

# THE HINDU Business Line

June 12, 2009

Opinion – Human Resources

Columns - Impressions

## Lay off the lay-off idea

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Recession has made it imperative for companies to make their workforce leaner. But are layoffs the only way to increase workforce efficiency and do they really pay off? According to Mr Vineet Nayar, CEO of HCL, an inclusive strategy pays off better in the long run. "Firing employees is easy to do, but does long-term damage to the organisation. There is greater loyalty among employees in Indian companies, which gives us a competitive advantage. But if employees feel the company will hire and fire at will, that loyalty will go and take away the basic fabric of our competitive advantage." Recently, UNITES Professionals India, the IT/BPO worker's association, began a signature campaign to urge companies to stop issuing pink slips.

The idea behind this campaign is to urge companies to explore creative cost-cutting measures rather than resorting to lay-offs. Any knee-jerk reaction by the HR leaders could snowball into a problem for their organisations.

Jeff Schwartz, principal, Human Capital, Deloitte Consulting LLP, feels: "Managing business and talent challenges today is a high-wire balancing act. Executives are seeking to find the right balance between reducing headcount and workforce costs and focusing on strategic talent issues at the same time."

### Redeployment strategy

Redeployment of workforce could be one such answer to avoid or minimise layoffs and increase efficiency at the same time. Jet Airways, after taking back the fired cabin crew, redeployed them in business class lounges. Their task is to assist passengers at airports, smoothen the check-in process and collect feedback from the passengers.

The consistency and intention of such moves, however, remain to be seen. Corporate India can actually take a leaf out of the efforts of government departments. Recently, the Kerala government decided to re-deploy 500 employees of various departments in local self-government institutions.

This included employees of the Kerala Housing Society Board (KHSB), the Sericulture Co-operative Federation (SERIFED) and employees of various schools who will be redeployed to gram panchyats, block panchayats, district panchyats, municipalities and corporations. Such models can be replicated with success in the private sector as well.

### For a fair exit

Of course, avoiding layoffs may not be always possible. It is a sensitive and often politicised issue in countries such as India and can de-motivate the remaining workforce. In such a situation an 'outplacements' strategy comes in handy. It reduces the stress among the laid-off staff as they are assisted in their search for a new job.

Tata consultancy Services, for instance, in March, decided to lay off 1,300 employees, assuring it would help them in outplacements, counselling and fair exit. KPMG India launched an outplacement division — Manpower Optimisation & Career Transition Services. Similarly, consultancies such as Right Management, Kelley Services, and BTI Consultant, in India are offering outplacement services and many corporates have already benefited from them.

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