

# Abraham Kurien



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**Short Description**

**Abraham Kurien**

**Description**

## **Abraham Kurien CAST STUDY solution**

**Read the following case carefully and answer the questions given at the end**

Abraham Kurien was confused, distracted, and worried. A day earlier, he had been called for a chat with Sanat Sharma, the finance director of the Rs. 2,000-crore Gitane Steel Ltd. (GSL). Apparently, Kurien's transfer had been finalised. He was to hand over charge of the corporate funds management function in Mumbai by the end of the month and take over as the commercial controller of GSL's Bhilai (Madhya Pradesh) plant.

Unfortunately, the prospect hardly pleased Kurien. Liberalisation was revolutionising corporate finance, and he was loath to lose contact with the world of finance at this exciting juncture. Kurien had already proved his mettle during his two years as a finance trainee with GSL. In fact, Kurien wondered if his transfer to Bhilai—and to another function—wasn't a strategic brake that GSL's top management team was applying on his mobility. While GSL's job rotation programme was viewed positively by most managers, several employees felt dissatisfied because of the perceived erosion of their specialist skills. Like Kurien, who while believing that job rotation was a valuable means to building generalists within the organisation, felt that his own move to plant administration was not right for him. Kurien eventually decided to take up the job the Welbright Group had offered him and quit GSL. Following his departure, a debate broke out within GSL about whether the incumbent commercial accountant at Bhilai should be shifted to corporate finance—as had been planned—or whether that move should wait until a replacement for Kurien could be found. Finally, it was decided that Vijayan Warriar from GSL's internal audit department would be moved to Bhilai as its commercial accountant. However, fresh complications arose. A B-school graduate and a cost accountant, Warriar had been in the internal audit department for three years. A manager in the M-3 grade, Warriar had a track record of excellent appraisals. While the move to Bhilai meant a promotion as the post was an grade position, Warriar was, in any case, due for a grade change that year. But as he had not acquired plant-level experience yet, GSL's Management Development Team (MDT) decided to transfer Warriar to Bhilai. Although he should have been pleased, Warriar opposed his transfer on the grounds that he was locationally constrained. Said Warriar, "I cannot leave Mumbai now. My son is in the middle of a school year and I cannot disrupt that. I have been through much agony to secure his admission and I am not going to give it up. Besides, my wife is a professional and I cannot expect her to move from place to place. The company feels the need for Warriar to gain plant-level exposure. "Besides", said Kamath, "the Bhilai job entails a grade change. Every finance person has to go through a stint at a plant and Bhilai is the best opportunity to gain all-round experience. Moreover, the corporate finance job has already been offered to someone else and there is no question of reversing that decision." Since there were so many personal issues at stake, Warriar was reluctant to accept the

transfer. When Warriar did not change his stand even the following week, GSL's MDT decided that Warriar should stay on in the internal audit department. But now, Warriar wondered if he had unwittingly grounded his chances of being promoted to the grade. While Kamath appreciated Warriar's predicament, he said, "I guess Warriar will remain in the audit department. He must gain plant exposure either at the M-3 grade or in transit to the grade. But now, Warriar will have to wait till a suitable vacancy arises at our Thane plant, new Mumbai. Until then, his grade change is likely to be delayed." And that is exactly what happened. At the end of the year, Warriar was appraised as excellent. But he did not get promoted to the grade. Disappointed, Warriar asked: "Why have I not been promoted ? I have been in the level for close to four years now. My peers have moved up." Replied Dhananjay Puri, GSL's chief internal auditor. "The job at Bhilai was an job and I had timed your move there to coincide with your grade change. But how can I justify a promotion when you have not covered all the necessary milestones at the level ?" General Manager in GSL's HRD department pointed out Raj: "Your immobility has become a factor in your appraisal. While GSL isn't penalising you for immobility, your growth within the organisation does get retarded. As grades are earned through experience and the willingness to accept change, your promotions will get delayed. After all, they are a function of your having covered particular milestones during your tenure with the company." In other words, GSL's logic was that a manager could either consider a string of jobs or a career with GSL to climb the corporate ladder. But the latter meant falling in line with its management development plan. And one of the key tenets of the plan was that the company would not recruit directly for any of the grade positions; direct recruitment would take place only at the entry level and, in a few cases, at the level. Other positions were open only to internal candidates because, GSL believed, they were key areas that needed experience and ingraining in its organisational culture. Said Kamath: "At any point of time, we are planning the careers of 300- odd managers. Our responsibility is to provide them with the necessary skills to emerge as GSL's vice-presidents, who will take over from those retiring. And their profile does not consist of just age and experience. It is a gradual understanding of GSL, its markets, its rivals, its strengths, its weaknesses. This is attained best through structured growth. Today, if GSL is a Rs. 2,000- crore company, with a 36 per cent share of the market, it is because the people at the helm have a tremendous feel for GSL's business and have participated for years in shaping it."

### **Questions :**

- (a) Why was Kurien confused and worried ?
- (b) What are the merits and demerits of the company's job rotation programme ?
- (c) Why did Kurien resign even after not being transferred ?

## **Details**

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