Men put on hold as India Inc chases women workers

It’s the flip side to the gender diversity policy being followed by top corporations. With the latter going into overdrive to hire more female employees in order to achieve a better gender balance at the workplace, applications from male candidates have begun piling up. Not only that, with companies extending deadlines in their quest for good women candidates, job openings are remaining vacant for longer durations.

A section of hiring agencies said that they were being pushed to such an extent that they were neither able to meet the gender diversity objective of companies nor were they being able to do justice to the applications from good male candidates. Meanwhile, job openings which have to be closed within 45 days have been getting extended to 90 days. A few companies admitted to waiting as long as three to four months. So much so that in some sectors, almost a quarter of all available positions have been lying vacant for the last three quarters.

According to the internal data of the last three quarters shared by Elixir Consulting, a recruitment process outsourcing firm, in sectors such as consumer durables, retail and FMCG, there are 27 per cent positions lying vacant in finance, 22 per cent in marketing and 16 per cent in brand management. The data, which reflects the general trend in the search industry, reveals that during this period, almost 100 to 50 good applications from men have remained pending. The firm said that in functions like HR and corporate affairs, where the demand was only for female candidates, 100 per cent of the open positions were closed successfully with women hires. However, a deviation was seen in functions like sales and legal, where 75 to 80 per cent of all positions were closed with male candidates. The reason: these positions could not attract the right women candidates even after a wait beyond the stipulated period.

“In cases where the position is not closed within 45 days, we have seen it getting extended even till 90 days in a wait for the right female candidate. It is when the 90-day period is over and a white flag is raised, signalling that the wait is over, that the search for a male candidate begins,” said Harish Madan, manager (FMCG), Elixir Consulting.

(Source: The Times of India)
Govt companies add thrust to staff retention policies

Barging a job in a public sector undertaking (PSU) is like a ‘mission accomplished’ for most. The reason – the future is secure. But today, it has also become a battleground against the private sector counterparts. “At the entry point, the salaries offered in a public sector are higher than what the private sector offers, but, as you go up, the slope starts becoming steeper in the private sector, unlike what we (PSUs) offer,” said K S Jamestin, director - human resources, ONGC. Despite this, the executive attrition rate in major PSUs, such as ONGC and NTPC, is less than one per cent. This speaks volumes about employees’ confidence in these companies and their HR policies, said a senior NTPC official.

ONGC has faced poaching of staff at the senior management level by private sector companies. In fact, most of the private sector entities in the petroleum industry today boast of trained manpower from PSUs such as ONGC and Oil India Ltd and even refiners like Indian Oil, Hindustan Petroleum Corp, and Bharat Petroleum Corp. At the entry level, attrition is seen to be lower in PSUs because they make huge investments on training these employees and offer better packages than the private firms. The problem arises at the middle- level, said Jamestin, adding that it is at this level that the career reaches a plateau, and salary is lower than in the private sector. In 2006, ONGC launched a scheme to woo back its former employees, especially in core activities, such as geosciences, engineering, and finances. When the company launched this scheme, it received over 300 applications, of which it short-listed 130 to 140 people. Besides, it worked out a set of parameters to ensure that the option to rejoin the company was not misused.

“We are in the constant process of succession planning to build a strong and continuous leadership pipeline,” an NTPC official said. “The reasons for attrition are mainly attractive salary packages in the private sector, along with better career and growth prospects.” Though PSUs continue to make efforts to bridge the gap between the public and private sector, it may not be fair to draw parallels between the salary structures of the two as public sector policies have to fit in with the socio-economic reality. Staff in public sector not only enjoy a work security unlike in the private sector but also get a range of benefits and perquisites that are not monetised, such as accommodation at subsidised rates.

So, what do public sector companies do to retain talent? For one, ONGC has built a mechanism that rewards performance. In lieu of the Performance Incentive Scheme, the company has implemented a new scheme called Performance Related Pay, which relates to the performance of the organisation and the performance of its employees, said Jamestin. The scheme is based upon organisational performance, which determines the distributable kitty. The differentiation based on Employee Performance (PAR score) moderated through the ‘bell curve’, the position of the employee in the hierarchy and the role (field and office roles) are factored in.

Furthermore, since a PSU cannot have a hire and fire policy, it offers a VRS scheme. According to NTPC, as a freshener what one perceives of a company is mostly due to what he has heard of it in the market and through interactions with various stakeholders. But, what will hold him back is the company policy. HR policies play a vital role in keeping the employee engaged and motivated. “At NTPC, we have also put in a lot of effort to increase the welfare activities, both for the employees and their families,” the official said.

According to Indian Oil officials, the company had conducted its last employee engagement survey in 2007 and level of engagement during that time was found to be about 70 per cent, which is considered to be high. “We are repeating the survey in 2012, which will give us new insight regarding the employee morale,” the official said.

Fahad Forbes was all set on a career in the US after graduating from Stanford, until a visit back home made him change his mind. After coming back, Forbes joined his father at Forbes Marshall and today, runs the business along with younger brother Naushad. What is your management philosophy?

Early on in life, one tends to be driven by ‘B-school thinking’. But over time, you learn that your intuition matters. If it doesn’t feel right, don’t do it, no matter how good the numbers. Similarly, if you are convinced about something and the numbers don’t necessarily back that up, I’d say go ahead and still do it.

What do you do in times of trouble?

In times of trouble, it is important to rely on your conviction and values, both personal and corporate. We spent a lot of time developing our corporate values. No matter how difficult the problem, if you are not sure how you should do it, step back, go back to your values and you’ll see the right path. I believe that no matter how tough the situation, if you persist, you can work through these. There are experts and forums available to see companies through this. Consequently, there is a lot more knowledge and much greater opportunity for success if transitions go through smoothly. Luckily in India, there is a belief in preserving family businesses within the family, similar to Europe and Britain. Given the strong family values and exposure to best practices, they wouldn’t do well in the future.

How do you see the future of family businesses?

Family businesses have a very bright future in India. The biggest reason for the failure of family businesses was that they weren’t able to manage the transition between generations smoothly. Over time, one learns how companies have managed transitions and can work through these. There are experts and forums available to see companies through this. Consequently, there is a lot more knowledge and much greater opportunity for success if transitions go through smoothly.

(Source: Livemint)

(Source: Livemint)

(Source: The Economic Times)

(Source: The Hindu Business line)

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Veritas tears into Indiabulls
CANADA-BASED RESEARCH FIRM SAYS PROMOTERS OF THE GROUP HAVE SACRIFICED CORPORATE GOVERNANCE TO ENRICH THEMSELVES

Shares of four Indiabulls firms plunged sharply after a Canada-based research firm pointed out serious irregularities in the group, which in turn warned of criminal proceedings against the authors of the report for "an intentional act for profiteering". The stocks went into a tailspin after Veritas Investment report about Indiabulls surfaced at the broker terminals and in dealing rooms here this morning, wherein promoters of the group have been accused of sacrificing corporate governance to enrich themselves, besides other allegations.

Veritas has hogged the limelight in recent months with its equally damning reports about other Indian entities -- Reliance groups, DLF and Kingfisher. Veritas' Neeraj Monga, who has authored most of its reports about Indian companies, did not reply to queries on whether the research firm had contacted Indiabulls before publishing its latest report. Indiabulls said in a statement that it "will initiate appropriate criminal proceedings on the authors of the research report for publishing false and factual-ly incorrect data, to create sensation and entice people for benefiting through trading, for the sole purpose of selling their research reports for money." Claiming that the report contained intentional error on basic factual data, which is resulting into loss for thousands of shareholders, Indiabulls said that erroneous figures demonstrate "the malafide intentions and criminal actions under Indian Penal Code."

"We firmly believe that this is not an oversight but an intentional act for profiteering." In a detailed rebuttal of the points made in Veritas report, Indiabulls said: "The allegations are factually incorrect and have ignored disclosures in public domain made through the annual reports of 2010-11 and 2011-12, which have also been circulated to the shareholders."

Veritas report has said that public disclosures made by Indiabulls Real Estate and Indiabulls Power are unreliable and that the sole purpose of Indiabulls Real Estate "is to bulk institutional and retail investors for the benefit of select insiders."

(Source: FPJ)

Indiabulls submits email evidence of Monga demanding money

Under attack from Canada-based Veritas for alleged governance lapses, the Indiabulls group has accused Veritas' research head of profiteering by helping subscribers to enter short positions ahead of the wider release of the report. According to an official, "Heavy short positions were built up in the stock ahead of the release of the report on Wednesday enabling people to take heavy profits by squaring off when the prices fell."

"Police have booked Neeraj Monga, Nitin Mangal and Veritas Research Corporation under Sections of 383, 384, 420, 500, 506, 511 and 120U under FIR No 99 dated 8th August 2012. Indiabulls officers filed complaint to the police against malafide Veritas report along with email evidence where Neeraj Monga has demanded money through his personal email and that if monies are given in time he would hold back the report," the group said in a statement published in popular email group Stocktalks. The statement added that Veritas report has been published with gross incorrect data about each of its three flagship companies.

The statement further said that Veritas report dated August 1, 2012, was released to certain select groups of people before and was released in media and to the institutional shareholders after 7 days on the 8th August 2012 along with a TV interview on 8th August by Neeraj Monga.

(Source: Business Standard)

Jet to hive off flyer plan

Aiming to double revenue from its ancillary business in the next two years to $300 million, Jet Airways has said it hopes to hive off its loyalty programme JetPrivilege into a wholly-owned subsidiary in the next 45 days in an effort to create a new revenue stream. "We hope to make a final decision on creating our loyalty programme into a separate company in the next 45 days," Airline Group chief executive Nikos Kardassissaid on the sidelines of launch of JetPrivilege-HDFC Bank credit card here. Kardassissaid the airline aims to garner around $170 million last fiscal, Jet Airways Group vice-president (marketing) Manish Dureja said.

At its annual general meeting on 3 August, Jet had sought approval of shareholders for setting up an aviation training academy and a marketing services company at an initial investment of Rs.30 lakh each.

"We have already received shareholders' nod. Now we are awaiting our Board to clear the proposal," Jet Group Vice-President (Marketing) Manish Dureja said.

Jet, which reported a surprising profit of Rs.36.4 crore in the June quarter after being in the red for the previous five quarters, has around 2.8 million members under its frequent flyer programme JetPrivilege.

(Source: Firstpost)

Lessors, banks to invoke guarantees by UB holdings

Certain aircraft lessors and bankers to ailing Kingfisher Airlines (KFA) have invoked corporate guarantees given by Vijay Mallya-led United Breweries (Holdings) and negotiations are on over the issue. As on June 30 this year, the total corporate guarantees to banks and aircraft lessors stood at Rs.8,919.86 crore, according to UB Holdings' auditor Vishnu Ram & Co.

"Certain aircraft lessors and bankers have invoked the corporate guarantees given by the company (UB Holdings) on behalf of KFA. Earlier this week sources had said lessors wanted to take six aircraft back. AEP."

The total amount invoked and outstanding as on 30-06-2012 is Rs.835.77 crore and KFA is under negotiation in this regard with beneficiaries," the auditor report said.

UB Group Chairman Vijay Mallya faulted on rentals. However, the Airport Authority of India (AAI) had refused to allow the lessors to take back the aircraft.

Following this, one of the lessors had sent a legal notice to AAI for not passing the releasing order. AAI's contention was that it could not let the aircraft go, as it too had to recover dues of about Rs.300 crore on account of landing and parking fees from the near-bankrupt KFA.

(Source: Firstpost)
Regional bourses seek easier norms to stay afloat

Regional Stock Exchanges (RSEs) in India have demanded relaxation of operational and shareholding norms to stay afloat. There are 16 RSEs in the country. Among these, Bangalore and Ahmedabad have chalked out merger plans with other exchanges. In a meeting held on Tuesday, Sebi asked RSEs about their business plans before giving any assurance on relaxation of norms. RSEs have expressed their concern over the five per cent cap on shareholding rule. They have sought relaxation of the Rs.100 crore net worth norm and the Rs.1,000 crore trading turnover criteria, among others.

Currently, only a few domestic institutions including banks, insurance companies and stock exchanges can hold up to 15 per cent in another exchange. However, there are several foreign players who are interested in supporting RSEs revive but have their apprehensions due to the five per cent cap on shareholding. RSEs have expressed their concern over the 5 per cent cap on shareholding. Seek relaxation of the Rs.100 crore net worth norm and the Rs.1,000 crore trading turnover criteria Sebi has given three years to stock exchanges to meet the Rs.100 crore minimum net worth norm. Experts say, many RSEs will find it difficult to achieve this norm. Stock exchanges that do not have any trading on its own platform or where annual trading is less than Rs.1,000 crore may apply for voluntary de-recognition and exit from business.

Except Calcutta, no other RSE has seen any trading on its platform for many years now. The Delhi Stock Exchange has the necessary permission from Sebi to launch operations and is expected to go live this year following the London Stock Exchange picking up five per cent stake in it and providing the exchange with trading technology.

BSE SME Exchange to lure companies with direct listing option

Many companies listed on dying regional stock exchanges are likely to take shelter under the BSE SME Exchange with the newly-launched bourse planning to allow them direct listing as part of a strategy to consolidate its position in the space. The facility, however, will be offered only if there is a three-year market making arrangement for investors to exit - one of the Sebi-prescribed eligibility norms for new listings on SME stock exchanges.

"We are hopeful that at least 1,000-2,000 out of about 7,000 companies listed on dormant regional stock exchanges will opt for direct listing on our SME platform over a period of time," said Lakshman Gugulothu, CEO, BSE SME Exchange. Since its launch in March, five companies - Max Alert Systems, Monarch Health Services, Sangam Advisors, BCB Finance and Jupiter Infomedia - have raised funds through initial public offerings (IPOs), with equity offers in the range of Rs.4 crore to Rs.12 crore. Five more companies will soon get listed on the exchange. Another 10 are likely to debut in two months, said Gugulothu.

Focus back on India outsourcing by banks

Outsourcing of key oversight jobs by global banks to India has come under the scanner for the second time in less than a month. The Standard Chartered Bank is the latest institution to be identified as a conduit for terrorists and money laundering. Among the explosive findings is one that has found deficient money laundering controls in outsourcing of work by StanChart to India, thus exposing the US financial system to terror financing and other risks.

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