

# [Hr problem in cognizant technology solutions](https://assignbuster.com/hr-problem-in-cognizant-technology-solutions/)

## Introduction

This essay describes the recent HR problem faced by Cognizant Technology Solutions, Hyderabad, India one of the fastest growing IT Service Providing Companies a subsidiary of Cognizant Head Quarters, New Jersey as heard from one of the associates within the company. The Organization faced the problem of retaining their experienced associates during the economic down-turn period or so called Recession period when the other competing companies fired many of their employees who have worked for more than half-a decade because of posing financial problems on the company in regard to wages and maintenance during that period. Started with around 264 associates to 10, 000+ members (till date), they have contributed a lot to the Organization’s notable growth over a short period of 8 years at Hyderabad Off-shore Development Centre.

[By Geeta Ramachandran, Sr. Executive – HR, Global Workforce Management (GWFM), CTS(H), Feb, 2006-(till date).]

Key Words: Associates, Off-shore Development Centre, Business Continuity Plan, Work Force Management, Incentive Approach, Two-in-a-Box Module.

## Background

Cognizant Technology Solutions, one of the leading Multi-National Companies started its Off-shore Development Centre (ODC) at Hyderabad, India in 2002 as a part of Global Expansion. It serves more than 500 clients belonging to various fields such as Banking & Financial Services, Health Care & Insurance, Communications, Consumer Goods, Energy & Utilities, Information, Media & Entertainment, Life Sciences, Manufacturing, Retail, Technology, Transportation & Logistics, and Travel & Hospitality. The Company has recorded its highest growth in the 4th quarter of 2010. And announced 200% hike for their top performers during this quarter recovering from the recession blows. They have crossed the 10M strength in the same quarter globally.

[http://www. cognizant. com/aboutus/in news]

## Interventions

Recession is more often can be termed as one of the phases for readjustment in disequilibrium of capital management. Whenever a resource from an organization is released from the declining activities, they will be immediately shifting to the expanding industries. Recession or recovery is the first phase of readjustment process in this world of non-homogenous capital and rigidities in adjustment processes begins with the realization of errors committed under the illusions projected by easy credit. Downturn period in the global markets is considered as bad by concerning the nominative judgments about the different phases of the cycle.

[Capital in Disequilibrium: An Austrian Approach to Recession and Recovery by Noah Yetter (yettern@mscd. edu) and John P. Cochran (cochranj@mscd. edu).]

Multi-national companies are focused on getting the experienced staff which would allow them to have the feasibility of not spending additional investments on any other different training programs. Small scale organizations are more focused on fresher as they cannot bear huge pay to the experienced hires. By providing the well established environment to the employees so that the employees can work freely and can apply all thought process into reality. Because of this, there is a diversion among the managers whom to consider with high priority when financial matters are involved with the resource management techniques.

[Resourcing in Business Logistics: The Art of Systematic Combining, by M. Jahre, L. E. Gadde H. Håkansson, D. Harrison, G. Persson, and G. Liber, Torkel Strömsten, Stockholm School of Economics, Stockholm, Sweden, Book Review, Page No. 411-414.]

As there are financial prospects involved, it is always better to recruit fresh graduates and train them based on the requirements of business with the usage of proper forecasting techniques. If the resources belonging to an organization are homogenous in all aspects and all prices, wages, and interest rates are perfectly flexible in according to the organizational policies, then the recession or recovery process would be a single process which would be quick and practically painless. An experienced employee wages equal the 3-4 fresh graduates wages whose cost to company would be low when compared to former. It is always preferable to have those young minds which are innovative and creative at times and works smart in reaching the timely goals rather than being laborious for completion of tasks. And if the Organization thinks that an experienced employee needs to be retained with the organization, firm should assign them the multiple tasks up to the possible extent but not overloading them. By making the experienced resources responsible in some managerial positions and offering them the provision of consistent support and means for supervision from the top-level management to guide the new candidates in achieving service and delivery goals much to the satisfaction and delight of the customers.

[Marketing Management by Philip Kotler, Prentice Hall, 2002, Chapter-III, Winning Markets through Strategic Management & Planning, 47-64.]

In order to retain the experienced employees from the organization, one needs to build the strong belief about the future prospects of the employee ensuring about their role in the organization and more importantly job-safety. Cognizant has employed the same strategy during that turmoil and with the same strategy they achieved the tag of fastest growing IT Services Provider around the globe. Cognizant trained the people irrespective of experienced or a fresh candidate in the sector during the period to grab the opportunities in future. By making sure that the employees would fit into the requirements accordingly, and providing them the different options like self-learning, e-learning courses to learn and understand the new technologies rather than sticking to the existing technology which they have already learnt during their graduation and the same has applied over the years for the routine deliverables thus not allowing themselves to reach the further levels in contributing to the success of the organization.

[“ Leadership in the era of Economic Un-Certainty” by Charan. R, McGrawhill, 2009.]

Training and allowing them to understand, implement the new technologies might take some time initially but it makes the employee well-versed with the same. With the same strategy we can build the confidence in the people by spending whole-sum amount for training purpose as it helps in retaining the confidence of the employee on the management. After facing the initial phase of economic un-certainty, every Organization concentrated on cost-cuttings thus enabling the clients to trust the management with respect to the ROI and value of investments. This would reduce the revenue and profits to the company during that period and on a long-term basis, this result in maintaining the healthy relationship with the clients.

[“ Applying the Theory of Planned Behavior to Explain Marketing Managers’ Perspectives on Sustainable Marketing” by Ahmed Shahriar Ferdous.]

Reallocation of the resources is another crucial factor which would create some distance between the employees and their families. Reallocation need to be carried out depending on the requirement and feasibility of the company. Depending on the designation, work-experience of a particular employee, he/she would be given the priority to serve the organization according not affecting the business continuity plan and meeting the deliverables in time. Regular Audits will be held at those which were shown to the clients at the start-up. Meeting the expectations of the customer in time is a technique which is possible only through dedicated resources for the organization. With the same approach, organizations build the reputation among the clients.

[The influence of distance factors on New Zealand expatriates’ cross-cultural adjustment by Emma M. Jenkins; Audra I. Mockaitis, School of Marketing and International Business, Victoria University of Wellington, Wellington, New Zealand]

Resource Management within the organization should be considered as a high-priority issue which requires proper attention. Resource Planning and Resource Management according to the business needs to be scheduled. As Cognizant applies Two-In-A-Box Module, On-site/Offshore Delivery module, they tend to have more resource strength at off-shore than on-site as the CTC would be increasing if the on-boarded people are in large number. They do follow a policy of 1: 3 ratios Onsite – Offshore resource strength because of which Cognizant resources would like to stay with the organization rather than opting for other organizations. And another way to look at it, the company offers huge incentives and various other activities alongside the regular work. Cognizant recruited graduates during recession period from universities who will be completing their graduation in another 6-8 months of time and gear up to face the global environment instead of firing the experienced hires. Meanwhile the organization can avail the time to plan accordingly and train them the different technologies to meet the expectations from the customers and serve them with high efficiency.

[By Rohit Eustachius, Executive – HR, Campus Talent Manager, CTS(H), Aug, 2006-(tilldate).]

Based on the above interventions for the problem, we can state that a mixture of fresh and experienced people is required in every industry and the same applies universally. With the help of experienced bunch, fresh employees into the company will learn key points and apply the same when it demands. Reduce the no. of experienced employees gradually and at the same time hire the fresh graduates to compensate work load and financial issues can be settled with less pay details.

[“ HR and IT Capabilities and Complementarities in Knowledge-Intensive Services” by Naresh Khatri\*, Alok Baveja, Narendra M. Agrawal and Gordon D. Brown]

## Conclusion

Thus we can derive that problems relating to human resource management involves so many factors and all those factors should be considered when a problem needs a necessary action to be implemented to resolve the problem. Human Resource Management involves with financial issues which plays key role in organizational structure and helps in progress of the organization. This also reveal us how to invest in those crucial times of the market forecasting the future prospects and demands in mind. Resource planning, resource management are two important areas which would contribute to organizations success in the long-run prospects. In the resource planning or resource management, monetary expansion puts inflationary pressure on prices, as more demand tries to be financed by the same pool of real resources, but this pressure isn’t always felt by all prices. Fantastic returns on equity investments is possible, particularly compared to the low returns generally available under depressed interest rates, which may draw excess monetary demand into the stock market, pushing prices go up further. If the inflationary pressure of the original monetary expansion resulted in a general rise in prices, the stock slump should be relatively mild, simply reflecting the market’s realization that firms were over-valued. But if the economy also experienced asset price inflation with little or no commodity price inflation, the stock correction ought to be quite severe, as the prices of stocks fall to reflect not only more realistic valuations of firms but also drastically lower demand for stocks. Supra-normal demand for equity investments was propped up by easy credit and spurred on by its effects, now demand has declined by that excess amount plus a panic discount, as investors who would otherwise have kept their money in stocks pull it out due to an increased in perceived risk. Once the period of heightened risk accompanying mass liquidation passes, investors will begin to see that stocks are now undervalued, and buy in again. This post-panic resurgence of equity investment will be a signal that the readjustment process is essentially complete, and normal economic growth is resuming. Tax cuts are helpful to the extent that they stimulate savings & investment and reduce the role of government in the economy, but implementing them as a means to stimulate consumption is a wrongheaded approach. Thus with the different approaches human resource management is a tough task as it involves multiple issues related enterprise resource planning, resource management, supply chain management etc. The research about the problem resulted in the following approaches to deal with the employees.

Allowing the experienced employees to learn the new technologies by means of e-learning rather than attending the in-house training sessions separately thus reducing the cost to the company when the training programs are taken into consideration.

Recruiting the fresher from the universities and train them in different technologies accordingly in place of the experienced resources when the cost to company matters as the fresher would be paid less wages compared to the experienced by forecasting the future demand much in advance.

Reducing the cost to company by maintaining or retaining the productive resources who have contributed lot to the organization’s growth ensuring the customer satisfaction to the most possible extent.

Allocating senior resources to managerial positions to serve the newly hired resources to know in and out about the organization in detail and to gain expertise on the technologies they would apply.