

The Dean's Dilemma: To Let Go or To Keep

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Abstract

The case is about an Associate Professor of Banking in the Deanery of Commerce in the University of Business Studies, who moved to the city of Bengaluru to get his daughter treated at NIMHANS. As the doctors at NIMHANS are unable to treat his daughter, he wants to move back to his home state Assam, so that his daughter can be in a homely environment. It is in this backdrop, that the case discusses HR metrics, the various kinds of cost that can be associated with an employee and the cost of attrition. In any organization, there are number of costs which can be directly or indirectly attributed to an employee. Some of them are visible, such as cost of recruitment or perks given to them, while others are not as direct and also difficult to quantify, such as the cost of having an inefficient employee. This case deals with all such costs and expects the students to help answer the Dean's dilemma of whether to keep the employee or let him go based on what is beneficial for the University.

Key words: *Recruitment Cost, HR Metrics, Employee Turnover, Cost of Inefficiency*

Introduction

It is said that we never build an organisation, we build people and then people build the organisation. To build a strong organisation, we need to build strong people. But then the question is what if the organization invests in employee development and the employee leaves? Contrarily, what if the organization does not invest in employee development and they stay with it?

Henry Ford once said, "The only thing worse than training your employees and having them leave is not training them and having them stay".

Every organization, that wants to have competitive advantage and sustainability, spends on employee recruitment and development. However, employees might leave. All the expenses that the organization had incurred go in vain and all the costs have to be incurred again.

Consequently, in many cases, organizations do not let the employees leave before a certain period. Even though the organization will save a substantial cost by doing this, this might make the employee inefficient, the cost of which is significant and is not easily visible. Therefore, there will always be a dilemma of whether to not to allow the employee to leave or to let the employee go.

The Issue

This was the dilemma that was currently playing out in the mind of Dr. Ravichandra, the Dean of Faculty of Commerce, University of Business Studies (UBS), when Dr. Goswami told him that he wanted to quit his job as an Associate Professor in the University. Dr. Goswami wanted to take his family back to Assam, the state from where he was, and reside there.

The Dean was in a dilemma. On the one hand, he wanted to help Dr. Goswami and on the other, he knew he was working for the University and had to keep University's best interest in mind.

University of Business Studies

University of Business Studies, or simply UBS is one of the top institutions in the country which provides a wide array of courses, especially in the fields of banking

and finance. The institute attracts the brightest minds in the country, be it a student or a professor.

Structurally, UBS is headed by the Chancellor, who is the titular head of the institute. The management functions are carried out by the Vice-Chancellor and the Pro Vice-Chancellor assists him in his works. They work at the management level along with the Registrar and Personnel Officer. The University is then divided into various Deaneries, working at operational level and headed by their respective Deans (see **Exhibit 1**). The Deans have to be in constant touch with the Vice-Chancellor and the Registrar and need to regularly update them about the performance of their respective Deaneries. Any major decision (such as those related to recruitment and fests) are supposed to be taken by the Deans only after consultation with the Vice-Chancellor and/or the Registrar. The Deaneries are further divided into departments, headed by the Head of Departments. The Professors and Associate Professors work in various departments, and are managed by Coordinators of various programs.

Recruitment and Induction at the University of Business Studies

UBS follows an elaborate recruitment process. Those interested in job at UBS have to apply online through the website. The University runs a manpower requirement scan from time to time through an automated system. When the system shows any scope for recruitment, those who have applied online are contacted and are invited for a telephonic interview. The University has a personnel department for this purpose. The shortlisted candidates from the telephonic interview are then called for a personal interview at the University. Multiple rounds of interviews are held, and a demonstration class is also held to test the teaching abilities of a faculty who has applied.

An older professor of the same department is assigned to help the new joinee settle in the University. For this purpose, the former gets some free hour from their classes while the University arranges for some other faculty to take those classes, which leads to extra cost for the University.

The University incurs cost primarily on the following when recruiting an Associate Professor:

- Maintenance of manpower scanning system: This is included in the salaries paid to employees in the IT department and is not calculated separately.
- Assessment Cost: The telephonic interview has no major cost except the fees of the person taking the interview (INR.700/interview). There are usually three panelists on a personal interview panel. Each panelist of the personal interview is paid INR 1500 per interview. The final interview by the Vice-Chancellor does not involve any such direct cost.
- Offer creation: The job offer also details a sum of INR 50,000 to be paid to the new joinee as joining bonus and an additional amount of INR 40,000 to be paid as relocation allowance. The joining bonus is refundable if/when the employee resigns.
- Sending out paperwork: The cost of posting papers of the employment contract (usually ranges between Rs.100-500, depending on the destination).
- Material cost for Welcome packs: Every new employee receives

welcome gifts from the University, which includes diaries, pens, clothes, etc. (the cost of the welcome hamper ranges from INR 1,000 to 1,500).

- Induction program expenses: The induction program carried by the
- department last for 3 days, which includes 3 hours of an older Professor's time, for which the senior Professor is paid (INR 4500; @ INR 1500/hour).
- The cost of maintaining a personnel department may also be identified as cost of maintaining and training employees.

Dr. Goswami

Dr. Goswami had studied and worked in North India before he joined UBS, Bangalore in the beginning of academic year 2012-13. He had completed his dissertation on the topic 'Economic and Financial Implications of Internet Banking' from Delhi University in the year 2011. The reason for which he came to Bangalore was not a job at UBS. He came to Bangalore with a completely different purpose, a purpose that not many were aware of. Dr Goswami had a daughter, 9 years old. She had a neurological problem, a neurological

problem so complex that many doctors were not able to cure it. All the earlier doctors had advised Dr. Goswami to take his daughter to National Institute of Mental Health and Neuro-Sciences (NIMHANS), Bangalore. NIMHANS is a medical institution located in Bangalore, India. Established in 1925, NIMHANS is arguably the best medical health and neuro-science center in the country.

Dr. Goswami moved to Bangalore, a move he thought was his last resort. He arranged for an accommodation first and took up a rented flat near NIMHANS. Meanwhile, he began looking for jobs and applied for a job in UBS. He had already realized that this move will not be easy on him. Bangalore was a very different place and culture from his own, he knew it would his family and him time to adjust. The initial problem that he faced at Bangalore was with the food habits. After he got everything together, he brought his family. He had already invested quite a lot in the relocation and settling down, and still had to invest a lot in the treatment of his daughter. His only hope was if he could get a job in UBS.

He applied for the job of an Associate Professor of Banking in the Deanery of Commerce. Soon enough he got an

invitation for a telephonic interview. After getting through the first round of selection process, he was called to the University for a round of personal interviews. He was interviewed by the Personnel Officer to begin with and was sent to the department of Commerce afterwards. Impressed by his knowledge and experience, the Dean and HoD immediately sent him for a demonstration class and exempted him from the department level interview. The department received a positive response from the students present in the demonstration class. Dr. Goswami was given the job offer the same day after the final interview by the Vice-Chancellor.

Experience at UBS

Dr. Goswami joined UBS soon after in May 2012. As a part of induction program, Dr. Goswami was trained and introduced to various aspects of the University at both institutional and Deanery level. The program lasted for four days. It included one-day induction program by the Personnel department at the University level and three-day induction program by the Department of Commerce at the department level.

Even after this detailed induction program, it took him a lot of time to appreciate how

things actually worked in UBS. The work culture was very different from that of the institutions he had previously worked. The complex Question Bank Scheme and the Course Plan, everything was new to him.

Meanwhile, his wife got a job in a commercial bank in Bangalore. Her salary was decent. Dr. Goswami admitted his daughter in a school nearby. In the school, their daughter also faced the same problem that Dr. Goswami and his wife were facing. They did not get the feeling of belongingness. And as adults, it was a bit easier for the couple to compromise and settle in. For the young 9-year-old girl, in her health condition, the feeling of psychological alienation was the last thing she wanted. Dr. Goswami knew that there was no other option but to adjust.

Dr. Goswami started having full workload of classes. He was teaching various courses (B.Com, B.Com Hons. and B.Com Professional) under the Commerce department and was for all the three years of the undergraduate programs. Apart from his own classes, he also used to take other's class adjustments. He never knew how to say "No" to anyone, so whenever someone asked him take their class, he always agreed. There were days where he

ended up taking five hours of classes.

A year passed and the workload of Dr. Goswami kept on increasing. As a part of academic requirements, he was also doing a Major Research Project (MRP). He was working as the Principal Investigator in the project and had his wife work as the Associate Investigator. As the field of study was banking, he could use the combined knowledge of his wife and himself, The University required that the MRP be adjudged by an external investigator to check its viability. Dr. Goswami approached the managers of the bank his wife was working for to judge the financial viability. The project got approved by the investigators and the CFO of UBS sanctioned a fund amounting to INR 9 Lakhs to carry out the project.

The Dean's Observation

The Dean, Dr. Ravichandra was impressed by Dr. Goswami's skills as a teacher and the feedback he got from students. Apart from his classroom performance, the Dean also found him good in research writing. He thought that Dr. Goswami will prove to be an asset for the University. But even after all this, the Dean did not fail to notice

that Dr. Goswami was getting stressed out. He felt that he should discuss it with Dr. Goswami and find out if he was under any stress. When he did discuss it with Dr. Goswami, he was reassured that all was fine.

However, Dr. Ravichandra knew there was some issue. He waited. Dr. Goswami approached him again, months later, in January 2014. Dr. Goswami told him that the doctors at NIMHANS were not able to treat his daughter and that they had suggested to take the child back and allow her to grow in homely environment, in their home-town, which may be helpful for the recovery.

Dr. Ravichandra realized that it was not long before Dr. Goswami submits his resignation and moves to Assam. But since Dr. Goswami was undertaking an MRP and the University had invested a significant amount in the same, he was bound to work here until the completion of the project and if he were to leave in between, he would have to repay the amount invested by the University. Only the Dean could have given him permission to resign. Therefore, Dr. Goswami talked to Dr. Ravichandra about it. He had made

up his mind that he will accept the Dean's decision as final.

The Dilemma

Dr. Ravichandra was aware of the loss that the University will suffer if Dr. Goswami were to leave, the loss of a talented faculty, apart from the monetary loss. He had to take the decision keeping the University's best interest in mind. But since it was a very crucial matter and the health of a girl was on the line, he did not

know what to do. He wanted to retain Dr. Goswami but knew that he might not be as good as before due to all the stress and worry at the home front. This will also lead to inefficiency in his performance.

And this inefficiency would cost a lot to the organisation. He saw costs being incurred, irrespective of the decision he makes. He sat there in his office, wondering, "Should I let go of the employee, or should I hold him back?"

Exhibit 1: Organization Structure of University of Business Studies

