

## Case Study

### **Rahul Agarwal**

*Assistant Professor, Amity Business School, Amity University Rajasthan*

### **Shipra Agarwal**

*Amity University Rajasthan*

### **It Isn't Just About the Money...**

"...*Ok. See what you can do*" Mr. Bedi said and hanged up the phone. He looks a little troubled with something. After a little pause, he faced Rahul and Harmeet again, gracefully apologized for the interruption amidst the discussions they were having and tried to continue with the discussion with the same warmth as earlier. However, knowing Mr. Bedi for a decade made both Harmeet and Rahul understood that something is bothering him for sure.

Both of them knew Mr. Bedi as a confident and courageous man with an attitude of positivity and leading from front. Established in 1977, his company is pioneer in Pre-Engineered Buildings (PEB's) in India. He established a 400 cr. Company employing more than 500 people, from scratch. It was the result of his vision and efforts that his company is one of the best in the country in terms of the product quality, innovation and delivery commitment and is having its presence in many other countries. Though, today PEB is a highly competitive industry, his company grew many leaps in past mainly due to the word of mouth

crediting all to his focus on quality and timely completion of projects. Innovative ideas coupled with great craftsmanship made his company stand out and most sought-of among others at national and international level.

*"What happened sir? Is everything fine?"*  
Rahul enquired.

*"Yeah! All well. It was a call from the production manager. Daily routine issues you know."* Mr. Bedi replied with a warm smile.

*"No sir! I have known you long enough to know that it's just not any other problem. It seems to have bothered you and you seem stuck. Please let me know. Maybe I could be of some help."*  
Rahul said.

*"Just the labour problem."* He said calmly. *"As you know, my business is labour intensive, and it requires a certain skill level to deliver the quality we promise to deliver. So, we highly depend on the skilled craftsmanship of labour. But skilled labour is not easily available. Therefore, we need to hire unskilled labour, and train them for 3-4 months at our expense and supervision before they are at par with our*

quality of work. And during all this time we pay them at par with the industry norms. And when they are ready to start delivering, the competitors take them away for a little extra wage.” Mr. Bedi said.

“But that’s not right. Don’t these people have any business ethics? Both rival companies and these labourers.” Harmeet impatiently interrupted.

“There are no ethics these days. It’s only about winning or losing. Everyone is looking only for themselves. And in-fact, being at the bottom of the eco-chain, labour would not think twice before moving for better wages. But this attrition is impacting our business multi-folds. We lose time and money on skill development, and then due to this attrition our projects deliveries are impacted. It also creates excessive workload on those who stays with us as we have project delivery deadlines to meet. At times, I think that they must be feeling pressurized”. Mr. Bedi said.

“Sir, you are a mammoth as compared to your competitors and you can afford to offer a better wage to attract the skilled labour or to win back those left. They would not be able to match you in this wage war. And in this process, you will be able to have the best talent on the board”. Harmeet suggested.

“It’s not that simple you see. Yes! we will be able to win them back. But, unlike you and me, mostly labour class is not future oriented. They have set needs and they burn what they earn.

They don’t take future planning too seriously, especially financial planning. We have learned it from our past experiences that if we offer them higher monthly wages as compared to what they need to spend, they start being absent from the job without informing. And this unscheduled absenteeism is an issue in its own as it disrupts the entire plant schedule, production plans and delivery deadlines and thereby poses a threat to the reputation of the company. This, winning back the skilled labour with increased wages would not only create an environment of leaving and joining back for hike but also dent employee loyalty. We have tried few things here and there, but no concrete solution is found”. Mr. Bedi said while looking little anxious.

#### **Suggested Discussion Questions:**

1. What all aspects of management are involved in this case?
2. What are the key issues in this case?
3. As a HR expert, what would you suggest to Mr. Bedi?
4. “Creating a suitable environment could be the key for solving this issue”. Throw your opinion on the statement. Also, discuss how this could be achieved.