

Company Policies

A red rectangular graphic with a white background. The text 'WEEKLY LEARNINGS' is in a bold, white, sans-serif font. The year '2023' is in a large, white, cursive font. Above the text, there are several lightbulbs of varying sizes, some with lines radiating from them, suggesting ideas or learnings.

WEEKLY LEARNINGS 2023

Weekly Learnings 23 / 2023

Last week Farmers Insurance company made the news. The new CEO Raul Vargas changed the remote working policy to three days' work from the office and some employees threatened to quit. Here are some learnings from what I have seen on policies:

1. Companies should think through policies since some are irreversible when employees make decisions. For the Farmers Insurance company, employees had sold their cars and relocated themselves because the company promised 5-day remote working.
2. The Work from Home policy has seen many twists and turns in India. A few companies announced office closure and now are asking people to get back. This causes heartburn and attrition. I feel every policy is misused - so WFH became work from hometown for some!
3. Every policy has a positive intent and negative unintended consequences. Some are formal policies like the remote working guidelines and some informal policies like dress code, meeting attendance, first name greeting etc.
4. Every policy involves the employee, the team, and the company. There is no policy where all three win and it's unlikely such 'platinum' policies exist. Managers must enforce rules and policies but in doing so, you must think of being fair to others and the company. When managers flout policies, it becomes a free for all. Safety helmets at work and riding bikes is an example, we have too many deaths because this policy is flouted with no consequences.
5. In one company the senior leadership promised employees role to change every 18 months. The intent was noble to address attrition and keep talent. However, the rest was no job continuity, and everyone was job shopping all the time. Productivity dropped dramatically, gossip multiplied exponentially, and everyone's focus was on jockeying for the next role in 18 months.
6. Bell curve - there has been a lot of discussion on it. The ability to stick to performance policy is not done in 90% of the cases. Managers try to either over-promote their colleague's performance or try to appease them. In both cases, the company loses. The manager does it for popularity and self-preservation.
7. Sales heads are guilty of violating the policy they set with respect to trade and salespeople incentives/contests. They agree at the start of the scheme to clear guidelines and then request massive exceptions on credit limits, on rewarding people who are under the performance mark. I have seen that the sales head rarely gets respect when this

happens and trade partners and people in the ecosystem know that this is an 'exception company' at the end of the scheme.

8. In this regard, I was happy that one of the distributors I appointed in a company was terminated a few years later because he had unknowingly transhipped phones into another country. The policy was clear and no one came to the rescue of this top-performing distributor.

So, think deeply about policies.

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