|  |  |
| --- | --- |
|  | ISB_Logo_BW2 |

9B17C041

UIT: BUSINESS ETHICS AND COMPLIANCE

Pratibha Wasan wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

This publication may not be transmitted, photocopied, digitized, or otherwise reproduced in any form or by any means without the permission of the copyright holder. Reproduction of this material is not covered under authorization by any reproduction rights organization. To order copies or request permission to reproduce materials, contact Ivey Publishing, Ivey Business School, Western University, London, Ontario, Canada, N6G 0N1; (t) 519.661.3208; (e) cases@ivey.ca; www.iveycases.com.

Copyright © 2017, Richard Ivey School of Business Foundation Version: 2017-11-20

On December 30, 2013, Vikram Kashyap, an account manager (AM) in the sales department of UIT India (UIT), filed a complaint with the company’s Ethics & Compliance Cell (ECC). UIT was the Indian branch of a leading U.S. multinational corporation. The company provided information technology (IT) services through its offices worldwide.

In his complaint to the ECC, Kashyap alleged that he had suffered discrimination by his manager, Dinesh Rana. Kashyap was called to a meeting with the ECC, which he felt had gone well. In fact, he had learned that Rana had also received complaints from other employees and was already under investigation. That information made Kashyap feel hopeful that his complaint would be resolved quickly and favourably.

However, his hopes were shattered when he received the following email the next day:

Dear Vikram,

We are initiating your Performance Improvement Plan (PIP) starting January 02, 2014 for a period of 2 months. As part of the plan, we have listed down specific deliverables against which we will measure your performance during the PIP period. Please refer to the attached plan, which clearly highlights the deliverables, quota/targets to be achieved and the review dates. The attached plan also highlights the action plan for your reference. As your manager, I am obligated to provide you appropriate support to meet your goals. Kindly provide your acceptance to this PIP by end of day tomorrow. All the best!

Regards,

Ashish Gupta

Kashyap was furious, shocked, and angered by the email. He felt that the PIP (see Exhibit 1) was unfair and unacceptable. He wondered how the human resources (HR) department could even allow the PIP to proceed when his formal complaint with the ECC was still pending decision. He realized that the ECC and HR worked as independent departments with different reporting structures, and that proper investigation of his and of other employees’ complaints would require effective collaboration between the two departments. Despite UIT’s claims that ethical conduct was a top priority, Kashyap was thoroughly dissatisfied by the way his case was being handled. He wondered if HR had even bothered to consult the ECC before initiating his PIP, which he was required to accept or refuse within 48 hours. His decision would not only determine his survival at UIT, but also affect his career prospects in the industry.

PERFORMANCE IMPROVEMENT PLAN

In consultation with HR, UIT managers used the PIP as a performance management tool. As part of the program, the employee received a plan of action from the immediate manager specifying a sales target to be achieved within a specified time frame, usually one to two months. The manager was also obligated to provide all the necessary support, guidance, and facilitation to the employee during the PIP period. The employee was required to accept the plan of action within a stipulated time frame. If the employee failed to do so, management could terminate that employee’s services. An employee that accepted and subsequently failed to meet the expectations of the PIP was classified in the company’s records as “not recommended for rehire.” The purpose of the PIP was to improve the performance of struggling employees through focused and timely interventions.

However, employees held a contrary view of the program. They felt that management used the PIP to avoid legal issues when terminating employees. Their view was based on the fact that less than 1 per cent of employees placed on the PIP program were able to retain their jobs. This led most employees who anticipated being placed on the PIP program to look for other jobs, even before the PIP was officially initiated. These employees usually left UIT as soon as they had an offer from another employer, sometimes at lower salaries or in lower positions than those they currently held.

BACKGROUND TO THE PRESENT SITUATION

Kashyap began his career at UIT India as an individual contributor on June 15, 2008, two weeks after the start of UIT’s financial year (FY) 2008–09. He was hired by Saurabh Das to the post of AM. Das was the senior sales manager responsible for business from the enterprise segment. Unlike other segments, such as the small and medium business department, the enterprise segment comprised large private organizations with high value projects and requirements, rather than high frequency sales of low value. Most AMs in this segment handled only one or two accounts per year. Das reported to Atul Shankaran, the managing director. Das managed a team of three AMs until Kashyap joined the company to become the team’s fourth AM. Kashyap was entrusted with accounts in which he had adequate prior experience. During his tenure at UIT, he earned a reputation as a seasoned professional with an impressive track record in the enterprise segment. He was also known as a process-oriented individual who demonstrated high levels of ethical conduct in his business dealings.

At the start of FY2009–10, the enterprise segment was expanded considerably for greater coverage and revenue. Das was promoted to the position of sales director, and seven new positions were added: two sales managers and five AMs (see Exhibit 2). Das promoted Kashyap to one of the two sales manager positions, which meant he now manged other employees. Ashish Gupta was hired as senior sales manager from the competing company ITM.

In his new role, Kashyap struggled at first to gain the confidence of his subordinates, which led to confrontations on several occasions. However, his guidance and direction was soon considered effective in securing business deals. Although Kashyap was praised for his sales competence and knowledge during company events, he was openly criticized for his blunt conduct during business hours. His policy for not discussing work matters during non-working days was also lauded, as was his ability to relate to customers.

However, Kashyap’s personal nature was found to be opinionated and direct. He often criticized his colleagues, regardless of rank, for using unfair sales practices as standard industry operations when they were in clear violation of UIT guidelines. Kashyap was also confident about interacting with senior management members, unlike his colleagues, although his terse humour was not always approved of. However, senior managers usually took it lightly.

At the start of FY2010–11, Das moved to a different role, and Rana joined the team as sales director, reporting to managing director Shankaran. Rana had been working at UIT for the previous eight years in the marketing department, but had no prior sales experience. Both Kashyap and Gupta were asked to report to Rana. One year later, Kashyap was promoted to senior sales manager, although there was no change in the team structure or in the positions held by Rana and Gupta.

In FY2012–13, Kashyap and his team were working on the following four major sales accounts:

The first account involved Vision Ltd., a weather forecast equipment manufacturing company, working with Win Electronics Ltd. (WEL), an electronics company. WEL wanted to use UIT products to meet the IT requirements of the project. The contract was worth US$20 million[[1]](#footnote-1) for WEL and $2 million for UIT.

The second account involved Alphatech Consultancy Ltd. (ACL), a research and consultancy giant that was planning to consolidate its distributed IT infrastructure to address management difficulties. The project was estimated at $35 million; UIT was expected to earn $4 million.

The third account involved Suvidha Financial Services (SFS), a market leader in the financial sector. SFS had budgeted $1 million to have UIT facilitate its licensing.

The fourth account involved Datamine Ltd. (DL), a large knowledge process organization that requested a proposal from the IT company Computing Solutions and Services (CSS) to update its existing audit application. CSS’s proposal, which was priced at $20 million, consisted of products from UIT and services from CSS to implement and maintain UIT’s products. UIT’s price for the proposed products was $10 million. CSS planned to place the order with UIT immediately after signing the contract with DL.

By the end of May 2013, all four accounts should have been heading for closure, but various developments earlier that year obstructed the successful closure of all four accounts.

The first project was placed on hold when Vision Ltd. experienced organizational structure changes. The second account was delayed when technical evaluation exceeded the expected timelines, which meant that commercial negotiations and order placement could not be completed within the required schedule. The third account was delayed one year due to an unplanned but critical development at SFS. In the fourth account, CSS entered into a contract with DL in March 2013, but the contract with UIT did not materialize due to a disconnect with CSS on pricing. At the time of the bid submission, UIT received internal approval of $10 million for the proposed products, which UIT communicated to CSS. However, after signing the contract with DL, CSS began negotiating for the much lower price of $6 million. By the end of FY2013, the issue had not been resolved and the contract did not proceed.

The fourth account was the greatest setback for Kashyap. The project would have been one of UIT’s largest and most lucrative in 2013. As the senior sales manager at the time of submittal, Kashyap decided to bid a price of $10 million for UIT’s submission with internal approval, although the CSS team had recommended a bid of $6 million. Being aware of the project’s $20 million budget and customer dynamics, he found CSS’s recommendation unrealistic. He knew that CSS’s only option for the project wat to use UIT’s products and that CSS would earn a favourable margin by quoting $20 million for the project.

As the lead contact for UIT on this project, Kashyap asked CSS to provide its rationale for recommending a bid of only $6 million, rather than the more reasonable figure of $10 million. He also asked what CSS expected to quote as a final customer price, but received no reply to his concerns. Instead, the matter was escalated to Rana’s attention and Kashyap was asked to withdraw from the project, while Rana became the single point of contact for CSS.

Kashyap had not initiated a revised price approval request in the UIT system prior to the bid submission. Once the original bid was submitted, Kashyap assumed that Rana had convinced CSS to support the bid of $10 million. Therefore, after the contract was signed with DL, Kashyap approached CSS to place an order based on the $10 million bid price. However, the CSS team was reluctant to deal with him and asked him to get in touch with Rana instead. The CSS team claimed that Rana had approved a revised price of $6 million for the bid submission. That was the only reason given for CSS’s reluctance to place an order at any price point above $6 million.

This news came as a shock to Kashyap, who was aware that the UIT system approval was for $10 million and that the company’s process did not allow for any additional discount after bid submission. This account was critical for Kashyap to meet his quota for the current year. Therefore, he approached Rana to quickly resolve the issue. However, Rana did not provide a definite response. He simply advised Kashyap to leave the account to him and focus on other projects.

On May 10, 2013, Kashyap met with Rana to provide a status update of all current accounts. He explained that he would not be able to complete the first three accounts by year-end for reasons beyond his control, and requested Rana’s support on the crucial fourth account to achieve his sales target. Rana assured Kashyap that the account would be completed by May 31, 2013 (end of FY2012–13), although Kashyap would not be involved in the project. This meant that Kashyap would be unable to close any significant accounts in FY2012–13, and would thus achieve only 26 per cent of his sales target.

The enterprise segment was considered the toughest segment in UIT. An achievement beyond 80 per cent of one’s sales target was considered great performance, which Kashyap had been able to achieve for the last four years. However, he had failed to maintain his record in the current year (see Exhibit 3).

On the evening of May 31, 2013, Rana called for a meeting to announce a new team structure for FY2013–14. He demoted Kashyap from the people manager role to that of an individual contributor, and asked his team to begin reporting directly to Rana. Kashyap was shocked by the news and upset that Rana did not bother to provide a reason for his decision. When he asked Rana for a reason, he was told that the managing director, Shankaran, had given the order. When Kashyap asked for clarity on his new role, Rana told him to speak to him on June 3, but when Kashyap tried to reach Rana on that date, he was not available. Kashyap persisted and was eventually sent a message that Rana would talk to him during the June 5 financial kickoff meeting, an annual event during which the senior management team highlighted the company’s performance, distributed awards for the previous year, and provided direction for the current year.

Some of Kashyap’s team members expressed concern over the situation and asked if he wanted them to write a letter of support to Rana. However, Kashyap refused. He later stated, “if they really want to do so, they would have done it. Why would they need my permission for it?”

During the kickoff meeting, Kashyap was again unsuccessful in his attempts to discuss his issues with Rana, who stopped taking Kashyap’s calls. Having no other alternative, he decided to escalate the matter to Shankaran. On the evening of June 7, 2013, he sent a message to Shankaran, requesting a conference call with him and Rana. The conference call took place on the afternoon of June 10. Kashyap expressed his concerns and requested that he be allowed to continue in his former position, in which he had invested significant time and effort on various projects, which he wanted to complete. Rana did not support his request and stated that he would like to maintain the decision. Regarding clarity on Kashyap’s new role, Rana said that he was still working on the subject and would inform him of his decision by the following week. During the discussion, Shankaran contributed little and seemed content to leave the matters to Rana.

Kashyap also discussed this case with Das, his former manager at UIT, who had the following advice:

UIT, like any other global organization, is manager-centric in nature, and in case of a conflict between the manager and his employee, the senior management, HR, and all other support functions favour the manager. Nobody in this company can help you if your manager is not comfortable with you. Also, to come out of the current crisis you may have to seek job options outside UIT. But, in any case, it is advisable to leave on a good note with Rana, as without his recommendation it will be difficult for you to get a job in this industry*.*

Kashyap found the advice from Das useful, but continued to seek information on his new role from Rana, who responded as follows:

In the current situation, I have no role for you in my team, but I am in discussion with Shankaran on the same and we’ll see if we can identify or create some role for you. In the meantime, I suggest you look for other job options in UIT, and let me know if you need me to put in a word to help you get the desired role.

Kashyap responded to Ran as follows:

Throughout my career, I have managed sales in enterprise accounts and would like to continue in this role. Since you head sales for enterprise accounts, I would like to continue in your team. I request that you discuss with Shankaran and help identify some role for me in your team.

The following week, Rana asked Kashyap by phone to make him the evaluator for the performance appraisal of his former team. Kashyap expressed reluctance, stating that doing so would be against company policy, which dictated that appraisals be done by the person who had been the direct manager of the evaluated employee for a minimum of nine months. Kashyap called Shankaran to seek advice on Rana’s request to deviate from the HR guidelines. However, Shankaran did not see a problem with Rana’s request and asked Kashyap to follow Rana’s directions.

After that conversation, Rana stopped taking his calls. Kashyap sent a text message to Shankaran on June 21, 2013 with an update on the situation, and requested his support and intervention, but received no response. On July 10, Kashyap’s FY2012–13 appraisal was done by Rana, who gave him a rating of 2 (Needs Improvement) on a scale of 1 to 5, where 5 was Outstanding. Kashyap also received negative comments, without any relevant performance review discussion. However, Rana’s performance for the same period was also poor. He would have only achieved 15 per cent of his sales target without two transactions from Gupta’s segment, which raised his achievement to 51 per cent. However, the transactions were carried forward from the previous year and had less challenging factors than the enterprise segment, especially with respect to the sales cycle. Therefore, Kashyap found the performance assessments unfair.

Without support from Rana or Shankaran, Kashyap sought a hearing for his case from HR. However, he soon concluded that HR had no interest in his case because it was not based on legally protected factors such as race, gender, religion, citizenship, age, or disability. All other allegations of unfair treatment were considered personality conflicts. The HR representative justified Rana’s actions and asked Kashyap to make amends with Rana. Kashyap wondered if the HR department was trying to avoid confrontation with line managers or genuinely found no merit in his case. Either way, he was deeply disappointed, and realized that HR would not help him find a resolution.

As a last resort, Kashyap could file a complaint with the ECC, an independent body in the UIT system. The ECC was responsible for creating and updating the code of conduct and for promoting it within the organization; encouraging the reporting of code of conduct violations; detecting, investigating, and taking corrective actions on cases of suspected violations; and responding to queries on ethical dilemmas faced by employees. Multiple communication channels were provided to employees and partners of UIT for reporting any suspected violation, including: a toll-free ethics helpline number; an email identification code for the global ECC office (located in the United States); a global ECC office website for filing anonymous complaints; and a local compliance officer in each country of operation, working independently of local management and HR, and reporting directly to the global ECC.

The code of conduct at UIT defined and described standards of conduct and served as a reference document for laws, rules and regulations, procedures, and policies. It also highlighted the company’s business value and the responsibility of its stakeholders to comply with the code. As a reputable multinational corporation with operations around the globe (America, Europe, Asia, and Africa), UIT prepared its code of conduct according to global laws including the *Foreign Corrupt Practices Act* and the U.K. *Bribery Act*. Ethical conduct was important to UIT. In cases of conflict between the code of conduct and local laws, stakeholders were instructed to follow appropriate laws, which were normally more restraining and conservative than UIT rules. In matters of ethics, employees were instructed to interact and work with each other and with other stakeholders in the business ecosystem in a fair, respectful, and discriminating manner.

Because Kashyap was facing trust issues with his management and HR, he sent an email to the ECC on July 15, 2013 to file a formal complaint regarding his issues with senior managers. He received a system-generated response acknowledging receipt of his complaint. Meanwhile, he persisted to seek clarity on his new role and segment for FY2013–14. Finally, he received an email from Rana on July 21, 2013 asking him to report to Gupta (instead of Rana) in the new team structure (see Exhibit 4). The email included details of Kashyap’s newly-created territory for FY2013–14 and a list of new customer accounts, which he found had poor potential from a sales perspective. UIT normally determined the potential of a territory by its budget and number of employees in that particular territory. On both these counts, his assigned territory scored low (see Exhibit 5). Kashyap did not approve of his new accounts and requested a discussion with Rana, which was not granted. On October 28, 2013, he received his compensation plan for FY2013–14 detailing his sales target as $2.6 million, which he found too high for his new territory accounts. Kashyap continued to update the ECC of these developments and eagerly awaited a response.

Kashyap’s team members and co-workers generally ignored him, excluding him from team review discussions and general events. Kashyap kept busy with his assigned territory, visiting his accounts to learn of customer requirements and to initiate relationships. Even though he felt dejected, he reported all his customer visits and related challenges daily to Gupta and Rana. He kept hoping for some advice, discussion, or feedback, which neither Gupta nor Rana provided. He also sent Gupta three emails within two months requesting approval of the business development activities in his territory, but again received no response.

On December 26, 2013, he finally received an invitation for a confidential meeting from two contacts at the ECC. The two email contacts were both from outside the organization. The involvement of an external agency gave him confidence that there would be a fair and unbiased investigation into his case, so he began preparing to present his case to the investigating team.

Kashyap eagerly met with the investigating team on December 29, 2013. However, the meeting left him puzzled. “What on earth was that!” he thought. The meeting had lasted nearly an hour, but only 10 minutes were devoted to his complaint, which he had been struggling with for six months. He began the meeting with confidence but ended with confusion. The investigators seemed too busy for Kashyap’s complaint regarding unfair treatment, performance rating, and segment allocation. Of the many questions they asked him, Kashyap could answer only a few due to lack of any knowledge. However, after the meeting, he was very eager to piece together some of the details raised in the ECC meeting. He hoped that doing so would give him a sense of his future direction.

The first question he was asked was whether he was part of, or was aware of, any informal arrangement for sharing incentive money on his team. He was then quizzed about his knowledge of cases where personal expenses may have been passed off as official expenses, payment for team dinners, and various other questions about the CSS account (the fourth account in FY2012–13), which he had managed for some time. There were also questions about a Bharat Automobile account, which was not one of his projects. He was asked whether it was a fulfilment account, in which UIT representatives communicated directly with the customer, or an indirect account, in which a UIT partner held commercial discussions with the customer. He was asked whether he was aware of the partner margin in the deal. Kashyap was then questioned about the hiring and responsibilities of another employee, Ritika Goel. After the meeting, he decided to approach colleagues and UIT partners who had worked with him in the past to seek answers. Eventually, he was able to gather some relevant information.

He learned that one of Gupta’s AMs was asked by both Gupta and Rana to share his incentive money (in cash) with Pramod Kumar, an AM on Gupta’s team who was hired during FY2013–14. Kumar was known to be close to Rana, although he also had an excellent personal rapport with Gupta. Some employees believed that Kumar was a relative of Rana, which would have gone against the company’s code of conduct that forbids family members to work on the same team, to avoid conflict of interest situations. Sharing incentive money among AMs was unheard of in the industry.

Regarding Goel, the other new employee, Kashyap learned that she was hired (on a contractual basis) on the recommendation of a customer with whom UIT was pursuing a multi-million dollar account. Obliging a customer to gain business was also against UIT’s code of conduct. However, the account eventually went to a competitor, so the issue was not raised by any team members.

In respect to the paying of team dinners, Kashyap found out that it was normal practice for AMs to treat colleagues, including Gupta and Rana, to dinner parties where liquor was also served. The AMs saw no problem in the practice because liquor was permitted according to company policy. However, employees were expected to claim such expenses as partner meal expenses, because the employee meal expense allowance had a limit of $100. However, UIT expense policy required partner meal expenses to have the appropriate manager approval.

Kashyap also found out that the CSS account (his fourth account) would be executed in June 2014 at a price of $6 million. He also discovered that Rana had initiated the revised price approval request, asking for additional discounting due to competition, after Kashyap was moved to another territory.

For the Bharat Automobile case, the company had entered into a price agreement directly with UIT and had placed an order with the partner. According to UIT policy, any project in which a UIT representative was involved in direct commercial discussions and agreement with the customer, and subsequently introduced a partner to route the transaction, should be qualified as a fulfilment deal. In such deals, the limited role and value allowed the concerned partner a standard margin of 5 per cent. In this case, however, Kashyap found that the concerned partner had managed to retain a margin of 30 per cent. This could only be possible, he realized, if the account was internally shown and approved as a non-fulfilment (indirect) account.

Based on his informal discussions with the AMs that were involved in the CSS and BL cases, Kashyap learned that they did not see any violation in these accounts because the customers were private entities, and were not covered under the *Foreign Corrupt Practices Act* (the only act they were aware of). Furthermore, because they were following directions from Rana and Gupta, they felt safe in their dealings. Kashyap realized that despite an elaborate company code of conduct, the AMs did not hesitate to indulge in activities that could be considered non-compliant and unethical. Some of these activities required no special knowledge to detect their unethical nature—only basic wisdom and industry experience. To detect other activities, however, required more awareness and a thorough understanding of the company’s code of conduct. In fact, Kashyap found that he needed to read through all of the guidelines to build support for his case. While perusing the code of conduct directives, he found a great deal of subjectivity on some issues. Therefore, he approached some of his friends in the legal departments of other companies with a similar structure for assistance.

Because he expected HR and the compliance department to be involved in the investigation regarding his complaint, he made some effort to understand their working relationship. He learned that HR and the ECC were distinct and independent of each other. HR handled mainly issues of discipline and performance, whereas the ECC handled issues of ethics and compliance. Ethical behaviour in business and the workplace was specified as the superordinate goal for the company by UIT’s board of management. Therefore, the ECC directly reported to the UIT board. Apart from their distinct roles and responsibilities, the ECC and HR also had several common responsibilities, including encouraging the ethical behaviour of employees. Due to shared and overlapping responsibilities, effective collaboration was necessary between the two departments. However, the overlap also created a perception by some employees that the two departments were in conflict. In fact, it was the response he received from HR to his initial complaint that had forced Kashyap to approach the ECC. He now hoped that HR would support the investigation into his case.

After his research, Kashyap understood the code of conduct directives and concluded that the team activities being investigated were indeed gross violations of the company’s code of conduct. He also determined that it would be nearly impossible for Rana to defend his actions before the ECC. During his meeting with the compliance representatives, Kashyap observed a high level of preparedness and resolve with their investigation, based on the detailed and thorough files on the case that the team occasionally referred to. Under the circumstances, he felt that Rana would have no choice but to admit to all of his unethical activities. He was finally confident about regaining his position at UIT.

PRESENT SITUATION

By December 30, 2013, the position Kashyap had been asked to vacate six months earlier was still not filled. However, despite a continuing ECC investigation against Rana, HR proceeded to issue a PIP for Kashyap. This seemed to imply that HR was acting in support of Gupta and Rana, who stood to benefit by Kashyap leaving the organization. Kashyap saw the PIP as a mere one-way communication from HR, rather than a discussion. The unreasonable performance targets and other unfair details made the PIP seem more like a termination letter than a performance plan.

The ECC investigated several transactions by Rana’s team for code of conduct violations. Based on his own evaluation, Kashyap detected a strong case against Rana and Gupta, which was likely to result in serious action against them. Although recent developments had raised his hopes for a favourable decision on his complaint, he was disappointed in HR issuing the PIP, which he considered an audacious, vindictive, and biased decision. The PIP confirmed the lack of communication and coordination between HR and the ECC.

Both HR and Kashyap’s managers expected him to accept the PIP. However, based on his assessment of the ongoing investigation against his managers, he was reluctant to follow HR’s directions—but rejecting the PIP could have consequences. He needed to reassess the intensity of the case against his managers and determine the most probable outcome of the investigation before making a decision, which needed to be done within 48 hours.

Exhibit 1: Performance Improvement Plan

|  |  |  |
| --- | --- | --- |
| **NAME:** Vikram Kashyap | **EMP. NO.:** X15 | **Date:** December 29, 2013 |
| **GROUP:** Enterprise Segment Sales | **D.O.J:** XXX | **DESIGNATION:** Account Manager |
| **PIP Duration:** Two months | **From Date:** January 02, 2014 | **To Date:** February 28, 2014 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Specific Deliverables** | **Target** | **Result** | **Date of Review** |
| Revenue | Achieve 50% YTD Target of FY 2013–14 (US$712,000 excluding support) |  | First and 15th day of every month |
| Server growth | At least one |  | First and 15th day of every month |
| Large deal growth | At least one field transaction  (transaction more than US$175,000) |  | First and 15th day of every month |
| Options growth | At least 50% options attach rate |  | First and 15th day of every month |

*Note: Target dates are when the deliverable should be completed, not started.*

**Action Plan:**

1. The employee is being given an explanation of his job profile, along with a task list, and management will ensure that the employee fully understands what is expected of him or her and what consequences will apply if sufficient improvement is not seen within the PIP timeframe.
2. The employee needs to communicate regularly with the manager his or her progress in the form of weekly written status reports. Management will communicate with the employee in regular fortnightly meetings and written communication feedback on his or her progress.
3. Coaching: The manager will create a written report to track the employee’s progress. This report will be discussed with the employee and the employee will respond in writing that the comments are understood.
4. Lack of performance could lead to further disciplinary action up to, and including, termination.

Note: EMP = employee; D.O.J. = Department of Justice; PIP = Performance Improvement Plan; YTD = year to date; FY = financial year

Source: Company files.

Exhibit 2: Team Structure of UIT’s Enterprise Segment in June 2010

Note: AM = account manager

Source: Company files.

Exhibit 3: Sales performance of individuals in UIT’s Enterprise segment

(FY2009–10 to FY2012–13)

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial Year** | **Employee** | **Sales Target (in US$ million)** | **Achievement (%)** |
| 2009–10 | Kashyap | 1.5 | 120 |
| Gupta | NA | NA |
| Das | 6.0 | 60 |
| 2010–11 | Kashyap | 4.0 | 90 |
| Gupta | 4.1 | 15 |
| Das | 8.1 | 52 |
| 2011–12 | Kashyap | 6.4 | 86 |
| Gupta | 6.5 | 23 |
| Rana | 12.9 | 54 |
| 2012–13 | Kashyap | 8.4 | 95 |
| Gupta | 8.5 | 21 |
| Rana | 16.9 | 58 |
| 2013–14 | Kashyap | 9.6 | 26 |
| Gupta | 9.0 | 78 |
| Rana | 18.6 | 51 |

Note: FY = financial year

Source: Company files.

Exhibit 4: Team Structure of UIT’s Enterprise Segment in July 2013

Note: PM = people (sales) manager; TBH = to be hired; AM = account manager

Source: Company files.

Exhibit 5: Territory Budget and Employee Count

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Approximate Values** | **AM1** | **AM2** | **AM3** | **AM4** | **AM5** | **Kashyap** |
| Territory Employee Count | 36,000 | 58,000 | 40,000 | 47,000 | 49,000 | 3,000 |
| Territory Budget (in US$ million) | 210 | 245 | 240 | 255 | 200 | 20 |

Note: AM = account manager

Source: Company files.

1. All currency amounts are in US$ unless otherwise specified. [↑](#footnote-ref-1)