Case Study:

A public sector consultancy organisation recruited Mr. Alok an expert in a particular field of technical specialisation with Ph.D. and other high qualifications at a senior level, one level below that of a director of the board. The company had a managing director and three functional directors on its board apart from government directors. Mr. Alok at the time of recruitment to the company was working as No.2 in a Central Government research organisation. Since he failed to get selected to the No.1 slot in that organisation for 168 ‘political reasons’, according to him. he chose to join the public sector company at one grade higher than that held by him in the government. After joining the company, Mr. Alok represented to the Management that he should be granted at least three advance increments since in the government research organisation where he had worked, he used to get extra honorarium to the extent of Rs. 50,000 per anum for undertaking outside consultancy work. The management of the company refused to grant the advance increment to him since they felt that Mr. Alok’s request cannot be dealt with in violation and it will lead to similar requests from other senior managers in the company. After waiting for a few months, Mr. Alok submitted his resignation from the company. His superior, viz., the functional director concerned (Mr. Rajeev), advised the managing director that Mr. Alok was resigning because his request for higher salary has not been agreed to and that the matter needs review because it would be difficult to recruit another expert of the same caliber as Mr. Alok. The Managing Director however, accepted the resignation of Mr. Alok and ordered that the post be advertised for fresh recruitment. As the recruitment process was on, Mr. Alok on his own chose to withdraw his resignation and rejoined the company apparently on a tacit undertaking given by Mr. Rajeev that his request for higher salary would be reconsidered. The managing director reconsidered the request and approved the grant of three advance increments to Mr. Alok provided he would serve the company at least till the date of his superannuating, which was two years away. The decision was communicated to Mr. Alok. Mr. Alok once again felt insulted by being asked to agree to an unacceptable condition, viz., undertaking to continue in the company for two more years for the grant of additional increments to his salary, he thought he was fully justified in his case. He did not agree to the condition and after two months again submitted his resignation. Mr. Rajeev discussed the matter with the managing director. The managing director stated that in return for the additional salary being granted to Mr. Alok which was not being given to any other senior manager of his status, he should display some commitment, to serve the company. Without such a commitment Mr. Alok might wait for an opportunity to look for greener pastures and leave the company after gaining a higher salary, vis-a-vis his other senior colleagues in the organisation. The other employees would feel that Management can be blackmailed by the so-called experts into 169 granting more benefits with the threat of resignation and the management would lose its credibility. The managing director, therefore, decided to accept the resignation of Mr. Alok. But Mr. Rajeev and other functional directors of the company were not happy with the decision as they felt that competitors of the company would gain by Mr. Alok’s departure and, therefore, allowing Mr. Alok to quit would jeopardize the company’s business interests.

Questions :

1. Do you agree with the Managing Director’s appraoch to the problem?

2. Do you think that Mr. Alok had reasons to be aggrieved or was he trying to exploit his expertise?

3. What would be your solution to this case