
Case Study

Paramount Group Turnovers-the undercurrents

Mr. Saxena, GM (Operations & HR) of Paramount Group of Companies read the resignation letter with a grim expression. It was given early in the morning by his Senior Accountant, Mr. Roy. In brief words, the gentleman had stated that he was leaving the organization for personal reasons. In a month it was the third letter he was reading. Mr. Saxena had been with the Paramount Group for five years and was a driving force behind the company's recent successes in the past two years. The company had started with the manufacture and supply of Engineering parts and expanded into other Industrial products soon. The Chairman, who had started with a modest capital, intended to diversify in the field of FMCG and Exports in a year or so. Hence a lot of planning and formulation was going on. The company was having a good reputation in the market, in fact the market share increased by 11.5% in the last financial year. Even a survey done by the Sales people revealed customer satisfaction (the sample consisted of customers and the sections of the channels also, inclusive of the small retailers). But for how long, pondered Mr. Saxena. He was not happy with the recent spurt of turnovers more so because the employees were known for good performance.

He knew Mr. Roy to be a reserved and soft-spoken gentleman who always finished his assignments properly within the deadline given. He was given an increment last year. He received all instructions given to him and followed everything to the ditto. He was indeed a good Accounts man. Mr. Saxena had hinted also that the company might also think of giving him the sum of money he might receive from the next job offer, but Mr. Roy had politely refused.

Before Mr. Roy, the new Sales Executive left the company abruptly. Rohit had proved his calibre by the dint of his extraordinary performance. A couple of remarkable deals, an enviable list of new clients along with a significant role in the promotional activities, completed his role. Rohit might have been a bit brash and over-enthusiastic at times but he had justified his cost to the company. Then one day Mr. Jhaveri, the Marketing Manager, came after Saxena had included his name in the Policy Formulation team. Mr. Jhaveri seemed jaded against the company's restructuring processes. His forecasting methods and channel

management were creating problems. Besides there was some amount of infighting among his sales people. He particularly disliked Rohit's popularity and the importance the fellow was gaining. He requested Mr. Saxena to withdraw Rohit's name: "It will create grievances among old sales staff, moreover that boy is over-smart too". Then Rohit left the organization within a month. Through informal communication Mr. Saxena came to know that the Marketing Manager had fired Rohit because the former had quoted a price without taking Mr. Jhaveri's permission first. Nevertheless during the client meeting when Rohit wanted to contact Mr. Jhaveri, he was not in the office and his mobile was switched off.

The resignation of Ms. Shalini was also a loss. She had started as an Office clerk and had picked up quite fast. Professionally also she had upgraded herself and had become the Administrative Officer. What she requested was some amount of flexibility in her work timings provided her performance remains satisfactory. She used to come very early and completed her work by late afternoon. Mr. Saxena had planned a different option for her without hampering the general work schedule. The Chairman refused directly citing the reasons that an employee has to stay till the official time for work is over whatever may be the reason; also there should be no discrimination between male and female employees.

Mr. Saxena sighed helplessly. All decision-making power seems to lie with the Chairman. He tried to recall whatever he had learned during his MBA years—the concepts of "Flexi-timing", "Delegation", "Involvement" etc all seemed to sound marvellous in Management books.

He later went to the Chairman's office and informed him of the latest resignation. "Saxena, there are no dearth of people in the market, immediately give ads in the leading dailies.....salary negotiations have to be done carefully".

Mr. Saxena came to his office room in a pensive mood. He was soon engrossed in the thought why good people were leaving the organization.

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Analysis of the case will appear in the next issue.