short span of time

- To examine Google's HR practices and debate on the replicability and sustainability of these practices

- To understand how Google has been successful in making its employees brand ambassadors.

### Keywords

## Microsoft: Reshaping HR Strategies

Founded in the year 1975, Microsoft is the worldwide leader in software, services and solutions. Employees at Microsoft are recognised as the intellectual fuel and are provided with various benefit plans and resources, which are designed to retain them. Lisa Brummel, who joined as the chief of human resources at Microsoft, in the year 2005, started reshaping the company's HR strategies. She began to innovate the HR system and tailored it to meet the needs of individual employees. The case helps to analyse the importance of innovation in HR practices of an organisation. The case also offers a backdrop to debate whether the reshaped HR strategies of Microsoft help to satisfy, retain and motivate the employees at Microsoft.

### Pedagogical Objectives

- To analyse the significance of employees in a knowledge-based industry

- To analyse how companies attract the best-knowledge workers and retain employees in a competitive environment

- To analyse the HR practices at Microsoft

- To analyse the reshaped HR practices implemented by Lisa Brummel

- To analyse whether the new HR Strategy helps to satisfy, motivate and retain employees at Microsoft.

### Keywords

## Innovative HR Practices at Southwest: Can they be Sustained?

With 35 consecutive years of profitability, the Dallas-based Southwest Airlines had been the most successful low-fare, high frequency and point-to-point carrier in the US. Southwest is known not only for its innovation in operations but also for its HR practices which were nurtured by its long-standing CEO, Herbert D. Kelleher. He developed a culture aimed at fun and employee satisfaction. He also devised numerous employee-oriented organisational practices, training and motivational programs. His fun loving way of treating employees and charismatic leadership qualities made him a supreme hero among them even after he stepped down from the CEO post in 2001 and became its chairman. But in May 2008, Kelleher announced that he will step down from the post of chairman. Following the announcement, the entire airline industry is skeptical about the sustainability of Kelleher's innovative HR practices at Southwest. The case discusses how a leader influences the HR practices of a firm with his own leadership style. It also allows for discussion on whether it is the right move for a company to follow HR practices which are highly influenced by a leader.

### Pedagogical Objectives

- To trace out the distinguished HR practices of Southwest Airlines
- To discuss Herb Kelleher's role in Southwest's HR practices
- To analyse the positive impact of Southwest's HR practices on its operational and financial performance
- To evaluate a leader's role in influencing HR practices of a company.

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|---|---|
| Industry | Airline Industry |
| Reference No. | HRM0038C |
| Year of Pub. | 2008 |
| Teaching Note | Available |
| Struc.Assig. | Available |

### Keywords

Southwest Airlines; Herbert D. Kelleher; Charismatic Leader; US airline industry; Southwest's Business Model; Best HR practices; HRM Case Studies; Southwest sprit; Motivational Programs; Innovative; Fun work Culture; Kelleher; Gary Kelly (Kelly); Coolen Barrett (Barrett); HR Dilemma

## Google's HR Practices: A Strategic Edge?

Google, based in Mountain View, California, is the world's most popular search engine. The company was not just known for its innovative breakthroughs in the technology front, but is also known for its unique culture and innovative Human Resource (HR) policies. In a survey conducted by BusinessWeek magazine, Google was the most sought after company by college students, MBAs, women, engineers, and diverse individuals. Google ranked 1st on the 10th annual '100 Best Companies to Work For' list of Fortune, a well-known international business magazine. HR practices at Google is named 'People Operations', which is designed to underline the fact that it is not a mere administrative function, but ensures to build a strong employee-employer relationship. Google's HR practices clearly reveal the impressive results of the company's approach, which help in increasing employee productivity. The case facilitates discussion on whether the 'Best Place to Work For' culture at Google is to really attract and motivate the employees or if it is with a business motive.

### Pedagogical Objectives

- To analyse how employees help a company in differentiating itself from its competitors in knowledge-based industries
- To analyse how companies attract the best-knowledge workers and retain employees in a competitive environment
- To analyse the innovative HR practices and the 'Best Place to Work For' culture at Google
- To analyse the future implications of Google's HR practices in the long run.

| | |
|---|---|
| Industry | IT Industry |
| Reference No. | HRM0037C |
| Year of Pub. | 2008 |
| Teaching Note | Available |
| Struc.Assig. | Available |

### Keywords

Google; HR Practices; Innovative Work Culture; Benefit Packages; Retention; Recruiting Machine; Competition for talent; Knowledge-based industries; HRM Case Studies; Workplace Design; Employee Benefits

## Tata Tea and the Employee Buy Out Model

The case discusses about the employee buy out business model adopted by Tatas on their exit from plantation business in their southern plantations operations in Munnar district of Kerala in India. Tata Tea had sold off 17 tea estates in the south to the company formed by its employees named Kanan Devan Hills Plantation Company Pvt. Ltd. (KDHPCL). In sharp contrast to the situation in the tea industry experiencing closures affecting thousands of employees, KDHPCL with 13,000 employees could not only recover within a year the loss of $ 24 million run up by Tata Tea, but could also register a post tax surplus of $ 50,000 as on March 31st 2006. However, when Tata Tea went onto implement a similar model in the North India Plantation Operations, it met with considerable resistance. The case discusses about the crisis that was facing the tea industry in India, the role played by Tatas in the formation of the KDHPCL and the challenges faced by the employees of South Indian Plantations Operations in accomplishing this unique business model.

### Pedagogical Objectives:

- To understand the crisis facing the Indian tea industry and to debate on measures required to regain its lost leadership position in world markets
- To analyse the case and find out the reasons behind the success of KDHPCL
- To identify the causes behind a similar model facing resistance while being implemented in the North
- To debate and identify whether the same model can go forth in the North or an alternative scheme needs to be developed there.

| | |
|---|---|
| Industry | Beverage |
| Reference No. | HRM0036B |
| Year of Pub. | 2008 |
| Teaching Note | Available |
| Struc.Assig. | Available |

### Keywords

Employee buyout; plantation agriculture; Tata Tea; Tea Industry; Employee motivation; private incentive; HRM Case Study; agribusiness model

## Schultz's Return to Starbucks: To Fend off Rivals?

In January 2008, eight years after quitting as the CEO of Starbucks, Howard Schultz again took over Jim Donald as the CEO of Starbucks. It was a challenge for Schultz to turnaround an ailing company which he had earlier run as a profitable coffee retail giant. The main focus of Schultz was to improve Starbucks' sales in the US by providing higher customers satisfaction, slowing down the pace of opening new outlets, streamlining management and accelerating expansion. It was felt though that reassuming the role of CEO may not solve the underlying problems at Starbucks.

### Pedagogical Objectives:

- To understand the role of leadership in the success of a company

- To understand the challenges in replacing a successful CEO

- To understand the role of a CEO in the performance of a company.

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|---|---|
| Industry | Food and Beverage industry |
| Reference No. | HRM0035B |
| Year of Pub. | 2008 |
| Teaching Note | Available |
| Struc.Assig. | Available |

### Keywords

Howard Schultz; Jim Donald; openeing new outlets; competition; McDonalds; Leadership; succession planning; Coffee; instores experience; HRM Case Study; commoditization of brands; sliding sales; iconic brand; Michael Dell; Romance and theatre

## Formation of Global Trade Unions: Prospects and Challenges

Globalisation has become a cliché of a modern economy. The flexibility created by open trade between countries has a direct impact on the labour force with changing labour market practices. The moment has arrived, when, the trade union movement has to spearhead towards a global front. The global trade union movement showcases an intercontinental presence with a single voice. However, the history of international trade unionism had been marked with adversities such as division and closure. On April 8th 2007, a stepping stone for the 21st century global union was laid, when Amicus of the UK and Transport and General Workers' Union (T&G) of the UK and Ireland signed an agreement with United Steelworkers (USW) operating in the US, Canada and the Caribbean to form a transatlantic union. This proposed union faces a Herculean task of organising international solidarity among the labour force. Whether the transatlantic trade union will rise to the occasion or not is to be seen.

### Pedagogical Objectives

- To understand the trade union movement across the globe

- To analyse the role of trade unions in a rapidly globalising world

- To analyse the prospects and challenges in the formation of a truly global trade union.

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|---|---|
| Industry | Not Applicable |
| Reference No. | HRM0034C |
| Year of Pub. | 2008 |
| Teaching Note | Available |
| Struc.Assig. | Available |

### Keywords

Trade Unionism; Global Trade Unions; Trade Unions and Globalisation; Labour laws; Amicus; Transport and General Workers Union ( T&G); United Steel Workers; Trade Union Movement; HRM Case Study; Trade Unions in Developing Economy; Trade Unions in Developed Economy; Evolution of Trade Unions

## Costco's Employee Loyalty Strategies

Costco Wholesale Corporation (Costco), the seventh largest global retailer (as of 2007), stands out in the crowd as an exceptional retailer, which adopts distinctive employee welfare strategies. The company develops programs and employee benefits that motivate its employees and strives to create an environment that fosters employee loyalty. While offering excellent employees benefits is not viewed very favorably by the investment community, Costco's CEO, Jim Sinegal, firmly believes that keeping employees satisfied and loyal will result in profitability for the organisation in the long-run. This is in stark contrast to the HR policies followed by Wal-Mart, the world's largest retailer and analysts doubt if Costco's HR policies will actually pay-off.

### Pedagogical Objectives:

- To understand the various employee strategies followed by Costco

- To discuss whether in the prevailing competitive retailing scenario, a successful retailer has to focus on creating stakeholder value or shareholder value.

| | |
|---|---|
| Industry | Retail |
| Reference No. | HRM0033C |
| Year of Pub. | 2008 |
| Teaching Note | Available |
| Struc.Assig. | Available |

### Keywords

Human Resource Management; HRM Case Study; Employee Loyalty; Employee Benefit Strategies; HR Model; Firms of Endearment(FoE); Cult Stock

## Mattel's Workforce Strategy

Mattel, the world's largest toy company designs, manufactures, markets, and distributes a wide variety of toys and games in 150 countries. CEO Jill Barad's (Barad) growth-by-acquisition strategy has misfired and the company has posted hefty losses. Robert Eckert (Eckert), who replaces Barad as the CEO in May 2000, has decided against a cost cutting strategy to shore up profits. Instead, he focuses on human resource (HR) management to turn the ailing company around. Eckert commissions a global internal survey to understand what Mattel has been doing right and what it has been doing wrong from the perspective of workers. He tries to unify the workforce by creating tangible development programmes to generate a more skilled and competitive workforce and establish metrics to understand how the workforce is performing. He also sets up a systematic succession strategy to retain Mattel's homegrown talent.

### Pedagogical Objectives:

- The case discusses Mattel's human resource (HR) strategy and debates what Mattel has been doing right and what it has been doing wrong from the perspective of workers

- It outlines Mattel's new HR development programme which aims at generating a more skilled and competitive workforce and establishes metrics to understand how the workforce is performing

- The case also outlines the company's succession strategy to retain Mattel's homegrown talent.

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|---|---|
| Industry | Toys & Games |
| Reference No. | HRM0032P |
| Year of Pub. | 2007 |
| Teaching Note | Not Available |
| Struc.Assig. | Not Available |

### Keywords

Mattel; Workforce strategy; Toys and Games; Barbie; Hot wheels; Fisher-price; Robert Eckert; Supply chain; HRM Case Study; Human resources management; Performane management system; Talent management system; Leadership; Mattel's turnaround; Toy commerce; Inventory management

## Labour Unrest at Toyota: The Decision Dilemma

Toyota Motor Corporation (TMC), the world's second largest automobile manufacturer, had entered into the Indian market in 1997 through a joint venture with Kirloskar Group. The new entity was called Kirloskar Motor Private Limited (TKM). TKM established its manufacturing facility at Bidadi near Bangalore in the Indian state of Karnataka. The case deals with the labour unrest in the Bidadi plant. The workers of the plant went on strike, which was followed by a lockout by the company. The conciliation process failed to resolve the dispute. Hence, the government, in order to maintain its investor-friendly image, prohibited the

strike. On receiving the news, the company lifted the lockout, but placed the condition that workers resuming duty will have to sign a good conduct declaration. The declaration stated that the workers would, henceforth, maintain discipline in the plant and ensure full production. The union agreed to call off the strike, but declined to sign the declaration. The company, however, strictly mentioned that if the workers did not sign the declaration, they would not be allowed to enter the plant. According to the union representatives, if both the parties remained rigid on their stands, it would again lead to lockout. TKM management was in a dilemma over handling the situation. The case discusses in detail, the dispute between the TKM management and the workers' union and the developments with respect to it. It will help the students to discuss on the possible ways of resolving the dispute by the management.

### Pedagogical Objectives

- To discuss about the issues of labour unrest at Toyota's Bidadi plant

- To discuss about the government's intervention to resolve the dispute

- To discuss on the initiatives taken by Toyota Motor

- To debate on Toyota's decision dilemma.

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|---|---|
| Industry | Automobile |
| Reference No. | HRM0031K |
| Year of Pub. | 2006 |
| Teaching Note | Not Available |
| Struc.Assig. | Not Available |

### Keywords

Toyota Motor Corporation; Kirloskar Group; Toyota Kirloskar Motor; Strike; Lockout; Conciliation process; Misconduct; Disciplinary action; Suspension; HRM Case Study; Dismissal of labour; Labour court; Trade Union; Industrial dispute; Industrial peace and harmony

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### GM's Employee Separation Plan: Overwhelming Response from Employees

General Motors Corporation (NYSE:GM), the world's largest automaker was founded in 1908 in Flint, Michigan of US. In 2006 GM was in a horrible tangle as the company lost $10.6 billion in the previous year (2005). To counter this GM had initially planned for organizational restructuring. As a part of the organizational restructuring the company planned 30,000 job cuts and close down of 12 plants by 2007. The plan of manpower reduction comprised with the hourly workforce reduction of 6,500 hours in 2005 and estimated replacements, including Delphi

flow backs. GM management declared its plan expecting to reduce 30,000 blue-collar jobs by Jan.1, 2007 which was about two years ahead of schedule. On Monday, 26th June, 2006 GM's management announced that 35,000 workers had already opted to leave the company voluntarily, surpassing initial targets and allowing the automaker to increase its targeted savings to US $8 billion annually by the end of 2006. The overwhelming response of the employees for the accelerated separation plan surprised many people, including GM's management

### Pedagogical Objectives

- To analyse the problems faced by the world's largest automobile maker

- To understand the efforts made by GM to turnaround itself

- To get an overview of the global automobile industry

- To debate whether GM's efforts would pay off.

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|---|---|
| Industry | Automobile |
| Reference No. | HRM0030K |
| Year of Pub. | 2007 |
| Teaching Note | Not Available |
| Struc.Assig. | Not Available |

### Keywords

General Motors (GM); Organisational restructuring; Manpower rationalisation;HRM Case Study; Early separation; Delphi flow backs; Voluntary retirement; Accelerated separation; Detroit; Lay-off; Other post employment benefits fund (OPEB); Pension and benefit fund; Automobile industry; The International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW); International Union of Electronic, Electrical, Salaried, Machine and Communication workers of America (IUE-CWA); Blue-collar

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### Corporate Downsizing: The Ford and GM Approaches

Ford, the third largest US based automobile company (after GM and Toyota) planned to retrench its manpower in US in 2006. This announcement came after couple of months of GM's manpower rationalization. Where GM mainly concentrated on cutting the blue collar jobs, Ford planned to cut 14,000 white collar jobs in North America as it tried to turn around its flagging business. It had also planned to close 16 factories by 2007, instead of shutting 12 by 2012 as previously announced. Ford expected these measures would help it to reduce annual costs by about $5bn (£2.65bn) by the end of 2007. Earlier in 2006 Ford announced it would offer redundancy and early retirement

packages to all of its 75,000 unionized blue-collar workers in the US. This case deals with the details of employee separation plan of Ford Motors vis-à-vis GM. It also unfolds how this initiative can be strategically beneficial in Ford's turnaround plan and also enlightens HR aspects of this Early Separation Plan.

### Pedagogical Objectives:

- To discuss the automobile industry

- To analyse the restructuring strategy of Ford and GM

- To discuss the different phases of Ford's employee separation plan

- To debate on Ford's turnaround strategy through job cut of its employees.

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|---|---|
| Industry | Automobile |
| Reference No. | HRM0029K |
| Year of Pub. | 2007 |
| Teaching Note | Not Available |
| Struc.Assig. | Not Available |

### Keywords

Ford; General Motors (GM); HRM Case Study; Corporate downsizing; Manpower rationalisation; Early separation; White-collar; Blue-collar; Turnaround; North America; Redundancy; Flagging business; UAW; Alan Mulally; Job cut

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### McDonald's: Revamping Its Poor Employer Image

McDonald's is a leading fast-food giant in the world. Since the 1980s, the company has been in the eye of the storm as a poor employer and for exploiting workers. The company faced several protests, boycotts, pickets, strikes, lawsuits and campaigns. In June 2003, a popular publication, Merriam-Webster's Collegiate Dictionary included a word, 'McJob' and defined it as a 'low-paying, unskilled, dead-end job'. It was also mentioned that such jobs were pre-dominantly found in the fast-food industry. Being the world's largest fast-food company, McDonald's initiated a campaign to redefine 'McJob' in 2005. The campaign focused on dispelling the misconception among people about McDonald's image as a bad employer. A poster campaign in June 2006 highlighted the company's investment in people status, flexible working hours for parents, competitive pay, promotion options and health benefits. Despite all these efforts, critics continued to call a 'McJob' an un-stimulating, low-paid job with few opportunities to grow. It was also pointed out that the company had a high staff turnover rate. It remained to be seen if the fast-food giant's efforts to revamp its image as a good employer would pay off.

## Tata Consultancy Services: Building talent pool

In 2007, Tata Consultancy Services (TCS) one among the leading global information technology consulting, services and business process outsourcing organisations, had over 62,000 employees worldwide and had aggressive plans to raise its head count further.

TCS gave utmost importance to its human resource functions and considered recruitment as an ongoing process. TCS employed directly from campus as well as had off-campus recruitments. The company has been investing more than 6 per cent of its annual revenues in training, learning and development. In 1997, it set up a state-of-the-art training centre, 'Technopark' at Thiruvananthapuram which offered training to new recruits and TCS staffers at various levels. 'Technopark' provided the employees with three kinds of training programmes-technology, attitudes and management. TCS had a Manpower Allocation Task Committee (MATC) which determined the career path for employees.

The attrition rate at TCS in 2006 was 10.6% which was the lowest in the Indian software and IT industry. But as TCS continued to expand globally, it faced the challenge of grooming and retaining a diversified talent pool. Also with rising manpower requirement, TCS was increasingly hiring non-technical science graduates, which posed a challenge for it to groom and bring them on a common platform

## ISO 9000 Implementation: Can System Improvement Lower role Stress?

Based on the professional experience and true incidents, the case relates to a public sector manufacturing industry that flourished in the protected Indian market. After liberalisation of the economy, survival of the company came under threat due to fierce global competition. The company implemented ISO 9000, the international standard for quality management system, to streamline the systems, processes and procedures for improving the quality of products and services. Successful implementation of ISO 9000 resulted in system improvement. Since systematic working reduces difficulties encountered in role performance, it was expected that ISO 9000 implementation would result in lowering the stress experienced in organisational roles. Role stress was measured, before and after ISO 9000 implementation, followed by statistical analysis of the pre and post ISO 9000 samples. Contrary to the expectation, the relationship between system improvement and role stress had manifested itself in three different ways, presenting a dilemma. The case illustrates how the change was successfully managed to arrest the downtrend for the company.

## Pedagogical Objectives

- To understand about the rise and fall of public sector; how globalisation challenged its survival

- To understand how the right kind of leadership by a functional head in the organisation can enable the process of organisational renewal

- To demonstrate how change can be successfully implemented through

Creative Employee Involvement, in the face of stiff Resistance to Change offered by large traditional organisations

- To learn about the strategies for the survival and renewal of organisations

- To develop an understanding about different kinds of stress experienced in organisational roles

- To illustrate how ISO 9000 Implementation leads to System Improvement

- To understand how ISO 9000 Implementation works as a Stress Leveler in the organisation

- To demonstrate how a Contingency Variable alters the relationship between the given independent and dependent variables

- To understand how ISO 9000 Implementation emerges as a Structural Intervention for Organisational Development.

## Talent Management: The GE Way

As many companies were expanding their operations on a global scale, human talent assumed prime importance under such expansion. An increasing number of companies had started focusing on nurturing and retaining its talents. General Electric (GE) was a leading global conglomerate with varied businesses. The company had more than 315,000 employees and its operations were spread over 100 countries. In 2006, Fortune magazine placed GE on the top of the list of the '500 most admired companies' and Financial Times rated it as the 'most respected company'. Such recognition was due to GE's innovative talent management practices. The case discusses the changing paradigm of GE's human resource philosophy and its present day innovative talent management practices. It states how the systematic process of recruitment and selection had helped GE in picking the right

person for the right job. Its training and development processes were so formulated to impart the right measure of technical and managerial skills to its employees. Its compensation packages were developed to provide incentives for superior performances and align the employees' and the share holders' interests. The company's policies were also directed towards providing support to the employees so that they could take care of their families.

## Pedagogical Objectives

- To discuss the Talent Management strategies of GE.

- To discuss the changing HR philosophies and policies of GE's CEOs.

- To discuss the various HR tools used at GE.

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|---|---|
| Industry | Conglomerate |
| Reference No. | HRM0025K |
| Year of Pub. | 2006 |
| Teaching Note | Not Available |
| Struc.Assig. | Not Available |

### Keywords

Talent management; General Electric(GE); Jeffrey Immelt; CrotonvilleManagement Training School; Recruitment and selection; Action learning; Six Sigma; Vitality Curve; 9 Block; Accomplishment analysis; Stock appreciation rights; Change acceleration process; Work out; Compensation management; Performance appraisal.

## Tata: The Most Admired Brand

The Tata Group had grown into one of the top 100 global brands and the most admired Indian company mainly by adopting some of the best HR practices. It had evolved various HR models and methodologies which enabled it to achieve this, thereby carrying forward the legacy of its founders. This had helped the group in its expansion and growth. It remained to be seen if the group could maintain its brand values while growing as a global company.

The case documents the best practices and HR initiatives adopted by the group.

### Pedagogical Objectives

- To discuss the best practices and HR initiatives adopted by the group

- To discuss how companies can use good HR practices to build a successful brand.

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|---|---|
| Industry | Conglomerate |
| Reference | HRM0024C |
| Year of Pub. | 2006 |
| Teaching Note | Not Available |
| Struc.Assign. | Not Available |

### Keywords

Employer Branding; Tata Group; Ratan Tata; JRD Tata; Corporate Branding; TBEM; TCS; Tata Steel; Tata Motors; Balanced Score Card; Brockbank Model; Tata Work Levels; Performance Ethics; Quality of Work Life; Emploee Retention.

## Non-compete Clause - Microsoft Sues Google Over Hire

Microsoft, one of the worldwide leaders in software, services and solutions that helped people and businesses had started introducing non-compete clause in service contracts after quite a few of its employees left its services to join Google, a pioneer in web search technologies. The case in point was the first instance when Microsoft took matters to court.

This case examines the relevance of the non-compete clause in IT industry in view of the rapidly changing scenario. The case traces the proceedings of a lawsuit filed by Google and Kai-Fu-Lee for violating the non-compete agreement that Lee had signed with Microsoft.

### Pedagogical Objectives

- The relevance of Non –compete clause in service contracts in IT industry

- To analyse the growing IT industry and need of introducing work norms.

| | |
|---|---|
| Industry | Software Services and Solutions |
| Reference | HRM0023C |
| Year of Pub. | 2005 |
| Teaching Note | Not Available |
| Struc.Assign. | Not Available |

### Keywords

Microsoft; Google; Non-compete clause; Non-compete agreement; Non-competition agreement; Non-compete covenant; Order; Employment contract; Lawsuit; Employee.

## Human Asset Management at SAS – A Success Story

Human resource management had been a great success at SAS Institute, the world's largest privately held software solutions provider, based at Cary, North Carolina. Since inception, the company designed innovative methods and benefit packages to retain employees. Attrition was always maintained at less than 5% at SAS, while the industry average was about 20%. For every vacancy announced by SAS, there was an overwhelming response from prospective employees. The customer retention was also high at SAS and was reflected in the 98% subscription renewal of SAS' software by its clients. The profit

and sales at SAS had seen continuous growth for almost three decades. The reason for all these was the company's focus on managing the creativity in employees and reducing the hassles that employees faced while at work. SAS encouraged creativity, emphasized on an egalitarian atmosphere and also had day care and health care centers, recreation facilities and flexible working hours for its employees. The case discusses the HR strategies adopted by SAS and highlights its policy of creating satisfied employees to create satisfied customers.

The case provides ample scope for discussion on whether SAS' successful policies and strategies can be adopted by other companies across the world, where attrition has been a cause of grave concern.

### Pedagogical Objectives

- To discuss about best practices in HRM and success story of SAS

- To highlight the reasons for low attrition rate in SAS.

| | |
|---|---|
| Industry | Software Business Intelligence |
| Reference | HRM0022C |
| Year of Pub. | 2005 |
| Teaching Note | Not Available |
| Struc.Assign. | Not Available |

### Keywords

SAS Institute; Human asset management; Employee retention; Creative capital; Attrition management; Employee benefit schemes; Employee training and motivation; Egalitarian work culture; Customer satisfaction; Customer retention; Best HR practices; Forbes' Best companies ; Best companies for working mothers; Business Intelligence software provider.

## The Tata Group: HR Challenges

The Tata Group, one of the largest and most respected business conglomerates in India, had an outstanding heritage of adopting some of the best HR practices. Over the years, the Group had expanded rapidly and a common HR platform was needed across the group. A Group HR Strategy was formulated and implemented across the group, with great success. With many Group companies expanding globally, executing the HR policies across the various entities would be a challenge. It remained to be seen if the Tata Group would maintain the founding ethics and values in its quest for growth and global expansion.

The case allows for discussion on challenges faced by large conglomerates in adopting standardized HR policies. It also allows discussion on issues pertaining to employer branding and how the brand equity could be sustained in a globalised scenario.

## Pedagogical Objectives

- To discuss Tata's HR initiatives as a model employer

- To discuss how the Tata brand equity could be sustained in its quest for growth across the globe and if the brand would suffer dilution in its pursuit for growth.

| | |
|---|---|
| Industry | Business House |
| Reference | HRM0021C |
| Year of Pub. | 2006 |
| Teaching Note | Available |
| Struc.Assign. | Not Available |

## Keywords

Employer Branding; Tata Group; Ratan Tata; JRD Tata; Corporate Branding; TBEM; TCS; Tata Steel; Tata Motors; Balanced Score Card; Brockbank Model; Tata Work Levels; Performance Ethics; Quality of Work Life; Employee Retention.

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## Google's HR Dilemma

Google's high growth rate is creating new HR challenges for the company. Google has built a culture where a well-chosen elite accommodates flexibility, shifting roles and, above all else, urgency. As Google grows in size and strength, it is a challenge to maintain the pace of innovation and convey a sense of empowerment to Google's engineers and product managers. There is a risk of the organisation losing its dynamism and becoming more bureaucratic. The case discusses Google's recruitment process, its efforts to entice the best talent in the industry, its unique work culture and its efforts to maintain the pace of innovation. Can the fast growing company also develop an inventive streak in human resources as it competes for an increasingly tight supply of search-programming talent?

## Pedagogical Objectives

- The case traces Google's HR policy, recruitment, work atmosphere and its efforts to manage innovation

- It also discusses Google's efforts to maintain the feel of a small team, the innovative edge and the challenges it faces in the process.

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|---|---|
| Industry | Online Company |
| Reference No. | HRM0020P |
| Year of Pub. | 2006 |
| Teaching Note | Not Available |
| Struc.Assign. | Not Available |

## keywords

Google; HR; Team; Innovation; Supply of talent; Search programming; Recruitment process; Work atmosphere; Stock options; Employee retention programme; Data-based discussions; Hiring; Business.

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## Employee attrition in IT/BPO Sector: Cost and Consequences

There was a heavy exodus of employees from one organisation to another especially in the IT/BPO sectors in India and the biggest challenge for the HR managers were to retain employees.

The battle for head hunting had become fierce and the organisations adopted all possible means to recruit the available talent pool. The rampant practice of poaching and bulk recruitment with lucrative offers was important catalysts to accelerate the high attrition rates. The mushrooming placement consultancies and job web websites had played a big role as catalyst too. Formulation of amicable retention strategy was a good option but, there was no clear cut formula to devise the strategy. A particular strategy could work for few organisations and could fail for others.

Therefore, was the employee supposed to shoulder the entire blame for attrition? In the years to come; it would be really interesting to see how the answer to this question would evolve.

## Pedagogical Objectives

- To discuss about the Indian IT sector and how outsourcing has changed the trend in Indian software industry

- To understand the reasons for attrition and ways to improve the turnover rate in Indian IT-ITES sector.

| | |
|---|---|
| Industry | IT BPO |
| Reference No. | HRM0019B |
| Year of Pub. | 2006 |
| Teaching Note | Not Available |
| Struc.Assign. | Not Available |

## keywords

IT/BPO Sector; MNC; Employers concern; Employees perspective; initiatives of retention; reasons for attrition; cost of turnover; Employees' psychology; Sagar Chakraverty; HR Challenge.

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## 24/7 Work Culture in the US: Working to Live or Living to Work?

The case focuses on the increasing work pressure and the demands of the job for employees working 24/7 in the US. The 40 hour weeks once thought to be the path to glory are now practically considered part time. Family, health and leisure - time for things critical to human flourishing is being squeezed by longer hours of work. Though the trend of alternative work schedules in the US is on a rise still the competition in the fast globalizing world economy demanded long working hours. This 24/7 work culture amongst the Americans puts

forth the issue: whether they work to live or live to work?

## Pedagogical Objectives

- To discuss about the effect of 24/7 work culture in the US

- To understand the implications of the 24/7 work culture on individuals

- To understand the alternatives adopted by various companies against the 24/7 work culture in the US.

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|---|---|
| Industry | Not Applicable |
| Reference No. | HRM0018B |
| Year of Pub. | 2005 |
| Teaching Note | Available |
| Struc.Assign. | Not Available |

## keywords

Work time; work hours; organisational; culture; technological change; leisure; health hazards; family life; flextime; shifts; alternative work pattern; job sharing; women; full-time; part-time; leave.

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## HR at Genentech – A Veritable Paragon

Genentech, Inc. is a leading biotechnology company that discovers, develops, manufactures and markets human pharmaceuticals for significant unmet medical needs. The company has headquarters in South San Francisco, California and is traded on the New York Stock Exchange under the symbol DNA. Genentech Tops the Fortune's 2006 "100 Best Companies to Work For." This case discusses in detail the nature of biotechnology industry and the role of human resources in the industry. The case further details the work life at Genentech and the role of its culture, recruitment and benefits offered in making the company a chosen place to be worked for.

## Pedagogical Objectives

- To discuss the nature of the biotechnology industry

- To elucidate the work culture at Genentech.

| | |
|---|---|
| Industry | Biotechnology |
| Reference No. | HRM0017B |
| Year of Pub. | 2006 |
| Teaching Note | Not Available |
| Struc.Assign. | Not Available |

## keywords

Biotechnology industry; Human resources; work life; organizational culture; values; recruitment; interview process; diversity; employee benefits; HR challenges; communication system; health care facility; flexible work; time; campus recruitment.

## Grooming Future Leaders: The Infosys Way

The case highlights the leadership development initiatives at Infosys Technologies (Infosys), one of the most reputed IT companies in India. Infosys Leadership Institute (ILI) established in 2001 was fully dedicated to this initiative and every year over 100 potential leaders were groomed. There was a systematic selection process to shortlist candidates for the three year leadership development program at ILI. The interventions and leadership development program was based on the 'nine-pillar' model and formulated incorporating the best practices in leadership development followed by successful global companies.

According to a study in 2002, it was estimated that by 2006 most global organizations would lose 40% of their top executives. The case also discusses the leadership development initiatives undertaken by many global and Indian companies. On August 20th 2006, N.R. Narayana Murthy, the co-founder of Infosys, who turned 60, the retirement age at Infosys, stepped down from the post of Chairman. How successful the leadership development initiatives at Infosys would be in grooming future leaders who could fit into the shoes of its founders?

### Pedagogical Objectives

- To discuss the leadership development initiatives undertaken by Infosys and other global and Indian IT & software companies

- To highlight the 'nine-pillar' model at Infosys

- To debate how successful the leadership development initiatives at Infosys would be in grooming future leaders.

| | |
|---|---|
| Industry | Information Technology & Software |
| Reference No. | HRM0016A |
| Year of Pub. | 2006 |
| Teaching Note | Not Available |
| Struc.Assig. | Not Available |

### keywords

Infosys; India; Narayana Murthy; Infosys Leadership Institute; human resource management; leadership development; Nine pillar model; training and development; mentoring; best practices; interventions; overall development; attrition.

## Infosys Technologies: Training for Retaining

The annual demand for the software and IT professionals in India had skyrocketed since the last two decades. While demand was tremendous, retaining the workforce was a significant challenge and the industry suffered from high attrition rates. Also the dynamic nature of the industry required its workforce to upgrade frequently in technology and skills. Infosys Technologies Limited, one of India's biggest IT & software companies provided IT services, solutions and consultation globally and employed over 49,000 employees worldwide. Infosys has remained successful over the years in keeping the attrition rate lower as compared to the industry average and has been recognised world over for its efforts in training its employees.

This case discusses and describes in detail how Infosys trains its employees, specially the fresh recruits. The selection criteria of Infosys and various stages of its recruitment process have been identified. The 14 ½ week rigorous training module for freshers which Infosys conducts at Infosys U, one of the largest corporate training centers in the world has been described. The training module encompasses both technical and soft skills training and gears the fresher for a challenging career. Infosys imparts continuous training to its employees based on specific requirements as they progress in their career paths. It was rated as the 'Best Employer in India' in 2001 and 2002 by leading Indian business magazines and as the world's best in employee training and development by The American Society for Training and Development for consecutive three years 2002, 2003 & 2004. These and various such recognitions have been the testimony of Infosys's commitment towards its employees.

### Pedagogical Objectives

- To emphasise the importance of continuous training in an organisation at various hierarchical levels especially in the IT and software industry

- To discuss the spin-offs of massive investments in training employees, particularly the fresh recruits.

| | |
|---|---|
| Industry | IT & Software industry |
| Reference No. | HRM0015A |
| Year of Pub. | 2006 |
| Teaching Note | Not Available |
| Struc.Assig. | Not Available |

### keywords

Infosys; India; Narayana Murthy; software industry; recruitment; training; development; demand; software professionals; attrition rate; up-gradation; technology; skills; human resource; behavioral competencies; technical competencies; technical training; behavioral training; soft skills; e learning; quality process training; personal effectiveness; Infosys leadership institute; Infosys U; global business foundation school; campus connect; corporate training center; over-all development.

## "J-THREE" (Japan's Big Three Automakers) in US: From Japanese Style to American Style

Many Japanese companies operating in the US prefer to hire Japanese executives in senior management positions than Americans since their style of management differs. However, of late, the J-Three (Japan's Big Three Automakers - Toyota, Honda and Nissan) have been hiring many American executives for senior management positions for their operations in America. The fact that both the management styles differ, presents a challenge to these companies as to how best they can integrate both the styles. The case examines the various differences between both the styles of management and also analyses the reasons behind J-Three's preference of Americans over the Japanese.

### Pedagogical Objectives

- To discuss the growth of the 'J-Three' (Japan's Big Three Automakers) in the US automobile market

- To understand the differences between American and Japanese styles of management

- To analyse whether the growth of Japanese automobile companies in the US has been the result of Japanese style of management

- To analyse the rationale behind Japanese companies hiring American executives

- To discuss the problems the companies would face in integrating both the styles of management

- To discuss as to what would be the most appropriate style that J-Three should adopt given their aggressive growth plans in the US.

| | |
|---|---|
| Industry | Automobile |
| Reference No. | HRM0014 |
| Year of Pub. | 2006 |
| Teaching Note | Not Available |
| Struc.Assig. | Not Available |

### keywords

Management styles; Competitive advantage; Keiretsu; Decision making by consensus; Relationship management; Lifetime employment; Product development; Leadership; Impact of culture; Change management; Recruitment; Toyota; Honda; Nissan.

## Culture Change Management

### Programme (CCMP) at Cyberabad Police Commissionerate, Government of Andhra Pradesh, INDIA

In 2003, for the first time in India, the Cyberabad Police Commissionerate initiated 'Culture Change Management Programme' or CCMP. The programme faced age-old inertia from the police personnel who had been trained to follow the service manuals developed in the 19th century by the erstwhile British rulers. The manuals were developed with a specific intention to use the police as an oppressive force and alienate it from the Indian masses to maintain the British stranglehold on India. The CCMP was adopted to ensure quality policing in the Cyberabad Commissionerate by making the police people-friendly and improving the working environment at the police stations. Under the programme, Cyberabad Police embarked on a vision of achieving excellence in service delivery and improving the image of police through enhanced practices, supervision procedures, decentralisation of power, creation of a system to enforce accountability apart from changing the role and functions of the police in the society. The transformation entails redesigning and redefining of workflow processes and ushering in an attitudinal change among the police personnel. CCMP has yielded quite a few tangible results with much of the potential yet to be realised.

#### Pedagogical Objectives

• To understand the historical context of Indian police system

• To understand how a very important arm of a government machinery can be corporatized in terms of articulating a vision, setting goals/objectives, measuring the performance vis-à-vis the goals, etc.

• To elucidate the importance of 'Quality' leadership in any Change Management Programme

• To delve into Customer Relationship Management in public utility services.

| | |
|---|---|
| Industry | Not Applicable |
| Reference No. | HRM0013 |
| Year of Pub. | 2006 |
| Teaching Note | Not Available |
| Struc.Assig. | Not Available |

#### keywords

Change management; Resistance to change; Indian policing; Culture Change Management Programme (CCMP); Vision; mission and goals; Attitude change; Corporatisation; Cyberabad Police Commisionerate; ISO certification; First ISO certified Police Station; Community partnerships; Culture; Training; Learning; Challenges for CCMP.

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### Peter F. Drucker – Business Management and Beyond

Peter Drucker is phenomenal. He is widely recognised as the 'father of modern management'. He has inspired countless number of management practitioners, entrepreneurs and academicians of nearly eight disciplines. His authority on 'management' is so comprehensive that many CEOs of Fortune 500 companies think, 'when in doubt, consult Druckez'. This case is intended to serve as an introduction to Peter Drucker's management philosophy and his views on contemporary and emerging societies. The case attempts to cover Drucker's seminal thoughts on various management dimensions and discusses the two sets of fundamental assumptions regarding management, as a discipline and a practice, and why Peter Drucker came out with a new set of assumptions.

#### Pedagogical Objectives

• To discuss the management fads and the need to give up the 'one solution fix it all' mentality

• To discuss the merits of Peter Drucker's new set of assumptions regarding management when compared with the two old assumptions.

| | |
|---|---|
| Industry | Not Available |
| Reference No. | HRM0012 |
| Year of Pub. | 2004 |
| Teaching Note | Not Available |
| Struc.Assig. | Not Available |

#### keywords

Peter Ferdinand Drucker's philosophy; Management by objectives; Theory and practice of management; Management thinkers; Fundamental assumptions; Business management; Core competence; Information based organisation; Evolution of management; Management balanced score cards; Management fads; Knowledge society; Taylor; Gilbreths; Gantt; Weber; Fayol; Mayo; Maslow; McGregor; Skinner; Lewin; Likert; Argyris.

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### Xerox's Turnaround: Anne Mulcahy's "Organizational Change"

Once a leader in the copier industry, Xerox Corporation was losing market share due to increase in competition from Japanese companies. Rick Thoman, an ex-IBM executive, was brought in 1999 to bring an outsider's perspective to the company and to return the company to profitability.

However, he was not successful and to turnaround the fortunes of the company Anne Mulcahy (Mulcahy), a Xerox veteran, was appointed as the new CEO in 2001. Mulcahy brought about several organisational changes, which resulted in steady increase in the company's profits.

#### Pedagogical Objective

• To discuss the organisational change brought by Anne Mulcahy, which resulted in Xerox's turnaround.

| | |
|---|---|
| Industry | Photocopier |
| Reference No. | HRM0011 |
| Year of Pub. | 2006 |
| Teaching Note | Available |
| Struc.Assig. | Available |

#### keywords

Xerox Corporation; Need for turnaround; Palo Alto Research Centre; Business strategy; Small Office Home Office (SOHO); Document centre; Accounting mis-statements; Cost reduction; Organisational change; Bankruptcy; Securities and Exchange Commission; Employee retention; Six Sigma; Output management solutions; Strategy and general management.

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### Hiring the CEOs: The Changing Paradigms

For years, companies like GE (General Electric Inc.), Unilever and McDonald's had been grooming internal candidates to take on the responsibility of CEO's (chief executive officers). At the same time, many other companies were finding that the experience of their top management candidates was not preparing them for the jobs they were expected to fill. With the increasing rate of failure among top executives, more and more companies were looking for outside candidates to manage the business enterprise successfully. The turnaround of IBM (International Business Machines Corporation), under the leadership of Louis Gerstner, an outsider, was one of the best examples. By 2004, the trend had been to prefer an outsider rather than an internal candidate for the top positions. But research studies showed that the internal candidate at the top position was likely to perform better than an outsider. With the rising accountability to the shareholders and falling supply of able managers, the pressure was tremendous on the directors of a company to select the right candidate.

#### Pedagogical Objective

• To discuss the changing trends in CEO recruitment.

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|---|---|
| Industry | Not Applicable |
| Reference No. | HRM0010 |

**keywords**

Recruitment; CEO (chief executive officer); Internal succession; Recruiting outsiders; Jack Welch of GE (General Electric Inc); Unilever; McDonald's; Coca-Cola; Douglas Ivester; Jacques Nasser (Ford); Richard Thoman; Louis Gerstner of IBM (International Business Machines Corporation); Steve Jobs (Apple Computers); C Michael Armstrong; Giorgio Armani; Walt Disney Co.; Michael Eisner

## BP: Evolution of a New Corporate Culture

BP (British Petroleum) has traversed a long path from being a typically old-fashioned British company in the 1970s and 1980s, to a modern, aggressive corporate entity. By 2004, BP has become the second largest company in the world with operations in more than 70 countries.

### Pedagogical Objective

• To discuss the transformation of BP's organisational culture that has helped transform it into the world's biggest energy company.

### keywords

BP (British Petroleum); Corporate culture; Organisation culture; Work culture; Restructuring; BP transformation; Change in culture; Project 1990; Performance contracts; Parallel fast track; Corporate governance; Liberal work culture; Knowledge sharing initiatives; BP's knowledge management framework.

## Allen & Co.: People as Profit Centers

Allen & Co., one of the leading investment bankers specialises in forging long-lasting and lucrative relationships with the corporate leaders. Ever since its inception, the firm believed in people and their capabilities. Allen & Co.'s unique business proposition was its operating style that treated the senior bankers of the firm as 'profit centres'. With this unique relationship marketing, the company was able to strike many historical deals that made it the leading broker in the entertainment and technology sector.

### Pedagogical Objectives

• To discuss the human resource practices of Allen & Co.

• To discuss the role of relationship marketing in the making of a firm.

### keywords

Allen & Co.; Investment banking; High networth individuals; Asset management companies; Sun Valley conference; Relationship managers; Herbert A Allen; Venture capital financing; Money management; People as profit centres; Relationship marketing; Entrepreneurship; Employee compensation; Investment management.

## Indian Call Centers (B): Addressing Employee Attrition

This is the second of a two-case series (204-132-1 and 304-389-1). The Indian call centre industry faced the problem of increased employee attrition; 30-35% in 2003, compared to 20-25% and 10% in 2002 and 2001 respectively. The major causes for attrition included lack of job enrichment, erratic work timings, work load, work-related stress and ailments, etc.

### Pedagogical Objectives

• To discuss the various strategies employed by the Indian companies to check the high levels of attrition

• To discuss attrition as a consequence of the high growth in the industry

• To evaluate the current retention strategies and to suggest new ideas

• To discuss on the widespread opinion that the nature of the job is such that the current breed of employees are not motivated to stay for long, thereby discuss whether this problem could be mitigated if the nature and processes of jobs are altered

• To discuss whether the same problem could surface in smaller cities, where companies are setting up offices perceiving an increased job loyalty.

### keywords

Information Technology enabled services in India; Indian BPO (business process outsourcing) sector; Call centres in India; Employee attrition in Indian call centres; Reasons for attrition in Indian call centres; Stress in Indian call centres; Work related disorders in Indian call centres; Top Indian call centres; Manpower versus revenues of Indian call centres; Retention strategies in Indian call centres; Rewards and recognition to retain call centre employees; Innovative approaches towards employee retention.

## Indian Call Centers (A): Rising Employee Attrition

This is the first of a two-case series (204-132-1 and 304-389-1). In 2004, call centres were the fastest growing segment of the Indian Information Technology enabled services (ITES)-BPO (Business Process Outsourcing) sector with historic growth rates of 112% in revenues and about 75% in employees. The competitive advantage that India enjoyed was the combination of a huge pool of technically qualified English speaking graduates who were willing to work for lower pay than their counterparts in the US or the UK. However, the Indian companies now faced the problem of increasing attrition among its workforce – 30-35% in 2003, from 20-25% in 2002 and 10% in 2001. This problem, if left unchecked could seriously affect India's competitive advantage of high quality, low-cost service offering.

### Pedagogical Objectives

• To discuss the challenges being faced by Indian call centres with the emergence of attrition problems and whether or not this would affect India's current competitive advantage

• To discuss the issues related to compensational and non-compensational factors of attrition and which of these needs greater attention in retention strategies

• To discuss if the inherent nature of the job is causing attrition in call centres, then what should be done by the companies to reduce attrition.

### keywords

Information Technology enabled services in India; India BPO (business process outsourcing) sector; Call centres in India; Employment in Indian call centres;

Employee attrition in Indian call centres; Reasons for attrition in Indian call centres; The growth of call centres in India; Functions of a call centre; Categorisation of Indian call centres; Stress in Indian call centres; Work-related disorders in Indian call centres.

## Employee Retention in Indian BPO Industry: The New Initiatives

The Indian BPO (business process outsourcing) industry faced an attrition rate of 30% to 40%, costing the industry Rs. 300 crore in recruitment and training. Added to these were the costs of failed service levels. The total loss due to attrition was estimated to be 25% of the annual revenue. A synergy between incentives, higher education programmes, career growth programmes, selection of right person for the right job and changes in the organisation environment helped organisations in bringing the attrition rate under their control to some extent. But all these efforts had cost implications. The high cost involved in employees' retention was eroding the cost competitiveness of Indian BPO companies.

### Pedagogical Objectives

- To discuss the efficiency of the measures undertaken to curtail employee attrition in the Indian BPO industry

- To discuss the alternative measures to curtail the attrition without eroding the cost competitiveness.

| | |
|---|---|
| Industry | Business Process Outsourcing |
| Reference No. | HRM0005 |
| Year of Pub. | 2004 |
| Teaching Note | Available |
| Struc.Assig. | Not Available |

### keywords

BPO (business process outsourcing); Recruitment and training; Attrition rate; Compensation, bonus; incentives; Career plan and growth; Job rotation and enrichment; Promotion and motivation; Higher education; Employee turnover; Employee retention initiatives; Human resource management; Pay package; employee compensation; HCL Technologies; GTL; Tracmail; Vertex India; Wipro Spectramind; Progeon; Daksh; Psychometric tests.

## Southwest Airlines: Generating Competitive Advantage through Human Resources Management

Texas-based Southwest Airlines was considered the most successful airline company in the US. While the entire US airline industry was reeling under heavy losses following the September 2001 terrorist attacks, Southwest was successful in posting modest profits. Moreover, when the major carriers started laying off thousands of employees, Southwest kept recruiting. Many credited this competitive edge of the company to its founder Herb Kelleher, who had instilled a unique culture of 'fun at workplace'. He strongly believed that a happy workforce was a productive workforce and hence put his employees ahead of even the customers.

### Pedagogical Objective

To discuss the following issues: (1) Southwest's faith in human resources (HR) as a means for competitive advantage; (2) the concept of HR branding for one to be an employer of choice; (3) the importance of organisational culture in shaping HR practices; (4) Southwest's empowerment and individuality processes; (5) if having fun at work was a great motivator, why is that we have not heard many such success stories at higher levels; and (6) compare and contrast Southwest's management style with that of other companies such as SAS Airlines, Semco, People Express, etc.

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|---|---|
| Industry | Airlines |
| Reference No. | HRM0004 |
| Year of Pub. | 2004 |
| Teaching Note | Available |
| Struc.Assig. | Not Available |

### keywords

Southwest Airlines; People management; Herb Kelleher; Corporate culture; Southwest spirit; Competitive advantage through people; Southwest's recruitment policy; Training; Graveyard video; Spirit weaver.

## Team Building at MindTree Consulting

MindTree Consulting, now a big name in the IT industry in India, was awarded the prestigious SEI-PCMM level 5 in the year 2003. It was also among the top three best employers list of the Hewitt study in India. Subroto Bagchi, now the COO and President of US operations, sowed the seeds for the company in 1998 that was formally launched in August 1999.

### Pedagogical Objectives

- To discuss how Bagchi and Krishna Kumar, the founders of the company could build the team of like-minded people to start the next generation software service company delivering knowledge-based services to its customers

- To discuss the events that consistently added to the synergy of the team.

| | |
|---|---|
| Industry | Software Consulting |
| Reference No. | HRM0003 |
| Year of Pub. | 2004 |
| Teaching Note | Available |
| Struc.Assig. | Not Available |

### keywords

MindTree Consulting; Team building; Best employers in India; SEI-PCMM level 5; Subroto Bagchi; Business plan; Social responsibility; People function; MindTree houses; Most admired management team; Hewitt's study; Ashok Soota; MindTree's class values.

## Ricardo Semler's Employee Empowerment Strategies at Semco

Antonio Curt Semler founded Semco in Sao Paulo, Brazil in 1953. The company was primarily into the production of marine machinery. After his son, Ricardo Semler, became the chief executive officer, Semco diversified into other businesses like banking, environmental services and e-business. Ricardo desired to change Semco into a democratic organisation for which he adopted the philosophy of employee empowerment. Ricardo was against the autocratic style of management, and was for participative management. Under Ricardo, Semco's revenues rose from $35 million in 1990 to $160 million in 2003. Semco soon came to be known as the 'unusual kind of workplace'.

### Pedagogical Objectives

- To discuss the role of top management in employee empowerment

- To discuss how Ricardo Semler's belief in employment empowerment helped him in developing his business and made Semco a preferred place to work.

| | |
|---|---|
| Industry | Marine Industry Machinery Manufacturing |
| Reference No. | HRM0002 |
| Year of Pub. | 2004 |
| Teaching Note | Available |
| Struc.Assig. | Not Available |

### keywords

Employee empowerment; Brazil; Marine machinery; Democratic organisation; Ricardo Semler; Leadership; Organisation structure; Autocratic management; Semco; Participative management; Maverick; Matrix organisation; Unusual kind of workplace; Brazilian economy; Organisational change.

### Karoshi

The Japanese word 'karoshi' means 'death from overwork'. The first reported case of karoshi was in 1969. The victim, a 29-year-old male married worker in the shipping department of Japan's largest newspaper succumbed to a stroke. In the 1980s, deaths of several high-ranking business executives still in the prime of their lives were reported. Since then the 'karoshi' phenomenon has drawn media and public attention in Japan. In 1982, a Japanese doctor labelled this phenomenon 'karoshi'. By the 1990s 'karoshi' had become a buzzword. The National Defense Council for the Victims of Karoshi estimated that annually about 10,000 workers were victims of karoshi. Most of the victims died of heart failure and a few were driven to suicide. The main reason for the incidence of karoshi was the disproportionately long working hours in Japan, which is rooted in the very nature of the Japanese Production Management system itself.

### Pedagogical Objectives

- To discuss the business implications of the karoshi phenomenon, the need for a change in the working hours and whether there is a need to change the nature of the Japanese Production Management system

- To discuss the flaws in HR Practices of Japanese companies.

| | |
|---|---|
| Industry | Not Applicable |
| Reference No. | HRM0001 |
| Year of Pub. | 2003 |
| Teaching Note | Not Available |
| Struc. Assign. | Not Available |

### Keywords

Karoshi; Dentsu; Oshima; Death from overwork; Overwork; Suicide; Overtime; Workaholism; Unpaid overtime; Stress; Globalisation; Bubble economy; Japanese Production Management; Toyota; Kaisen.