

# HR Plays Footsie With The COO

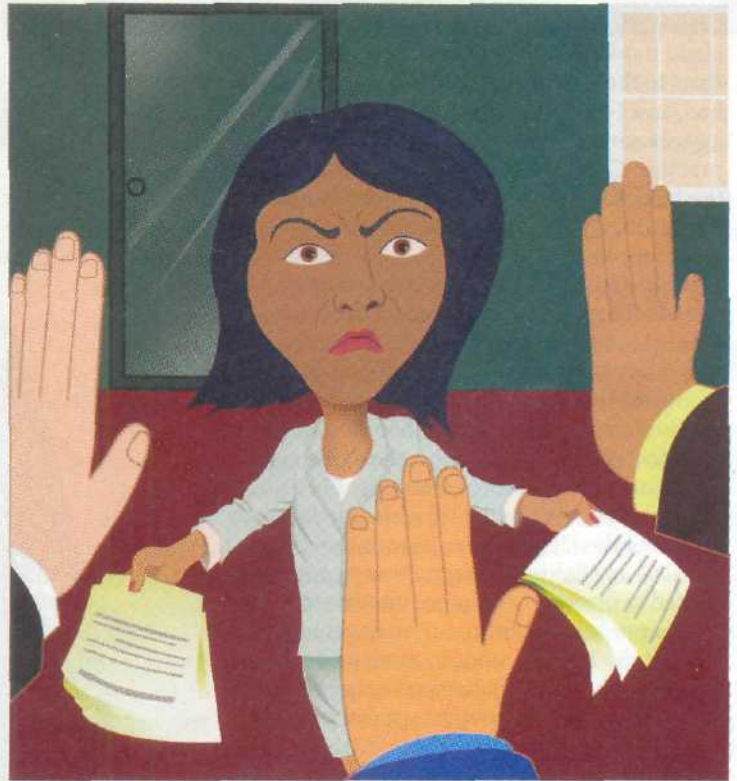
TULA BEDI WALKED INTO HER OFFICE ON THE 18TH floor of Kontos House. She flipped open her laptop to switch it on when a post-it stuck on the screen stopped her. It was from her husband Karan. "From Dr. Seuss via our little Siv: "Don't cry because it's over. Smile because it happened." She smiled but was soon overtaken by a rush of hot tears. The last 45 days had been a non-stop rollercoaster of stress, sadness and struggle for the entire family,

**A quick recap:** *In part one of this case, we met Tula Bedi, brand director of Kontos, a \$3 billion ad agency. T&T's \$100 million B2 account had been won by Tula in a competitive pitch against 12 other large agencies. And just when the creative round of the pitch was commencing, the entire account was yanked off from her by Sophie Turner, one of the creative directors with a clout. Worse, Turner appointed her own account management team, after the account was won — and shut off Tula. Sophie used unprofessional and abusive words to undermine her, withheld information on the account and disrupted and derailed her efforts. Tula discussed these with CEO Ralph Warner and MD Patrick Lea. (Each country's operations was headed by an MD who reported to the CEO for the country.) Ralph said he was helpless, as Sophie was the girlfriend of Greg Timms, the global COO. Finally, Tula was declared redundant in a manner that took away even her light to claim unfair dismissal. In part two, Tula filed a grievance complaint with HR and brought the ugly 'R' word to the table. But HR demolished her racial discrimination theory with "unless you can prove it, Ms Bedi!"*

Tula's phone alarm rang just then. It was time to meet Arnold Rowe, who managed the performance reports and scorecards in HR, about why she had been chosen for redundancy, why her records declared her skills set as 'non-transferable skills', when Meg Winkle and Alex Ross, the Group HR head had told her during the grievance meeting that her redundancy had nothing to do with her performance; "Someone had to go, that is all!" — had been their view.

Arnold told her that the decision had been based on her scores, a fact that stunned Tula. Winkle had not shared this detail with her even as she had sworn through painted lips that the redundancy had nothing to do with Tula's per-

Power is not an institution; it is the name attributed to a complex strategical situation in a particular society.  
Michel Foucault [adapted]  
by meera seth



formance. Now, Tula noticed she had been scored by people who had hardly spent any time with her. Three out of five rating her experience were those who had never even seen her CV and were scoring her on areas that they knew very little about! Arnold was unaware of her grievance complaint, and said, "Your scorers were told that you were generally unhappy with the management, and may not wish to stay on."

**Tula:** Three things are interlinked, Arnold; my redundancy, my complaint of discrimination and this sham scoring process.

Tula walked in a daze back to her office where

she saw a note asking her to drop by at the office of Franz Muller (Franz was the chair of her grievance meeting along with Ross.) Once there, he called in Ross too and together they explained to her how they had been discussing 'all this' and he did think unnecessary dust would fly and unnecessary heads would roll — and is this what a well-meaning manager wanted? "We are here finally to do business and get on with our lives, you will agree Ms Bedi," said Muller. "But I do see how much all this has hurt you and distressed you."

Then placing a sheaf of papers before her, which were neatly typed in Times Roman 10, he said, "This is um... a without prejudice meeting. We would like to offer you a compromise agreement. We are making you an offer of €15,000 and if you were to accept and sign off your rights we will close the investigation right away, leaving both parties, rather.... erm... satisfied."

**Tula:** Are you offering this to me for hurt feelings or to brush this under the carpet?

Alex Ross: Whichever way you look at it, the offer cannot be disclosed, it has a 48-hour acceptance window and will mean that you sign off all rights to take this forward in any way.

**Tula:** You confound me, sirs. At the grievance meeting you told me I was declared redundant because 'someone had to go'. But today Arnold Rowe showed me my 'scores', rated by people who have never worked with me in the past, nor even seen my CV. Clearly, you left a trail of bread like Hansel of Gretel fame! Why, you also told Arnold that I had a 'general complaint' against the management; so I had to educate, Arnold that I was 'specifically unhappy' about how someone could get away with gross misconduct and bullying, whilst senior management could do nothing about it, even if it managed to change the organisation structure and create conveniences for a certain director's lady love! The fact that HR wants the complaint to be withdrawn for €15,000 and a compromise agreement, speaks volumes, sirs! So, we will go ahead with the investigation, Mr Muller. I reject the compromise offer.

A few days later Winkle called Tula to tell her that the investigation (of the witnesses to the racial charges made by Tula) was complete, "and although all of them confirmed what you said, no one could point at outright racist behaviour. The investigating team agrees unanimously and concludes: It was bullying and personality clash, but no proof in evidence of racism; hence, Sophie Turner need not apologise, The investigation should instead now focus on Patrick Lea, MD, for even suggesting the 'R' word and inciting you by hinting at any, I am sorry, there is no proof of a racial attack or

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Tula was intrigued. Something was wrong. She asked to see the minutes of the grievance meeting (GM) that was held a few days ago, which should have been the basis for the investigation committee.

When the lac sealed green envelope arrived that day, Tula was shocked. The transcript that was sent to her was 49 pages long, whereas the transcript of the minutes as recorded by Tula on her digital (unknown to Meg, Ross and Muller) was 86 pages (also typed in Times Roman 10, the standard at Kontos). The notes seemed to have left out key parts of her complaint (as if on purpose). There was only 40 per cent of the meeting in those notes and in some places truncated so that the verbs did not transit!

On net what had been done was that all references to documentary evidence, episodes, examples, names of relevant people had been 'excluded' by HR so that Tula's complaint seemed to have no substance and even appeared vague and meaningless. Tula played her cards carefully. In alaborious process, she sat and inserted the 'edited' portions in red and sent them to Muller, so that he could see that she had cottoned on to a certain game playing out.

Now as she sat back drained out in spirit, she could see that the basis for the investigation itself had been distorted. As she told Lea later, "HR had not reckoned that I would record the meeting without their knowledge. They have played dirty!"

Tula realised now that Kontos was trying to sidestep the matter. Putting Arnold's testimony on record, so that it did not go unnoticed, she wrote afresh, piecing the perspective:

- "I was surprised to have been selected for the redundancy process given that we had won a massive piece of business (\$100 million) and the account was bigger and better than our other accounts.
- The new organisation structure now has two new positions for T&T: account director and worldwide brand manager; yet I had not been invited to apply for either. If redundancy was due to financial woes and someone had to go how come a position higher than mine was created to deliver the same job?
- I wish to know how was I selected (for redundancy) out of the pool of four brand directors? If it were on the basis of my performance, then I would assert that the actions of Sophie Turner clearly had an influence on how my performance was perceived; the appraiser would need to consult with my team, or my clients in order to assess whether I was good operationally, had leadership skills, team skills, etc. If no one from my area was consulted, then how did they assess

each skill area? The score card that is the basis for declaring me 'skills non-transferable' has been scored by those who do not have the legitimate capabilities or qualifications to score me.

A week went by and HR dodged every time she asked for a copy of the investigation report, until she finally sent a legal letter alleging constructive attempt to exclude her.

When the report finally arrived, it was clear that the chair had:

- Chosen to investigate only Hazel and Mikhail (and not the six others in her list)
- Would not put Tula's scores under a magnifier or examine the capability of the scoring panel
- Chosen to play on semantics just to strengthen their point of view
- Relied heavily on Sophie Turner's testimony and had not investigated the MD and CEO (despite many requests)
- Averred that no one alleged discrimination
- That Sophie's behaviour was normal for the industry (sic)
- As for Tula having heard Sophie's rude remarks to Hazel Keepers, Muller's notes said, "Those remarks were not meant for Ms Bedi's ears, hence, cannot be submitted as proof. The fact that Ms Bedi did hear it is irrelevant so long as Turner has the right intention.
- And lastly, Muller actually recommended undertaking an investigation of Lea for suggesting discrimination without 'evidence' (and not because Tula had wanted his evidence in favour of the racial allegation)

In a letter to the management, Tula rejected the findings of the grievance meeting (for distorting the proceedings) and went into appeal afresh. She wrote: "I am appalled that the company would rather trust Sophie than take the word of Lea. I also found it extraordinary that the only sanction Sophie faces is a 'conversation' with Mr Timms! Given her behaviour, I thought it would at least have warranted disciplinary action, an apology or help from HR with proper diversity training rather than a very friendly chat with Timms, which does not promise to be corrective, considering he is her boyfriend!"

Tula's appeal was fixed for the next week. Addressing the panel, she summarised key points and reminded them that none of the recommendations made by her and agreed upon by Muller had been implemented. "This sadly proves that this entire process has been nothing but a sham," she said. "My redundancy was based on an 'assessment', which was not shared with me, the scorers for redundancy did not know me well enough, the appraising body (Arnold) was not told that I have an ongoing grievance complaining discrimination, organisation structure was shuffled in an underhand manner, I was surgi-

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cally removed from the account, and then told contradictory words such as a) skills not transferable b) redundancy' was not based on performance but 'someone had to go'.

"Finally, there has been a subtle craftiness to strategise my departure just before the end of my legal term of one year so that I would be sacked yet unable to claim unfair dismissal; any well-meaning organisation would not sack the person who restored a \$100 million account in a period of recession." Disturbingly, Muller chairing the appeal was aggressive and painfully combative towards Tula, as he began with: "You are appealing something that hasn't happened — am unclear what your grievance is: Redundancy or discrimination?" *Was Muller wanting Tula to think redundancy than discrimination?*

**Tula:** I clarify again that the two are intrinsically related and that the chair should have at least known my complaint by now, considering it has gone into an appeal stage. That the panel remains seemingly clueless about the context surrounding my complaint does underscore my lack of faith in the process.

Alex: Ms Bedi, Muller's investigation did not conclude discrimination!

**Tula:** Of the four people, two have gone on record to state that it was discrimination and indeed racial. That is 50 per cent poll!

Alex: Those were mere words! Lea has no evidence! Discrimination has to be age, sex or race. Your job was undermined not due to these reasons... (*Jeaningforward he said very loudly*) you really have to prove it. You have been bullied, sidelined or harassed, but that is NOT discrimination (at each word, he raised his voice in anger). At this point, Tula broke down rather badly, harassed, cornered and alienated.

By end of the hour not much was achieved and the panel asked to reconvene at 5 pm.

Tula called her lawyers Darwood & Daftary again. Abraham Dayne, her lawyer, told her to somehow obtain the testimony of Lea from the investigation.

Tula approached Amy Whitner, the HR officer assisting Winkle, for guidance; Amy simply gave the testimony papers of the witnesses to Tula saying, "Go ahead, here they are! I just 'lost' them!"

Tula read the testimonies. Ralph Warner, the CEO had clearly testified to discrimination. His words: "Yes, that was discrimination by any measure, but I have no proof to offer."

Hazel Keepers: Sophie was rude, abusive and disgustingly mean to Tula. She went out of her way to obstruct her performance.

**Mikhail Fedor:** *Gospadil* (Russian for 'Oh Lord') She was abnormally vicious.

*But there was no testimonial evidence from*

the MD, Patrick Lea! Why?

Confused and angry that there was no questioning of Lea, Tula arranged to meet him at a cafe. "Oh yes, I explained Sophie's discrimination, her withholding information from you, and they asked — where is the proof!" Lea said. "And I said to them I am a witness! They said can you prove it? I said I could testify in a court. They said — you think its racism, it could just be a personality clash. I said Tula is a professional. She is more prone to dealing with such things professionally. She bit the bullet as a brand director and did not once complain about the pitch being taken away — personality clash was out of question!

"But they got the last word — 'you think it is racism and have no proof. You had no right to put such ideas in Tula's head and insinuate racism where none exists! We will investigate your comments for supporting her against 'one of us!'"

**Tula:** Oh God! I am so sorry! I do hope they don't give you grief.

**Patrick:** Tula, of course they have 'investigated' me and have given me grief as well, which I am quite proud to own.

**Tula:** What do you mean?

**Patrick:** Oh! They placed me number 63 on the redundancy list this morning, and sent me home. I would rather not work for a company where my word as an MD does not count. I was let down by senior management and my lone voice was being drowned in the politics of it all. But they have technically dismissed me and paid me off for the notice period, which is how my testimony cannot count. Having me on the premises is more dangerous, they reckoned.

Tula choked. She could not believe, her ears. "What! And Ralph?" she asked.

"We had a nasty argument over this," Lea said. "I told him he let us down. He said his ambition is yet unfulfilled. He has come all the way here to rise higher not brush with silly ideologies, as he puts it. His words: "Things cannot be changed Patrick just because you want them changed. This is an organisation, not a church. I did my bit, I told them I believed it was discriminatory but they wanted proof. I am not testifying please."

Her body now numb with a sense of complete failure, Tula asked Lea, "Or has everyone ganged up against me?"

**Patrick:** I have spent time thinking a lot about this Tula. In most utterly dishonest situations, one is shaken enough until the employee skin is torn off and the naked human is left. I realised that it was all hunky dory till you formally complained. Once you pushed for investigation, blamed HR for lacking spine and increased



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That evening Tula, her husband Karan and Lea met in silence each pondering on the issues. Karan knew they had spent every penny they had on fighting this battle, something he had urged Tula to take on. He could not even bring up their financial state now. Tula's sense of defeat was large and unbearable. And Patrick said, "Cases like yours are brought to the tribunal but tribunals have too much paperwork to deal with too — the reality is they often want the case off their desk — unless it has high publicity or celebrities involved. To prove such complex politics is often difficult and the cases are dismissed for no apparent reason. We can disregard all this Karan, and continue the fight..."

And then her lawyer said, "It is not worth the publicity you will get — your name will be forever linked to a 'R' case and you could do with a better legacy". Her grandfather said, "Beta, it is not worth your health, financial pressure and a whole lot of new battles that will commence. The system is designed to ensure you won't win this. *Rehne do...*"

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**Concluded**

**Classroom discussion**

*Do organisations need a conscience or is the profit motive supreme?*

## It is All About People



Smart companies will deploy culture as a strategic weapon in the marketplace

"THIS IS AN ORGANISATION, NOT A CHURCH!" SAYS Ralph Warner to Patrick Lea, when questioned about his reaction to Tula's grievance hearing. I believe this sums up the collective belief of a majority of the Kontos executive team, be it from HR or operations. A belief that values of fair treatment and just decisions are not the core concerns of a profit-making corporate entity. Why Kontos? This belief is all-pervasive, and extends across geographies and culture in today's Wall-Street-centric business world. This belief is what drives organisations to look the other way when challenged with issues such as Tula's — of racial, gender or any other form of discrimination. They make the mistake of assuming that such issues are not going to affect business. They tend to trivialise employee concerns that come to the fore as individual issues. Hence, the natural reaction is either to suppress or to throw out the baby with the bath water, exactly like Kontos did with Tula. However, recent studies have shown that there is a direct correlation between employee engagement and profitability. Organisations that have built a culture of treating employees well, always benefit. And the vice versa holds true too — when you have an organisation which fails to promote a healthy work culture, it fails in the long run.

We can see this playing out in Kontos. A reputed advertising agency, Kontos has all things right on paper. But in practice, it does not care to implement even the basic tenet of respect that no employee, big or small, should abuse/misbehave with another co-worker. Everyone watches as Sophie, perhaps due to her racial bias, gets on Tula's case, but no one does anything to put a stop to it. Even HR is more bothered about quieting Tula down, rather than investigating what led to an employee feeling victimised and addressing it effectively. In the process, Kontos lost a great chance to correct a critical organisational issue before it starts affecting its core business. Kontos is just starting to face the twin challenges of globalisation and workforce diversity. Tula's complaint should have triggered it to correct the underlying culture issues that led to Tula's feeling of discrimination. This would have gone a long way in helping Kontos attract and retain the best tal-

ent irrespective of ethnicity, gender or race. We can only speculate on the effect this will have on other employees of the same ilk.

There will be an exodus of the best people for sure. Any organisation such as Kontos, is only as good as its best people. Tula, as a brand director, demonstrated how she could turn around a difficult account like T&T, and wins the account back against stiff competition in a difficult year. Kontos is losing such front-line people due to the insensitivity of the executive team. This will impact Kontos' profitability. Kontos may lose valuable clients such as T&T when it lets go key executives who have shepherded the account.

Progressive organisations, globally, are now realising that profitability and long-term sustenance are very closely linked to employee morale. Southwest Airlines, Starbucks, Google, and right in our backyard, ICICI have demonstrated beyond doubt that promoting an employee-centric culture can be a huge competitive differentiator, especially during difficult market conditions. ICICI, for instance, is known for its success in promoting gender diversity in an area such as investment banking that, even today, is a male-dominated world. This has greatly benefited ICICI as it has been able to attract and retain talented women bankers even though its salaries are in the lowest quartile among investment banks. HCL Technologies is another example of a company that subscribes to this philosophy. "Employee first is not a socialistic or idealistic statement. It is a strategy that will help you grow," says Vineet Nayyar, CEO of HCL. He is well placed to comment given his work in transforming HCL by putting employees first.

The changing nature of the workforce is another factor that is making enlightened companies adopt this employee-first philosophy. The Gen-Y workforce, look for, and demand a democratic workplace, for they have been brought up on these ideals. Tula Bedi belongs to this generation. She and her compatriots will not tolerate negative biases and unprofessional behaviour, even if it is from their own bosses. They will raise their voice and want to be heard. The repercussion for the organisation could be manifold. At risk would be its corporate reputation built over time, as also its customer base, and exposure to legal liabilities.

In the fast-evolving information economy of today, it is increasingly clear that organisations will win or lose in the marketplace on the strength of their employees. Culture will be the strategic weapon that smart companies will deploy to compete in the marketplace, and it is what will guarantee them success in a changing world. Employee-first may not be a choice anymore. It will be a matter of survival.

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# The Shadow Side



The public face of an organisation is clearly not the only truth or reality

THIS CASE REALLY HITS YOU HARD. ONE CAN FEEL A deep sense of support for Tula and admire the way she has single-handedly taken on the 'powers that be'. Here is a true fighter. One who has an innate sense of justice and fair play, the courage to confront the adversary, who is not an individual but a complex alliance, and the discipline to proceed in a very level-headed systematic way. She could be a role model for many who are unable to grapple with such forces.

The case opens up the fact that organisations, perhaps like people, have many 'sides' or 'faces'. The public face is clearly not the only truth or reality. There is a shadow playing here. A deeper, darker inconvenient truth. Boundaries are more than between functions or between hierarchy. There is a subtle layer, which is often taken for granted and not really paid any attention to. These 'lines' have their own power equations. Race, community and gender are some of the lines that form the basis of these dividing lines.

Interestingly, Tula is hired by the organisation. At this stage, the shadow side is not apparent. It is in fact triggered by her success of winning a \$100-million account in a competitive pitch against 14 other large agencies. She obviously gets a lot of accolades for it as well. But what is it about the success that triggers the darker forces? To my mind, it sparks deep envy (the infamous green eyed monster). Sophie Turner is the 'owner' of that and her abusive behaviour is supported by the top management, and then by HR. So, it seems that envy creates hatred and then sets in motion a complex political process, one which begins by enrolling the support of key people, boyfriend COO, the HR and other sundry bystanders. The alliance built up by Sophie then becomes this huge obstacle that Tula has to fight single-handedly.

The envy-laced hatred takes the form of abuse that looks racial. Perhaps, there are some underlying assumptions here. One such assumption could be the 'one-of-us' syndrome. This presupposes that only 'one-of-us' can partake of success, which reminds me of a story I heard some years ago about a lower caste person in Bihar who saved up money to buy a motorcycle. This angered the upper castes and they set about destroying the motorcycle, embodying the belief,

perhaps, "how could he become like 'one of us'".

These are forces at work that attempt to destroy the democratic process that nations and, indeed, organisations wish to make part of their way of being, their fabric. Perhaps, such setbacks are inevitable and democracy, or the democratic spirit, cannot be easily realised. Take India, for example. The legacy at Independence was a deeply unequal society, with huge gender divides, caste divides, linguistic divides, communal divides, and so on. Even today, more than 60 years later, we are still on the way to being democratic in spirit and action. But the process cannot stop. The fight against injustice and the restoration of the spirit of equality needs to be continuous. It is this fight that we can see in Tula. Sadly, the support is limited. While her husband is behind her, one can see others like her grandfather who say '*rehne do, beta*'. When a single person is up against the likes of racism, it is not easy to fight on. The need to protect one's family and career becomes the overriding need that puts an end to the attempt to seek justice.

What also stands out is the clarity with which HR comes across as biased. While countries have judiciaries that are supposed to be independent of the executive and the legislature, one does not see the same in organisations. HR comes across here as the stooge of higher management quite regardless of the actual issue involved. How necessary it is to develop a body that is truly independent and beyond bias! Governance is a necessary part of this movement towards democracy and equality.

All that said, one can only admire the way Tula has handled the situation. Her pain is so palpable. Her approach is mature, but the forces of anger it arouses shows the link with terrorist movements and how felt injustice can become the basis of violence at large. All the more reason why Tula's maturity stands out. Even though she seems to have 'lost' the fight, to my mind her spirit, her ability to see things clearly and her way of responding decisively, stand out. Perhaps unknown to her she would have inspired many. As her husband aptly quotes Dr. Seuss, "Don't cry because it is over, Smile because it happened."

The violence of Sophie's response and the way she gains the support of significant people conveys what she feels she lacks, which is why she feels so envious in the first place. Her perception says "Tula has something I cannot bear to see". So, while Sophie appears to win the battle, she is the one who is lacking.

For the Ethics commentary on the case, read Ananya Kumar's views at [www.businessworld.in](http://www.businessworld.in)

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