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Welcome to Pointsoft family

Chandra Vadhana R.

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The author would like to acknowledge the Managing Director and the Chief Operating Officer of the Organisation which has been taken for study, The author was

invited as a consultant and

trainer for this organisation, which actually became the

basis for this case study

write up

Disclaimer. This case is written solely for educational purposes and is not intended to represent successful or unsuccessful managerial decision making The author may have disguised names, financial and other recognizable information to protect confidentiality.

One fine morning at Pointsoft IT solutions

Aravind sat brooding with his coffee mug inside his chamber. He had already told his secretary not to disturb him with any calls for some time. Aravind likes to be alone and at peace when he needs to take serious decisions. It is around five years since he took over Pointsoft as the managing director. For the first time during this tenure, he felt he could have made some mistake.

Pointsoft - the company

Pointsoft Pvt. Ltd is a 25-year-old IT company situated in Pune. It was started as a small computer servicing firm and later developed a very efficient software product in the niche field of financial services and share trading. Although in the initial period they had to struggle to sell their products, the booming emerging markets gave them an impetus to establish themselves as a leader in the field. They have around 75 staff members of which around 30 are software engineers and technical support staff. The remaining consists of marketing, administrative and accounts staff.

The company was formed and so far run by the entrepreneur Mr Ravi Shukla himself. Ravi was a tough first-time entrepreneur and was very strict in his dealings with employees. Moreover, his main focus was making and saving money for which he resorted to very strict financial measures. As a result, the organization was more "employer friendly" and less "employee friendly". In 2007, however, Mr Ravi wanted to take a break and handed over the entire company management to his son Mr Aravind Shukla. Aravind, being an engineer from a premium engineering institute in the country and also having a good number of years of experience from an MNC IT company in Bangalore, wanted to implement a lot of change initiatives in the company. He initiated the change by studying the individual strengths and weaknesses of the entire team members and eliminating the weeds. With a new highly efficient team, the company which was struggling to meet expenses, now slowly began to show considerable profits. Add to it the economical strength and growth this thus led to the exponential growth of the company. The company, which had only less than half a crore revenue during the past number of years, now touched the two crore mark of revenue within just three years of the new team.

Pointsoft today

However, amidst all the success and the fast paced growth, Aravind was not very happy in some matters, especially in the case of employees. Occasionally there were disturbances and grievances amongst the staff, which so far had been dealt by Aravind himself. However, due to the increasing number of employees, he could not deal with them properly and at the right time. Also, dealing with the senior members was a matter which had to be dealt with very carefully. Recently, a very senior project leader came to Aravind saying that his attendance was cut because he was late by 10 min and that too had been done by a very junior member in the accounts department; if that was the case then, he was not going to mark attendance everyday and since then did not enter his attendance in the register. At present the finance department was dealing with all human resources (HR) matters and people management and hence Aravind feels that it was done with a "finance perspective" and not "employee friendly". Considering all these factors Aravind then thought of hiring an experienced HR manager so that he can be freed from matters relating to HR and thus focus more on the business.

The Pointsoft team

Aravind then wanted to discuss this matter with his senior management team, consisting of senior project leaders Suresh Kumar, Vinod Varma, Gopalakrishnan and Tony Fernandez. That has been the practice at Pointsoft so far. Most of the decisions are taken jointly. Suresh and Vinod are technical heads, Gopalakrishnan is marketing head and Tony is finance head. All of them joined as a junior member during Mr Ravi's tenure and have now grown up the ladder along with Pointsoft. They have shown great commitment towards Pointsoft and work together as a strong team. All five of them, including Aravind, often have differences of opinion, but whenever any decision is to be taken, it is taken together. For all of them, there is only one priority – Pointsoft's wellbeing. Moreover, they all share a very good friendship, even outside the office, and because of this they enjoy working together. It is not just the case with these five, but even among other internal teams, decision making has always been taken together. This culture has been followed since the time of his father and still continues to be so. Although Aravind feels that sometimes this group decision making loses a considerable amount of time, he also feels that probably this method has actually helped in developing good bonding among all the staff. Yes, it is unbelievable, but true, that a vast majority of employees have been working for Pointsoft for a considerable long period now. Attrition rate can be said to be nil when compared to industry standards. Most employees who join Pointsoft are committed for a long number of years.

Aravind began the meeting with his four stalwarts. "Guys, What's your opinion about having an HR manager for the company?" "Wastage of money", came the prompt answer from Tony. "Hey, Tony, we are growing, we also need to consider our future requirements", Suresh intervened:

But my executives are presently handling all the recruitments and the salary processing right? Moreover, I take charge of all these matters directly. What's the need for a new HR manager?

Tony argued. Vinod kept silent. Vinod mostly does, but when there is a serious issue he gives his opinion clearly. Aravind then intervened in the discussion between Suresh and Tony. Aravind made it clear that, presently he is losing considerable time taking care of HR issues which could be dealt by someone else. Moreover, he is not able to organize and conduct performance appraisals and other employee-related activities at the right time. He also felt that, as a growing organization, it is necessary to have a separate HR manager, who is trained in doing that job rather than someone in a technical position handling it. After all, most of the similar companies in the locality have an HR manager. The discussion then went on to the fixing of possible expenses to that end. Tony is a very strict finance manager who has the entire financial status at his fingertips. He immediately calculated the expenses and additional cost of employing an HR manager and told Aravind that the maximum possible salary he could afford for an HR manager was 20,000 rupees per month. "Thank God", thought Aravind, "Tony is convinced at last".

Get set go

Aravind then did not wait much longer. He called up a friend, who is an HR consultant, to help him find a suitable HR manager. Saritha knocked at the door and came in noisily to Aravind's chamber. Saritha was Aravind's classmate during his graduation. Later, however, she shifted to HR consulting and now runs a decent consulting business in Pune. Having a sip from her cup of tea. she said:

So, at last you decided to have an HR manager! Good decision Aravind. How long will you keep yourself in the muddle of petty issues of employee management, performance appraisal, leave matters, etc. when you have a huge business and market to tackle? Well, I can help you find the right person for your company. Just tell me what's in your mind?

Aravind smiled:

Hey, to be frank, I do not know what qualification or technical requirement he/she should possess, I leave it to you. But I think he or she should be able to get along with every single member of this office and become a part of the Pointsoft family within a short period of time. The primary purpose of an HR manager is to assist me in timely conduct of performance appraisals, recruitments, organize team building activities and yes, as I mentioned, create a good working culture in this organization. The routine matters like pay roll and others will continue to be handled by the Finance and Accounts Department as usual.

Aravind then told Saritha that he did not want to waste time by interviewing dozens of candidates and hence would like to interview just one or two. Saritha felt that interviewing just two of the candidates would not be ideal and somehow convinced Aravind that she will provide just four candidates after full-fledged scrutiny from her side and Aravind could just choose one from the four.

Things seemed very simple initially, but when Saritha and her team worked to scrutinize the ideal person for Pointsoft, it was found that getting the right person was not an easy task considering the finance and the great challenge ahead. Aravind had made it clear that he needed an experienced hand who can handle the team very tactically. After a good deal of scrutiny and rounds of telephone interviews, Saritha lined up four candidates for the interview. She also accompanied Aravind in the interviews as a board member.

Candidate 1 was Mr Khurana, who had more than 20 years experience in Gulf countries as an administrative manager, but was presently back to his hometown and on the search for a good job. Aravind found that he was good, but somehow felt that his age would be a problem considering the young team at his office. Candidate 2 was Ms Sheila Kapoor, who was an MBA graduate from a premier institution in India. She had been working as an HR executive at an MNC in Bangalore and would like to shift to her hometown Pune as she was getting married. Aravind was well-impressed with her strong communication skills and pleasant nature. Moreover, she had considerable experience in working in a systematic HR department, which might help her in setting up things at Pointsoft with a MNC benchmark. Then came candidate 3, Ms Meenaxi Dutta, who was a graduate with around six years of experience working as HR manager of a training center which provides computer courses. Aravind knows that the computer training business is very competitive and it is very difficult for a HR manager to survive for three years together, as the stress level is very high for a married woman. Meenaxi seems to be good in that way. Moreover, she has got all the technical capabilities and is aware of labor laws, Provident fund matters, etc. Candidate 4 was Ms Pooja Kumar, with whom Aravind was not much impressed because of poor language and communication skills. Although Pooja had the necessary qualifications, Aravind felt that she is not communicating properly and was a very reserved character, giving mostly one word answers. Aravind was sure that the personality of Pooja will not suit that of an HR manager and also the environment of Pointsoft.

As the last candidate walked out of the cabin, Saritha looked at Aravind with a question in her eyes. Aravind rightly spotted her inquisitiveness and smiled back. "What's the financial implications, salary expectations of each?", asked Aravind. Saritha listed all their requirements one-by-one. Aravind put his hand on his forehead and sat thinking. Although most of them fell in the financial bracket which Tony had given, the choice was actually between only two of them - Ms Meenaxi and Ms Sheila. However, of these two, Sheila had asked for slightly higher amount than Meenaxi:

Saritha, I feel, that this whole HR manager is an experiment as far as Pointsoft is concerned. So why take a higher risk? Shall we go for the lower financial risk? Shall we appoint Meenaxi?

asked Aravind. Saritha smiled and said:

Aravind, I think, Sheila would be a better candidate considering her qualification, experience and pleasant nature but if you are worried about Tony's conditions, you can go in for Meenaxi. Well, for me Sheila would be a better candidate as my consulting fees would also be higher in that case! Moreover, my gut feeling says that Meenaxi could be a misfit here.

Aravind laughed and stood up from his seat, "I know, your consulting fees depend on the salary of the candidate, the higher the salary, the higher the pay!, But I think we will go for Meenaxi''.

Welcome Meenaxi

Within just a week, Ms Meenaxi Dutta was appointed as the HR manager for the entire company, which already had four branches and was planning to increase the branches to at least ten within this year.

On the first day of Meenaxi's arrival Aravind introduced her to the entire crew of Pointsoft during the usual morning tea break session. Aravind also had a personal discussion with Meenaxi and mentioned to her that her big task was to first gain acceptance amidst the Pointsoft family which is growing day by day and which so far has never had any "HR manager". Second, she needed to streamline the entire processes relating to HR, right from attendance to recruitments to training and performance appraisal. Meenaxi appeared very confident in these areas and she assured Aravind that within a month or so everything will be streamlined.

The Meenaxi effect

During the first week itself, Meenaxi tried to bring small changes in the way HR matters were run at Pointsoft. One of her first interventions was to provide a water bottle individually at each person's workstation. She thought that the staff were wasting considerable time by walking to the water-dispenser which was at a distance. "Moreover, these 'water-drinking' avenues are becoming a time for gossiping", she observed and told Aravind. The staff initially accepted the idea of having a separate water bottle at their desks, but when they came to know the real intention of Meenaxi, they were not very much impressed. Moreover, this water bottle created a series of issues. For example, the cleaning assistant complained to Meenaxi that the carpets are getting spoiled because of water spillage. Also, the task of filling around 60 water bottles from the water-dispenser was losing her a precious hour of time. She also complained that everyday a lot of water was being wasted because most of the staff, especially the men, did not drink water from the bottle and were more comfortable walking to the water-dispenser. Thus, the cleaning assistant suggested, "We will give water bottles to only those who want them, others can go to the dispenser". Meenaxi accepted this suggestion and almost half of the newly purchased water bottles were shelved.

The next HR intervention suggested by Meenaxi was to organize birthday parties at Pointsoft. Going through the employee files, she identified the birthdays of all staff and on birthdays, the entire staff should assemble at the front office at exactly 9.00 a.m. The team would then sing Happy Birthday to You and she would hand over a birthday card signed by the entire team. When Meenaxi came up with this idea, Aravind mentioned that they already had the practice of celebrating birthdays, but it is usually done during the daily tea break which was at 10.30 a.m. Meenaxi, however, insisted on doing it at 9.00 a.m. because birthdays should be celebrated first thing in the morning. Aravind nodded

The first birthday celebration was that of a very junior staff who had joined only around four months back. Meenaxi had already e-mailed the entire staff that there would be a celebration at the front office at 9.00 a.m. and everyone must be present. However, as most of them are used to the old timing of 10.30 a.m., most of the staff were not present at the said time. Meenaxi also shouted at the office assistant for not informing everyone the day before this event. She then telephoned all senior staff individually through the intercom asking them to assemble at the front office. By the time everything was arranged, it was already 9.25 a.m. and some of the staff who had been waiting there since 9.00 a.m. started cribbing at the lack of proper communication from the side of the new HR manager. However, the birthday ceremony went well and the greeting card was handed over, but the card contained only some signatures as it had not been circulated properly.

After the ceremony, Suresh and Vinod commented to Aravind that they had lost around one hour of their work time because of this improper planning. Moreover, they felt it was better to continue this at the old timing of 10.30 a.m. Tony came to Aravind with a new bill of birthday card and the snacks and projected the annual expenditure from this perspective. Aravind conveyed the matter to Meenaxi and made it clear that it was better to continue the parties at the old timing

Days passed, Aravind became busy with business matters, leaving HR matters to Meenaxi. All small grievances which Arayind used to handle now went to Meenaxi. She experimented with various changes in the existing system. One day she would keep the attendance register at the front office, another day at the security gate and another day at her desk. She said that she needed to check whether the staff were marking attendance properly. SheR removed the reading material that was kept at the front office for visitors, saying that some staff were whiling away time going through the magazines there

The clash begins

During the times when Aravind goes on a business trip, it is Gopalakrishnan who is given charge of office management. On such a day, Vinod came to Gopalakrishnan with a complaint about Meenaxi. Vinod, who normally speaks softly, this time spoke in a slightly raised voice and asked Gopalakrishnan why the mirror at the wash area had been removed. Gopalakrishnan was not aware of what had happened. Vinod told him that there was a mirror at the wash area but that this had now been removed by Meenaxi. Vinod made it clear that he normally uses that mirror for combing his hair which have been spoiled as he travels by bike to reach work. Meenaxi was then called to Gopalakrishnan's chamber and was asked the reason. Meenaxi told him that many of the staff were using this mirror for combing hair and the area was becoming unclean because of hair that had fallen out. She said that the mirror had been shifted to inside the toilet. But Vinod said that every time he would go to the toilet there will be someone using it, so combing hair would not be possible. Meenaxi said very assertively that as long as she was there as HR manager, she would not keep the place unclean. Vinod then said, "If this goes on like this, let's see how long you will be here as the HR manager".

As the heated discussion was going on, Suresh entered the cabin and intervened with an urgent issue regarding client service. A major client had now called him and said that they were not satisfied with the service level of Pointsoft staff and asked that they replace the guy who visits them, as he was not competent. Meenaxi promptly asked Suresh who that service executive was and said that she will reprimand him immediately. Suresh then smiled and said:

I know how to handle my team mates, I will take care of them Meenaxi. By the way, I had asked you to provide me with new recruits within this month end right? What's the status of that?

Meenaxi said that she was working on the requirements and interviews were arranged for next week. "But I wanted them onboard this week. You could have arranged the interviews last week right? But I guess you were busy removing and shifting mirrors! Haha". Meenaxi then left the room with a harsh expression on her face. Calling Tony, Gopalakrishnan, Vinod and Suresh went out together for a smoke.

Meenaxi was absent from the next day onwards. Gopalakrishnan tried calling her on the telephone, but she did not pick his calls. Instead, Gopal got a call from Aravind asking about how things are at their end. Aravind had some good news from his end too. Their company had got into a good deal with a major share-broking firm for software services and it was huge money this time. Gopalakrishnan did not want to tell him about Meenaxi at that time, so he kept quiet about her absence.

After a week, when Aravind came back, he came to know about the incidents and called Meenaxi to come and meet him urgently. Meenaxi told Aravind that she felt harassed by the senior male members. She was trying to bring changes in the organization, but they were not cooperating. She made it clear that as it was Aravind who appointed her she needed just report directly to Aravind and not Gopal, nor anyone else. Aravind listened to her issues patiently and assured that such incidents will not occur in future. However, Aravind made it clear that her unauthorized absence is something very offensive and hence her salary for the period would be deducted. For which Meenaxi started crying and said that she had some medical emergency at her home, because of which she could not inform anyone at the office. Aravind then gave an excuse and warning to Meenaxi, after which she returned back and continued her normal work

The issues

The recruitment season began and Meenaxi got busy with arranging a series of interviews with software engineers as per the requirements given by the technical heads. She put her best efforts into lining up the required candidates within the resource constraints. In one such interview session, while on board, Suresh directly confronted Meenaxi once again regarding why he had not been informed of some of the details of a candidate before the interview. However, Meenaxi apologized for her negligence and made sure that in further interviews, no flaws were there.

Several appointments were made and Meenaxi became further busy with their inductions and training arrangements. During this period, some telephone enquiries came in regarding vacancies and, although Meenaxi was very sure that there were no requirements for the next quarter, she asked a few of the candidates to come and meet her in person. After having some preliminary chat with a couple of such candidates, Meenaxi told them that there were no vacancies presently and that she would inform them later. After one such meeting, one of the candidates, who was an acquaintance of Vinod, met him at the corridor and told him sarcastically that if there was no vacancy, why did the HR manager asked him to come and meet her? Vinod reported this matter to Aravind and told him that this kind of remark would affect the reputation of the company among prospective employees. Aravind asked Meenaxi whether she purposely asked the candidates to come in person, to which Meenaxi replied:

Those guys were pestering me on the phone and so I thought it would be good to teach them a lesson. They are just freshers from college, what's wrong if they attend some interviews? It will be an experience for them, though we are not interested in them. Aravind, I think these are just unnecessary allegations from your technical team.

The words "your technical team" resounded in Aravind's mind.

Months passed on and Aravind had to face occasional issues and disruptions in his team, which he conveniently ignored, as the whole Pointsoft family was becoming very busy with business matters

The climax

It had been one year since Meenaxi joined Pointsoft and a time had come for her performance appraisal interview to be conducted. As a usual practice Aravind decided to discuss this matter with the senior team members. The meeting started off and Aravind put this up as a last agenda of the meeting, "Guys, it is one year since Meenaxi joined our family. It is time for an appraisal. What's your opinion?" The team, which was actively discussing other matters, now became silent completely. After repeated asking, Vinod smiled and said:

Aravind, to be frank, Meenaxi is a misfit among us. Moreover, I think she is not capable enough of handling even routine HR matters, let alone matters involving serious decisions. She is rather good as a "cleaning manager".

Tony added:

Aravind, I had not mentioned to you before, but she is not much aware of PF (Provident Fund) rules either. It was my intervention at the right time, which prevented a considerable loss due to her calculation errors while issuing the appointment order for a candidate. Moreover, the major factor is that she is too bossy and not getting along with others. Most of the time, she sits in her cabin and asks some assistant to get her things done, whereas we have been so far following a culture of comradeship here.

Suresh commented, "Do you know something, some of my junior team members call her as 'Tughlaq', teasing about her impractical modifications and rules''. Gopalakrishnan said:

See, she comes from a very tough background of having worked in a highly competitive computer training institution. There, she has probably seen people who were trying to cheat the company and hence her style of managing is also negative. I mean, she sees the bad things first and wants to eliminate that. But we at Pointsoft follow a culture of mutual respect and comradeship. We don't have any hierarchical structure here and everyone works as a team. The focus is on work, not on position. But Meenaxi has a hierarchical way of doing things and expects that everyone should respect her because she is the HR manager. But respect is something that should come from one's mind and cannot be demanded just by position right? I think, we can give her another six months time after telling her flaws of functioning and if things are not changing, we can look for another HR manager. Or rather, we needn't have any at all!

Aravind was not very shocked to hear these statements, as he himself have felt at certain times that Meenaxi was not as he expected. However, the team assured him that they would stand by his decision whatever. They were ready to accept Meenaxi if Aravind decided so. The meeting disbursed leaving Aravind to think and take a decision himself.

Aravind then called Meenaxi for a meeting. He asked Meenaxi about her one-year tenure at Pointsoft. Meenaxi said that she was very comfortable working for Pointsoft and the only issue was that she felt she was being harassed by the senior team which included Suresh, Vinod, Tony and Gopalakrishnan. She made it clear that she was not getting the support of these people whenever she came up with ideas. Aravind then asked, "Is it because the ideas which you give are not acceptable to them or is it because you are not able to convince them of your ideas clearly?" Meenaxi then said:

I don't know Aravind, every time I go with some ideas, they give all kinds of reasons against it. Moreover, I think they are spreading false news about me among their lower team members and hence even the very junior members are not giving me any respect.

Aravind then asked about the status of the works regarding the performance appraisals of technical team, recruitment and other HR activities. Meenaxi gave detailed reports of those. Aravind was quite convinced with those matters. Aravind then told Meenaxi about the opinions which he got from the senior team. Meenaxi retorted that this was precisely what she said about their harassment. She was sure that the team would say something against her, as they do not like her inside the management team. She made it clear to Aravind that her intention about working at Pointstoft is very noble, but she was being portrayed as someone who is incapable. She then told Aravind that she was ready to confront these allegations put forward by them, if required in an open meeting. Aravind then got up and said:

Meenaxi, I am convinced that your intentions are good, but probably it is your way of executing them that is not acceptable. Moreover, I think the role of an HR manager is to keep the entire team together and not to split the team right? Please think about these matters and do get back to me tomorrow. We would surely like to continue with your services, but I think for the next six months also we may have to put you under probation.

Meenaxi got up and left the room silently.

The next day, Meenaxi was absent. As Aravind opened his mail, he saw the following e-mail from Meenaxi:

Dear Aravind, I am herewith submitting my resignation letter. Kindly relieve me urgently. I do not wish to continue at Pointsoft anymore. All the best wishes for Pointsoft and You.

Thanking you, Meenaxi.

Aravind sat with his eyes closed, called his secretary for a cup of coffee and told her, "Don't disturb me with any calls or visitors until I tell you". He thought, "Where did I fail or did I fail at all? Does Pointsoft need an HR manager? Or was it that Meenaxi was a wrong choice?"

Keywords:

Human resources manager, Managerial styles, Managerial skills, Harassment, Management styles

Questions

- 1. Considering yourself as Aravind, what will you do will you bring back Meenaxi or will you relieve her?
- 2. What is your understanding of the role of an HR manager in building the culture of an organization?

About the author

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