Managing career plateau: case of Aster Retail, UAE

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Abstract

Purpose – *The purpose of this paper is to discuss how Aster Retail (AR), UAE, handled career plateau challenge by adopting multiple strategies and earning employee commitment and motivation for business growth.*

Design/methodology/approach – *The organization addressed two types of plateaus – structural and content by creating both vertical and lateral opportunities/options for employees, and supporting them with resources to build required capabilities, and managing their career aspirations. The strategies also helped AR to remain true to the organization's philosophy, "We will treat you well."*

Findings – *The study enunciates how HR initiatives can add value by converting the negative phenomenon of plateau, into an opportunity for employees to grow.*

Originality/value – *The study has three contributions: How in a retail organization with strong promoter principles and values, both structural and content plateau are addressed, and linked with business strategies? The study sheds light on how organizational and HR support for career management addresses employee plateau, particularly for solid citizens. makes the employees feel "not plateaued" at all; and in the long run, why and how HR managers should focus more on proactively addressing content plateau than structural plateau.*

Keywords *Career Plateau, Content and structural Plateau, Career aspirations, Employee motivation, Retail sector, Solid citizens*

Paper type *Case study*

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Understanding career plateau

Long-serving employees, sometimes loyal and high performing, reaching a stagnation stage or plateau, is common across organizations. Ference (1977), defined "Career Plateau" as a stage in career where additional promotion or growth is less likely. It is used in a negative tone describing a condition of defeat or failure from employee perspective, and organizations experience decreased work satisfaction, job involvement, motivation and higher employee cost.

Researchers and practitioners have been trying to understand and address the concept for four decades. Godshalk and Fender (2015) sum it up, as two types of plateaus: structural and content. Structural plateau is when there are thin chances of a hierarchical promotion in future though being qualified for upper position. Content (personal) plateau signifies a point when individuals lack qualification (competence)/desire to go up, though have attained high proficiency level in current jobs. There are internal and external reasons for career plateauing, as depicted in Table 1.

The negative and positive effects of plateau have been extensively studied and organizational experiences documented. Given the magnified impact of negative effects like decreased performance, job satisfaction, low morale, etc. on the solid citizens specifically, managing plateau becomes an organizational priority (Veiga, 1981).

Table 1

	Internal reasons	External reasons
Structural plateau	"I feel that organization will not promote me as I am negatively evaluated for the next level/perceived as lacking skill"	"The organization does not have enough positions, hence selection is competitive"
Content plateau	"I want to avoid higher responsibility for personal reasons" (inadequacy, disinterest or personal constrains)	"The organization feels that the employee lacks skill for the next position"

Our study of a multi-country, specialized retail organization, focuses on understanding and examining various initiatives undertaken for managing plateau. The organization strategically created alternate structures and avenues for plateaued employees while ensuring business performance and customer delight.

Aster Retail's encounter with career plateau

Aster Retail (AR) is the pharmacy arm of health-care conglomerate, ADMH (Aster DM Healthcare), with interests in hospitals, clinics, diagnostic centers and retail pharmacies. The DNA and promise of the group, "*We will treat you well''* is engraved in all people and business processes. AR, with significant presence in UAE, is considered as an organization that fulfills dreams of people, by providing stable careers and continuous growth opportunities. AR's HR practices has won much coveted awards, including the Dubai Human Development Award (2018) from Dubai Government, along with awards for service quality and innovation like Dubai Service Excellence Awards (2019) under the Health & Wellness Sector and Mohammed Bin Rashid Al Maktoum (MRM) Business Innovation Award (2019) [1].

Traditionally, AR adopted a relationship/referral-based hiring of employees at entry level. While the hiring was initially from Kerala, India, later AR developed scientific approach for recruitment from other geographies. Current AR workforce is international. UAE law permits all expatriate employees to be on contract, with organizations having legal right to refuse contract renewal after the term. However, AR's ideology around people management cascaded down from ADMH's philosophy of "We will treat you well," and the belief "Employee first, and Customer next" ensured that even in adverse economic conditions, employees were never laid off. Most higher-level positions were filled internally, thus creating growth opportunities for existing talent.

Qualified pharmacists hired straight from campus, formed AR's backbone. To work in UAE, they must be licensed by the authorities and are subsequently placed as pharmacists. While fulfilling prescriptions and handling insurance claims were primary duties, they were expected to achieve sales targets of non-prescription products and handle store level administration. The stores had flat hierarchies and store employees earned sales incentives. Changing job demands in the thin margin retail business required pharmacists to acquire sales and customer relations competencies. Work also demanded long hours of standing, attending to demanding customers and ensuring high quality service.

Pharmacists expected career growth within AR, as it provided higher remuneration, status and sense of achievement. For many years, AR could rapidly add pharmacies across Middle East, fulfilling career ambitions. With the online model kicking in, and rising operating costs, establishing new pharmacies was difficult, scope for creating more growth opportunities diminished. Sophistication of pharmacy business required business management and leadership capabilities for career growth, which traditional pharmacists lacked. ARs leadership realized these blockages. The HR head explained:

While discussing about career opportunities, we noticed that many employees were performing well at their current jobs but were not ready for higher responsibilities. Employees with decades of relationship with Aster and specialists working for a long time faced career blocks, and they wanted change. While the easy way of contract non-renewal was available, it was not exercised on account of conflicting with AMHS values.

How they dealt with it?

AR adopted multiple strategies to deal with the career plateau issues. Four such interventions are discussed here.

Trainer track: earning respect and mentoring

The initial step taken was introduction of "Train the Trainer" program where experienced employees with good performance record were given a chance to be internally certified for technical and operational training. Given their experience and specialization, they were well versed with AR processes and culture and could strengthen internal trainings. This program targeted the employees who were considered "incompetent to go up" and gave them respectful position as trainer and mentor.

Job and responsibility enlargement

The unit-in-charge (UIC) in each pharmacy outlet is responsible for store operations and profitability. UICs were internally promoted pharmacists. They often expressed discontent about limited growth opportunities and many left citing it. Positions of area managers, who supervised group of pharmacies, were created but numbers were few. AR further categorized pharmacies into five (A+, A, B, C and D) considering revenue, footfall, floor size, etc. Each category had specific salary scale. Higher category pharmacies have higher employee strength, budgets and earning potential. UICs could progress within categories that provided higher challenges, learning and commensurate earnings. For high potential pharmacies (A and A+), selection of UICs was through rigorous performance review and assessments using in-basket exercises, case study analysis, group discussions and presentations.

Career experimentation: managing content plateau

Many performing pharmacists and UICs hesitated to accept management roles, fearing failure and its associated cost. They lacked formal management education or exposure beyond pharmacies. To encourage their upward movement, the "Management Trainee (MT) program," a risk-free opportunity to experiment with higher responsibility was introduced. Supervisors nominated high performers as MT candidates, and the select group were exposed to on-the-job training with different HODs. They received multi-functional perspective and exposure through cross-functional projects. Post training, fit candidates moved to management roles, and rest resumed original positions.

Aster call center: creating lateral opportunities

To ensure seamless customer connect, build customer intimacy and address questions and concerns regarding medication, 24×7 a dedicated toll-free number based system was conceptualized. The AR call center was staffed by experienced pharmacists, who were uncomfortable with sales-oriented retail store role but wanted to continue working as specialists. Post training, they were placed in roles which addressed customer queries regarding medicines, dosages, administration instructions, etc. While it opened

new career avenues and addressed plateau for many, it also helped to counter online pharmacies.

Return gifts for both: employees and Aster Retail

AR leadership engaged different initiatives to handle both plateau related challenges. Structural plateau was addressed by the train the trainer program (point 1) and reclassification of stores (point 2). Research (Feldman and Weitz, 1988) suggests that senior sales employees who have decades of experience in an organization, may become plateaued owing to diminishing levels of energy, which ends up in low sales performance. Additionally, they prioritize retirement planning and maintaining status quo, over, thriving for new sales territories or building their customer profile. In AR, the trainer program helped create new avenue for experienced employees to use their skills and knowledge and earn respect. They found meaning in helping employees learn and in turn their emotional connect and sense of contribution increased. Store categorization (point 2) increased career growth opportunities with higher responsibilities and higher earnings for performing pharmacists.

Content plateau was addressed with role changes and learning. The career experimentation (point 3) gave UICs an opportunity to try something different, away from their comfort zones and showcase their potential while enjoying the security of retaining current positions. Many employees who could not qualify and resumed old responsibilities received feedback and looked forward to build capabilities through training and developmental interventions to prepare for next opportunity. Aster call center (point 4) connected customer service opportunity with employee plateau, creating a win-win for both, while AR could outsource call center but used the situation as an opportunity to address employee aspirations.

Above initiatives followed by AR are backed by research evidence. Research shows that structurally plateaued employees would incline toward reducing their content plateau experience, by welcoming career mobility and diverse roles. Research also suggests that when employees perceive top management support for creation of new opportunities for growth, they do not perceive themselves as plateaued. However, if the employee voluntarily chooses to plateau, no significant decrease in job involvement will be seen, as it is their own choice.

AR's approach of understanding employee career aspirations, designing new/alternate opportunities, supported by capability building and safe spaces helped create a learning culture, with high employee loyalty and customer orientation. Notably, given the geography of operation, the organization had no legal requirement of addressing cases of plateaued employees. Yet, coming from a philosophical and people orientation, AR chose to address it and earned fruits in the form of retaining experienced talent in a cost effective manner and financially performing in highly competitive market.

Proactive moves to address plateau

Companies like AR realize that lifelong employment may not be possible and plateauing, particularly structural plateau, is inevitable. However, its effects can be minimized through early HR developmental interventions, planning and tweaking organizational structures. Multiple interventions executed to manage plateau were reactive, AR started taking proactive steps. In the past few years, early identification of "solid citizens" and by mapping their potential were groomed and offered opportunities. This helped minimize chance of plateauing itself. Many performing pharmacists, could at very early stage, move to management roles, specialized functions like quality and become part of new initiatives like "Home delivery function."

Thorough assessments and training interventions of identified employees were done before career movement decision was taken.

The interventions become signaling mechanism about treatment of "solid citizens" who are performers but are effectively plateaued. Having spent considerable amount of time in the organization, they are engraved into organizational culture and have exhibited loyalty. The CEO of AR remarked, "These are all achieved through careful evaluation of the phenomenon of plateauing and finding a way to liberate and raise our people."

Learnings for HR managers

How to handle career aspirations of employees in situations with limited opportunities for employee growth is a dilemma for organizations and HR managers. Not addressing plateau concerns of employees impacts organizational performance. As AR case indicates, no single strategy alone can handle it, but a combination can. We suggest that organizations adopt:

- A "Hybrid Model," involving multiple strategies, at different time periods, can be used for addressing structural and content plateau in tandem. In the long run, we suggest HR managers to focus on content plateau, as structural has its own limitations.

- AR approach increased scope of job and employee recognition along with creating "business sense" while not compromising values. HR managers should consider both employee care and business sense while planning interventions.

Taking cognizance of a challenge like plateau and converting it as an opportunity and a positive experience for both organization and employees needs cautiously blended strategies and a supportive culture. Even while these strategies work, there will be limitations. Readers should recognize that the interventions are not a panacea for all career growth dilemmas of AR.

Till now, the concept of career plateau has been mostly defined, studied and practiced in the traditional pyramid structure, but with "new age careers," organizations turning flatter and gig work entering, the concept of plateau and its management will be re-defined, creating future challenges/opportunities for the HR and research community.

Note

1. Source: https://asterpharmacy.com/media-centre accessed on March 16, 2020.

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Further reading

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