

LOVELY PROFESSIONAL UNIVERSITY

Mittal School of Business

Assignment-1 Case Based

Name of the faculty member: **Rupesh Rajak**

Course Code: **313**

Course Title: **Management Practices and OB**

Class:

Term: **1**

Section: **D1706**

Batch: **2018-2021**

Max. Marks: **30**

Date of Allotment: **20.08.2018**

Date of Submission of Write up: **01.09.2019**

| S. No | Roll No. | Objectives of Academic Activity | Topic Details | Evaluation Parameters | Expected outcomes |
|-------|--|--|---|--|--|
| 1 | All students (Group Assignment with 4-5 members in each group) | To improve the analytical skills & make students able to understand the practical situations prevailing in the organizations. Further To inculcate writing and presentation skills in the students | Students will be given different cases in groups. They are required to analyze the case in detail and required to submit the written report. This will be followed by a class presentation by the all the students in a particular group. The evaluation will be done as per rubrics. | Written Report-15 Marks (followed by peer rating). Presentation- 15 marks | This academic tasks focus on the following: 1. Help the students apply the theoretical concepts to real life situations 2. Make them understand the issues given in the respective cases and suggest solution/s. 3. Good analytical and writing skills will be developed. |

NB:

- **Written report is to be submitted on or before 01.09.2019**
- **Group presentations will start thereafter as per presentation schedule mentioned bellow**
- **Rubric must be followed**
- **PEER rating must be done for write up.**

RUBRICS FOR GRADING PRESENTATION AND CASE WRITE-UP

RUBRIC FOR CASE WRITE UP

| Criteria | Exceeds the Standards | Fully Meets the Standards | Minimally Meets the Standards | Doesn't Meet the Standards | Rating |
|--|--|---|---|---|-----------|
| Ability to clearly identify the case challenges | Has a very clear understanding of the problem and is able to incorporate his/her knowledge/ insights in addressing the Case challenges 4 points | Properly identifies the various aspects of the problem and is able to clearly point out the nature of the Case challenges 3 points | Although various aspects of problem are Identified, but the description fails to clearly define the case challenges. 2 points | Missed all of the important aspects of the problem and is unable to clearly identify the problem. No point | 7 |
| Ability to propose suggestions that can be implemented | Suggestions were sufficiently specific, clear, and appropriate given the case problem. 3 points | Suggestions were adequately identified and described. 2 points | Suggestions were confusing, incomplete or lacked relevance to the case problem 1 points | Inappropriate suggestions and does not align with the case problem. No points | 4 |
| Ability to apply different concepts styles in addressing the issue at hand. | Able to clearly relate the problem to various and shows evidence of depth and breadth of applying related Knowledge to the issue. 3 points | Shows the clear understanding of various management concepts and is able to clearly relate the challenge to various management styles 2 points | Shows minimal understanding of various management concepts and inappropriately related to the various management styles 1 points | Show no understanding of management concepts and is unable to relate the problem to various management styles. No points | 4 |
| TOTAL | | | | | 15 |

RUBRICS FOR PRESENTATION

| Criteria | Exceeds Standards | Fully Meets Standards | Minimally Meets Standards | Doesn't Meet Standards | Max Points |
|--------------------------------|---|---|---|--|-------------------|
| Content | Shows full understanding of the topic 8 points | Shows good understanding of the topic 6 points | Shows somewhat understanding of the topic. 4 points | Does not seem to understand the topic. No Points | 7 |
| Delivery and Enthusiasm | Very clear and concise flow of ideas. Shows high interest in the topic. 6 points | Clear flow of ideas. Shows interest in the topic. 4points | Most ideas flow but focus is lost a times. Limited interest in the topic 2 points | Difficult to follow the flow of ideas. Lack of enthusiasm and interest. No points | 4 |
| Q/A Discussion | Excellent discussion of Key points. Excellent responses to questions 6 points | Good discussion Of main points Good responses to questions 4 points | Questions/discussion addressed surface features of the topic. Satisfactory responses to questions 2 points | Limited or no attempt to engage class in learning. Limited response to questions No points | 4 |
| Total | | | | | 15 |

| Serial No | Registration Number | Name | Roll Number | Case Study No. | Group |
|-----------|---------------------|-----------------------------|-------------|----------------|-------|
| 8 | 11712027 | Samyog Adhikari | RD1706A11 | 1 | 1 |
| 35 | 11715472 | Utkarsh Shekhar Jaiswal | RD1706B42 | | 1 |
| 39 | 11719164 | Ibrahim Akram | RD1706B46 | | 1 |
| 59 | 11700747 | Chetna | RD1706B66 | | 1 |
| 44 | 11713500 | Mukesh Kumar Raj | RD1706B51 | | 1 |
| 25 | 11717155 | Aditya Pandey | RD1706A30 | 2 | 2 |
| 41 | 11719475 | Sandesh Pandey | RD1706B48 | | 2 |
| 52 | 11707652 | Ravi Kumar Dwivedi | RD1706B59 | | 2 |
| 61 | 11705847 | Priya | RD1706B68 | | 2 |
| 20 | 11719920 | Sujan Thapa | RD1706A24 | 3 | 3 |
| 31 | 11717465 | Jabril Abdi Jama | RD1706B38 | | 3 |
| 33 | 11717772 | Sandesh Mishra | RD1706B40 | | 3 |
| 56 | 11709792 | Tabrej Ansari | RD1706B63 | | 3 |
| 36 | 11715637 | Rohit Kumar Singh | RD1706B43 | | 3 |
| 30 | 11813206 | Insha Singh | RD1706B37 | 4 | 4 |
| 43 | 11719519 | Abinash Mishra | RD1706B50 | | 4 |
| 50 | 11706831 | Surjeet Kumar Shah | RD1706B57 | | 4 |
| 54 | 11708020 | Sneha Choudhary | RD1706B61 | | 4 |
| 60 | 11705383 | Gurleen Kaur | RD1706B67 | | 4 |
| 1 | 11702580 | Jaideep Singh Sidhu | RD1706A01 | 5 | 5 |
| 34 | 11716889 | Shahid Akhtar Mansuri | RD1706B41 | | 5 |
| 46 | 11706559 | Laxmi Narayan Vaishnav | RD1706B53 | | 5 |
| 55 | 11709844 | Wangisani Kumalakwaanhu | RD1706B62 | | 5 |
| 37 | 11720000 | Kezang Dorji | RD1706B44 | 6 | 6 |
| 42 | 11717882 | Dongardive Caleb John | RD1706B49 | | 6 |
| 62 | 11702991 | Rinco Sarkar | RD1706B69 | | 6 |
| 10 | 11712584 | Mohit Moan | RD1706A13 | | 6 |
| 29 | 11814673 | Molefi Edward Thabane | RD1706B36 | 7 | 7 |
| 45 | 11705803 | Mandan Kumar Jha | RD1706B52 | | 7 |
| 47 | 11706702 | Vivek Mani Tripathi | RD1706B54 | | 7 |
| 49 | 11707011 | Roshni | RD1706B56 | | 7 |
| 23 | 11714025 | Vishwajeet Kumar Kannaujiya | RD1706A28 | 8 | 8 |
| 26 | 11715865 | Manish Kumar Thakur | RD1706A32 | | 8 |
| 57 | 11700055 | Karan Bk | RD1706B64 | | 8 |
| 11 | 11712392 | Aditya Raj Singh | RD1706A14 | | 8 |
| 4 | 11702010 | Pranam Sharma | RD1706A04 | | 9 |
| 6 | 11705879 | Amrit Singh | RD1706A09 | | 9 |

| | | | | | |
|----|----------|--|-----------|----|----|
| 18 | 11718002 | Hitesh Saluja | RD1706A21 | 9 | 9 |
| 21 | 11713890 | Harish Kumar | RD1706A26 | | 9 |
| 24 | 11714990 | R P Nandan | RD1706A29 | | 9 |
| 28 | 11815937 | Muhammad Sabir Qasimi | RD1706A34 | 10 | 10 |
| 64 | 11719931 | Ibrahim Shehu Sagagi | RD1706B73 | | 10 |
| 65 | 11700006 | Manikku Badathuruge Devin Yasas Tharaka | RD1706B74 | | 10 |
| 69 | 11719176 | Abdiweli Mohamed Farah | RD1706B78 | | 10 |
| 70 | 11816103 | Hikmatullah Nasiri | RD1706B79 | | 10 |
| 2 | 11705843 | Pragati Chauhan | RD1706A02 | 11 | 11 |
| 3 | 11705014 | Karanveer Singh Saini | RD1706A03 | | 11 |
| 7 | 11711336 | Phurbu Choedon | RD1706A10 | | 11 |
| 14 | 11713656 | Gagandeep Kaur | RD1706A17 | | 11 |
| 19 | 11718197 | Lovedeep Kaur | RD1706A22 | | 11 |
| 5 | 11707000 | Sohaib Galal Abdulraheem Farea Al Qershi | RD1706A07 | 12 | 12 |
| 9 | 11711672 | Sakarie Isse Osman | RD1706A12 | | 12 |
| 12 | 11712295 | Deepak Kumar Jha | RD1706A15 | | 12 |
| 13 | 11713750 | Shubham Sharma | RD1706A16 | | 12 |
| 15 | 11712830 | Emmanuel Micaiah Afriyie | RD1706A18 | | 12 |
| 16 | 11713014 | Satyam Verma | RD1706A19 | 13 | 13 |
| 17 | 11713148 | Tushar | RD1706A20 | | 13 |
| 22 | 11713997 | Suresh Kumar | RD1706A27 | | 13 |
| 27 | 11717417 | Ankit Thapliyal | RD1706A33 | | 13 |
| 32 | 11717321 | Md Saymon Hossain | RD1706B39 | | 13 |
| 38 | 11720018 | Md Fokhrul Anam Kawser | RD1706B45 | 14 | 14 |
| 40 | 11719758 | Jaspreet Singh | RD1706B47 | | 14 |
| 48 | 11707009 | Manisha | RD1706B55 | | 14 |
| 51 | 11707153 | Chintan Jain | RD1706B58 | | 14 |
| 53 | 11708736 | Jaskaran | RD1706B60 | | 14 |
| 58 | 11700389 | Sailesh Kandel | RD1706B65 | 15 | 15 |
| 63 | 11610259 | Sunon Raj Konwar | RD1706B70 | | 15 |
| 66 | 11700020 | Gopikrishna Prathipati | RD1706B75 | | 15 |
| 67 | 11706382 | Md A Rahim | RD1706B76 | | 15 |
| 68 | 11716225 | Ugyen Choida | RD1706B77 | | 15 |

Case Study 1

The day has finally come: Mr. Rajesh is to assume the position of President of Metro Manufacturing. Metro is a widely respected producer of high quality control mechanisms. When the previous president retired, Rajesh was identified as the likely choice for assuming the post. He was respected for his competence in the field and for his ability to work with employees at all levels of operations. Rajesh arrived at work early this morning, not so much to work but to think. As he sits behind his new executive desk, drinking a cup of coffee, his thoughts go back to his early days with Metro. Twenty years ago Rajesh was just a young man right out of college with no business experience and a degree in industrial management. He was hired as an assistant foreman and was placed immediately on the production line. “Oh, those were the days”, he thought. “Seems like there was a problem that required solving every minute”. Thank goodness for the standard operating procedures manuals (SOP’s) and for a foreman who was patient enough to answer my questions didn’t have to make too many critical decisions then. But I sure was putting out a lot of daily fires’. As the nostalgia influence continues, Rajesh thinks back to the time when he was taken off the production line and promoted into middle management. “Things sure did change then”, he thought. As production manager, he had to think further into the future. As a foreman, Rajesh was primarily concerned with meeting daily production requirements. Now he had to plan weeks and even months in advance. The human and communication problems remained although it seems like the reports he had to write were longer. But, as he remembers, the major changes occurred because he had to do more creative thinking. Laughing to himself he thought about the time he went to the files to pull out on SOP for an unusual problem he had to confront and there was none. He was frustrated because he had to handle the problem with little assistance. But, as his analytical, decision-making, and conceptual ability increased, he found himself using his technical skills less and less. Another cup of coffee provided the stimulus to think about the special promotion he made to vice-president of planning five year ago. It was a major hurdle in his life because he had been in heavy competition with five well-qualified managers. He had heard through the grapevine that he had received the position because he was able to think for himself. But, even his past training did not fully prepare Rajesh for the demands of the job; he had to learn much of it on his own. Rather than thin months into the future, he now was required to envision years. Grinning, he remembered that at first he did not realize that there were so many people outside of production that he had to coordinate activities with. Marketing and finance had to be tied together with production. His conceptual and decision-making skills continued to increase. A long time ago, the benefits of the “good

old” SOP’s lost their value. But now, as Rajesh looks at his desk plate which says “President” new thoughts run through his mind. A whole new world opens to him now. He wonders what new requirements will be placed on him. A twinge of fear moves through his body as the thoughts of the new job take hold. What skills will be now needed to be successful?

Questions

1. As the President of Metro Manufacturing, what specific skills will Rajesh need to be effective?
2. How do the demands of different levels of responsibility change as manager progresses up the hierarchy of an organization?
3. What general recommendations would you offer for Rajesh?

Case Study 2

Mr. Srinivasa Raghavan, the Chairman of the Best Food Products Company, was tired of being the only one in the company actually responsible for profits. While he had good vice-presidents in charge of finance, sales, advertising, manufacturing, purchasing, and product research, he realized he could not hold any of them responsible for company profits, as much as he would like to. He often found it difficult even to hold them responsible for the contribution of their various areas to company profits. The sales vice-president, for example, had rather reasonably complained that he could not be fully responsible for sales when the advertising was ineffective, when the products wanted by customers were not readily available from manufacturing, or when he did not have the new products he needed to meet competition. Likewise, the manufacturing vice-president had some justification when he made the point that he could not hold costs down and still be able to produce short runs so as to fill orders on short notice; moreover, financial controls would not allow the company to carry a large inventory of everything.

Mr. Raghavan had considered breaking the company down into six or seven segments by setting product divisions with a manager over each with profit responsibility. But he found that this would not be feasible or economical since many of the company's branded food products were produced on the same factory equipment and used the same raw materials and a sales person calling on a store or supermarket could far more economically handle a number of related products than one or a few.

Consequently, Mr. Raghavan came to the conclusion that the best thing to do was to set up six product managers reporting to a product marketing manager. Each product manager would be given responsibility for one or a few products and would oversee, for each product, all aspects product research, manufacturing, advertising and sale thereby becoming the person responsible for the performance and profits relating to the products.

Mr. Raghavan realized that he could not give these product managers actual line authority over the various operating departments of the company since that would cause each vice-president and his department to report to six product managers and the product marketing manager, as well as the president. He was concerned with this problem but knew that some of the most successful larger companies in the world had used the product manager system. Moreover one of his friends on a university faculty told him that he must expect a certain amount of confusion in any organization and that this might not be bad since it forced people to work together as teams.

Mr. Raghavan resolves to put in the product manager system in his organization as outlined and hoped for the best. But he wondered how he could avoid the problem of confusion in reporting relationships.

Questions

1. Do you agree with Mr.Raghavan's programme? State the exact problem in the case.
2. What would you do to avoid any confusion in this organization?
3. Do you suggest any other organization model for this business? If so, present the organization chart of the same.

Case Study 3

Case Study

The ABC Manufacturing Company is a metal working plant under the direction of a plant manager who is known as a strict disciplinarian. One day a foreman noticed Bhola, one of the workers, at the time-clock punching out two cards – his own and the card of Nathu, a fellow worker. Since it was the rule of the company that each man must punch out his own card, the foreman asked Bhola to accompany him to the Personnel /Director, who interpreted the to both workers.

The two workers came to see the Personnel Director on the following day. Nathu claimed innocence on the ground that he had not asked his card be punched and did not know at the time that it was being punched. He had been offered a ride by a friend who had already punched out and who could not wait for him to go through the punch-out procedure. Nathu was worried about his wife who was ill at home and was anxious to reach home as quickly as possible. He planned to take his card to the foreman the next morning for reinstatement, a provision sometimes exercised in such cases.

These circumstances were verified by Bhola. He claimed that he had punched Nathu's card the same time he punched his own, not being conscious of any wrong doing. The Personnel Director was inclined to believe the story of the two men but did not feel he could reverse the action taken. He recognized that these men were good workers and had good records prior to this incident. Nevertheless, they had violated a rule for which the penalty was immediate discharge. He also reminded them that it was the policy of the company to enforce the rules without exception.

A few days later the Personnel Director, the Plant Manager and the Sales Manager sat together at lunch. The Sales Manager reported that he was faced with the necessity of notifying one of their best customers that his order must be delayed because of the inability of one department to conform to schedule. The department in question was the one from which the two workers had been discharged. Not only had it been impossible to replace these men to date, but disgruntlement over the incident had led to significant decline in the cooperation of other workers.

The Personnel Director and the Sales Manager took the position that the discharge of these two valuable men could have been avoided if there had been provision for considering the circumstances of the case. They pointed out that the incident was costly to the company in the possible loss of a customer, in the dissatisfaction within the employee group and in the time

and money that would be involved in recruiting and training replacements. The Plant Manager could not agree with this point of view. “We must have rules if we are to have efficiency and the rules are no good unless we enforce them. Furthermore, if we start considering all these variations in circumstances, we will find ourselves loaded down with everybody thinking he is an exception”. He admitted that the grievances were frequent but countered with the point that they could be of little consequences if the contract agreed to by the union was followed to the letter.

Questions

1. Place yourself in the position of the Personnel Director in this situation. Which of the following courses of action would you have chosen in consideration of the information which was at the time of the decision?
 - a. Would you have discharged both men?
 - b. Would you have discharged Bhola only?
 - c. Would you have discharged Nathu only?
 - d. Would you have discharged neither of them?
 - e. Justify your choice of decision.
2. What policy and procedural changes would you recommend for the handling of future cases of this type? How do you see the loss to the company? Examine.

Case Study 4

The president of Simplex Mills sat at his desk in the hushed atmosphere, so typical of business offices, after the close of working hours. He was thinking about Rehman, the manager in charge of purchasing, and his ability to work with George, the production manager, and Vipulabh, the marketing and sales manager in the firm. When the purchasing department was established two years ago, both George and Vipulabh agreed with the need to centralize this function and place a specialist in charge. George was of the view that this would free his supervisors from detailed ordering activities. Vipulabh opined that the flow of materials into the firm was important enough to warrant a specialised management assignment. Yet since the purchasing department began operating it has been precisely these two managers who have had a number of confrontations with the new purchase manager, and occasionally with one another, in regard to the way the purchasing function is being carried out. From George point of view, instead of simplifying his job as production manager by taking care of purchasing for him, the purchasing department has developed a formal set of procedures that has resulted in as much time commitment on his part as he had previously spent in placing his orders directly with vendors. Further, he is specially irritated by the fact that his need for particular items or particular specification is constantly being questioned by the purchasing department. When the department was established, George assumed that the purchasing manager was there to fill his needs, not to question them. As Vipulabh sees it, the purchasing function is an integral part of marketing function, and the two therefore need to be jointly managed as a unified process. Purchasing function cannot be separated from a firm's overall marketing strategy. However, Rehman has attempted to carry out the purchasing function without regard for this obvious relationship between his responsibilities and those of Vipulabh, thus making a unified marketing strategy impossible. In his previous position, Rehman had worked in the purchasing department of a firm considerably larger than Simplex. Before being hired, he was interviewed by all the top managers, including George and Vipulabh, but it was the president himself who negotiated the details of the job offer. As Rehman sees it, he was hired as a professional to do a professional job. Both George and Vipulabh have been distracting him from this goal by presuming that he is somehow subordinate to them, which he believes is not the case. The people in the production department, who use the purchasing function most, have complained about the detail that he requires on their requisitions. But he has documented proof that materials are now being purchased much more economically than they were under the former decentralized system.

He finds Vipulabh's interests more difficult to understand, since he sees no particular relationship between his responsibilities for efficient procurement, and Vipulabh's responsibilities to market the firm's products. The president has been aware of the continuing conflict among three managers for some time, but on the theory that a little rivalry is healthy and stimulating, he has felt that it was nothing to be unduly concerned about. But now that much of his time is being taken up by much of what he considers to be petty bickering, the time has come to take some positive action.

Answer the following question.

Q1. Is Georges view of the situation realistic?

Q2. How do you evaluate Vipulabh's position?

Q3. How might this conflict be associated with factors in the formal organization?

Q4. What should the president of Simplex Mills do now?

Case Study 5

Implementing New Ideas

Industrial Hydraulics Ltd., is a public sector firm. The Assembly and test shops of the company are headed by Mr. Murthy, shop superintendent, who has one assistant superintendent Mr. Singh under him for both the shops. The two shift supervisors in test shop. Mr. Verghese and Mr. Mehta report directly to Singh. Murthy reports to factory manager and is an engineering graduate with about 15 years of service in the company. Singh, the Assistant Superintendent (27) has above five years of service in the company which he joined as a management trainee (tech.). He is popular amongst the workers and has a reputation for impartially and fair dealing on the shop floor. Mehta, the test shop supervisor (40) is an old timer in the company and is known to most of the old employees including senior officers. He has risen from the ranks and possesses ITI certificate. He is very well known to Murthy, under whom he served for a long time as a technician and later as asst. Supervisor. Verghese, the other supervisor in test shop is a young person, around 25, with a diploma in mechanical engineering and about 3 years of service in the company. He is shy, reserved and generally unknown outside his department. The test shop is the bottleneck area of the department where a large accumulation of units, awaiting testing generally exists. The product mix consists of about 30% of components with a short test cycle time, 45% of components with medium cycle time and 25% of components with a long cycle time. The components with high and medium cycle time have generally complex test schedules and considerable effort if required to rig up test circuits. The production targets are given on a monthly basis and weekly output is monitored by the factory manager. No realistic assessment of assembly and test timings exist. For the past 3 months, the test shop output has been very erratic while there is surplus production of short and medium cycle components which are not immediately required in the quantities produced; there is a large back log of urgently wanted long cycle time components. One fine morning, Murthy was summoned by the factory manager and given 10 days time to rectify the situation. He was given to understand in unequivocal terms the failure to correct the situation shall be entertained by the management. Murthy in turn, immediately asked for Singh and gave him one week to clear the back log in test shop. Singh had studied the situation for quite some time in the test shop and had tried to analyse the reasons for the erratic output. He was of the opinion that Mehta the "B" shifts supervisor was mainly responsible for the situation. He had a tendency to pick up only short cycle time components for test and never made any attempt to take long cycle time components. He was, in the

opinion of Singh, deliberately avoiding difficult and urgently required components to show higher output from his shift. 306 Singh presented his analysis to Murthy who showed his complete disagreement with Singh's analysis. He found nothing wrong of "B" shift and complimented Mehta for giving high output. He strongly advised Singh to concentrate his attention of shift "A" and leave Mehta alone. Singh knew that his reasoning at this stage, either with Murthy or Mehta will not cut much ice. He quietly decided to experiment with a new idea which he called the concept of 'point performance rating'. The idea centered around giving weightage to each item in terms of number of points depending upon the degree of complexity in setting to test circuits and associated cycle time. He also intended to use this data as a sort of merit rating for individual operators. Singh presented his scheme to the two shift supervisors. Verghese was quite receptive and as expected, there was a lot of resistance from Mehta. After a lot of discussion, Mehta offered to try the scheme for a limited period but he expressed his reservations about the success of the scheme. He wanted to approach Murthy who had proceeded on temporary duty to company head office for some urgent work. Singh overcame the resistance from workers primarily because of his reputation for fair dealing and straight forwardness. However, he informally made it known to some of the workers that constant higher accumulation of points by individuals shall indicate the efficiency and skill of the individual and may carry weightage at the time of department promotions. The scheme was informally introduced and was quite effective. Meanwhile, Murthy returned from his temporary duty and was quite impressed with Singh's performance. He gave his blessings for the continuation of the scheme. Shortly afterwards, some departmental promotion were announced. As it happened, quite a few of the good workers from test shop were ignored for promotion. Majority of workers promoted were from assembly shops. The workers overlooked from test shops were those with a consistent high accumulation of points. The workers reacted and boycotted the Point Rating Scheme stating that if merit plays no part in deciding promotion, why should there be a merit rating scheme. Singh tried to take up the issue of promotions with Murthy but was quietly told that there is nothing wrong with promotions as senior workers have been promoted. He was advised not to get worked up about the issue. Meanwhile, some of the disgruntled workers approached the union and represented objected to the scheme and demanded its immediate withdrawal stating that no such scheme can be introduced without the union's concurrence and the whole basis of allotting weightage is untenable. The factory manager, when approached by union office bearers expressed his ignorance about the existence of any scheme of this kind and

demanded an immediate explanation from Murthy. Murthy in turn put the entire blame of Singh.

Questions

1. Identifying the problem faced by the organization as against the symptoms seems easily in the case.
2. Generating the solution/ alternate solutions to the solution perceived by Mr.Singh.
3. Implementing the solution, taking care of pitfalls, a young executive should avoid at different phases of implementation

Case Study 6

Mr. Srinivasa Raghavan, the Chairman of the Best Food Products Company, was tired of being the only one in the company actually responsible for profits. While he had good vice-presidents in charge of finance, sales, advertising, manufacturing, purchasing, and product research, he realized he could not hold any of them responsible for company profits, as much as he would like to. He often found it difficult even to hold them responsible for the contribution of their various areas to company profits. The sales vice-president, for example, had rather reasonably complained that he could not be fully responsible for sales when the advertising was ineffective, when the products wanted by customers were not readily available from manufacturing, or when he did not have the new products he needed to meet competition. Likewise, the manufacturing vice-president had some justification when he made the point that he could not hold costs down and still be able to produce short runs so as to fill orders on short notice; moreover, financial controls would not allow the company to carry a large inventory of everything.

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Questions

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3. Do you suggest any other organization model for this business? If so, present the organization chart of the same.

Case Study 7

The president of Simplex Mills sat at his desk in the hushed atmosphere, so typical of business offices, after the close of working hours. He was thinking about Rehman, the manager in charge of purchasing, and his ability to work with George, the production manager, and Vipulabh, the marketing and sales manager in the firm. When the purchasing department was established two years ago, both George and Vipulabh agreed with the need to centralize this function and place a specialist in charge. George was of the view that this would free his supervisors from detailed ordering activities. Vipulabh opined that the flow of materials into the firm was important enough to warrant a specialised management assignment. Yet since the purchasing department began operating it has been precisely these two managers who have had a number of confrontations with the new purchase manager, and occasionally with one another, in regard to the way the purchasing function is being carried out. From George point of view, instead of simplifying his job as production manager by taking care of purchasing for him, the purchasing department has developed a formal set of procedures that has resulted in as much time commitment on his part as he had previously spent in placing his orders directly with vendors. Further, he is specially irritated by the fact that his need for particular items or particular specification is constantly being questioned by the purchasing department. When the department was established, George assumed that the purchasing manager was there to fill his needs, not to question them. As Vipulabh sees it, the purchasing function is an integral part of marketing function, and the two therefore need to be jointly managed as a unified process. Purchasing function cannot be separated from a firm's overall marketing strategy. However, Rehman has attempted to carry out the purchasing function without regard for this obvious relationship between his responsibilities and those of Vipulabh, thus making a unified marketing strategy impossible. In his previous position, Rehman had worked in the purchasing department of a firm considerably larger than Simplex. Before being hired, he was interviewed by all the top managers, including George and Vipulabh, but it was the president himself who negotiated the details of the job offer. As Rehman sees it, he was hired as a professional to do a professional job. Both George and Vipulabh have been distracting him from this goal by presuming that he is somehow subordinate to them, which he believes is not the case. The people in the production department, who use the purchasing function most, have complained about the detail that he requires on their requisitions. But he has documented proof that materials are now being purchased much more economically than they were under the former decentralized system.

He finds Vipulabh's interests more difficult to understand, since he sees no particular relationship between his responsibilities for efficient procurement, and Vipulabh's responsibilities to market the firm's products. The president has been aware of the continuing conflict among three managers for some time, but on the theory that a little rivalry is healthy and stimulating, he has felt that it was nothing to be unduly concerned about. But now that much of his time is being taken up by much of what he considers to be petty bickering, the time has come to take some positive action.

Answer the following question.

Q1. Is Georges view of the situation realistic?

Q2. How do you evaluate Vipulabh's position?

Q3. How might this conflict be associated with factors in the formal organization?

Q4. What should the president of Simplex Mills do now?

Case Study 8

Implementing New Ideas

Industrial Hydraulics Ltd., is a public sector firm. The Assembly and test shops of the company are headed by Mr. Murthy, shop superintendent, who has one assistant superintendent Mr. Singh under him for both the shops. The two shift supervisors in test shop. Mr. Verghese and Mr. Mehta report directly to Singh. Murthy reports to factory manager and is an engineering graduate with about 15 years of service in the company. Singh, the Assistant Superintendent (27) has above five years of service in the company which he joined as a management trainee (tech.). He is popular amongst the workers and has a reputation for impartially and fair dealing on the shop floor. Mehta, the test shop supervisor (40) is an old timer in the company and is known to most of the old employees including senior officers. He has risen from the ranks and possesses ITI certificate. He is very well known to Murthy, under whom he served for a long time as a technician and later as asst. Supervisor. Verghese, the other supervisor in test shop is a young person, around 25, with a diploma in mechanical engineering and about 3 years of service in the company. He is shy, reserved and generally unknown outside his department. The test shop is the bottleneck area of the department where a large accumulation of units, awaiting testing generally exists. The product mix consists of about 30% of components with a short test cycle time, 45% of components with medium cycle time and 25% of components with a long cycle time. The components with high and medium cycle time have generally complex test schedules and considerable effort if required to rig up test circuits. The production targets are given on a monthly basis and weekly output is monitored by the factory manager. No realistic assessment of assembly and test timings exist. For the past 3 months, the test shop output has been very erratic while there is surplus production of short and medium cycle components which are not immediately required in the quantities produced; there is a large back log of urgently wanted long cycle time components. One fine morning, Murthy was summoned by the factory manager and given 10 days time to rectify the situation. He was given to understand in unequivocal terms the failure to correct the situation shall be entertained by the management. Murthy in turn, immediately asked for Singh and gave him one week to clear the back log in test shop. Singh had studied the situation for quite some time in the test shop and had tried to analyse the reasons for the erratic output. He was of the opinion that Mehta the "B" shifts supervisor was mainly responsible for the situation. He had a tendency to pick up only short cycle time components for test and never made any attempt to take long cycle time components. He was, in the

opinion of Singh, deliberately avoiding difficult and urgently required components to show higher output from his shift. 306 Singh presented his analysis to Murthy who showed his complete disagreement with Singh's analysis. He found nothing wrong of "B" shift and complimented Mehta for giving high output. He strongly advised Singh to concentrate his attention of shift "A" and leave Mehta alone. Singh knew that his reasoning at this stage, either with Murthy or Mehta will not cut much ice. He quietly decided to experiment with a new idea which he called the concept of 'point performance rating'. The idea centered around giving weightage to each item in terms of number of points depending upon the degree of complexity in setting to test circuits and associated cycle time. He also intended to use this data as a sort of merit rating for individual operators. Singh presented his scheme to the two shift supervisors. Verghese was quite receptive and as expected, there was a lot of resistance from Mehta. After a lot of discussion, Mehta offered to try the scheme for a limited period but he expressed his reservations about the success of the scheme. He wanted to approach Murthy who had proceeded on temporary duty to company head office for some urgent work. Singh overcame the resistance from workers primarily because of his reputation for fair dealing and straight forwardness. However, he informally made it known to some of the workers that constant higher accumulation of points by individuals shall indicate the efficiency and skill of the individual and may carry weightage at the time of department promotions. The scheme was informally introduced and was quite effective. Meanwhile, Murthy returned from his temporary duty and was quite impressed with Singh's performance. He gave his blessings for the continuation of the scheme. Shortly afterwards, some departmental promotion were announced. As it happened, quite a few of the good workers from test shop were ignored for promotion. Majority of workers promoted were from assembly shops. The workers overlooked from test shops were those with a consistent high accumulation of points. The workers reacted and boycotted the Point Rating Scheme stating that if merit plays no part in deciding promotion, why should there be a merit rating scheme. Singh tried to take up the issue of promotions with Murthy but was quietly told that there is nothing wrong with promotions as senior workers have been promoted. He was advised not to get worked up about the issue. Meanwhile, some of the disgruntled workers approached the union and represented objected to the scheme and demanded its immediate withdrawal stating that no such scheme can be introduced without the union's concurrence and the whole basis of allotting weightage is untenable. The factory manager, when approached by union office bearers expressed his ignorance about the existence of any scheme of this kind and

demanded an immediate explanation from Murthy. Murthy in turn put the entire blame of Singh.

Questions

1. Identifying the problem faced by the organization as against the symptoms seems easily in the case.
2. Generating the solution/ alternate solutions to the solution perceived by Mr.Singh.
3. Implementing the solution, taking care of pitfalls, a young executive should avoid at different phases of implementation

Case Study 9

The day has finally come: Mr. Rajesh is to assume the position of President of Metro Manufacturing. Metro is a widely respected producer of high quality control mechanisms. When the previous president retired, Rajesh was identified as the likely choice for assuming the post. He was respected for his competence in the field and for his ability to work with employees at all levels of operations. Rajesh arrived at work early this morning, not so much to work but to think. As he sits behind his new executive desk, drinking a cup of coffee, his thoughts go back to his early days with Metro. Twenty years ago Rajesh was just a young man right out of college with no business experience and a degree in industrial management. He was hired as an assistant foreman and was placed immediately on the production line. “Oh, those were the days”, he thought. “Seems like there was a problem that required solving every minute”. Thank goodness for the standard operating procedures manuals (SOP’s) and for a foreman who was patient enough to answer my questions didn’t have to make too many critical decisions then. But I sure was putting out a lot of daily fires’. As the nostalgia influence continues, Rajesh thinks back to the time when he was taken off the production line and promoted into middle management. “Things sure did change then”, he thought. As production manager, he had to think further into the future. As a foreman, Rajesh was primarily concerned with meeting daily production requirements. Now he had to plan weeks and even months in advance. The human and communication problems remained although it seems like the reports he had to write were longer. But, as he remembers, the major changes occurred because he had to do more creative thinking. Laughing to himself he thought about the time he went to the files to pull out on SOP for an unusual problem he had to confront and there was none. He was frustrated because he had to handle the problem with little assistance. But, as his analytical, decision-making, and conceptual ability increased, he found himself using his technical skills less and less. Another cup of coffee provided the stimulus to think about the special promotion he made to vice-president of planning five year ago. It was a major hurdle in his life because he had been in heavy competition with five well-qualified managers. He had heard through the grapevine that he had received the position because he was able to think for himself. But, even his past training did not fully prepare Rajesh for the demands of the job; he had to learn much of it on his own. Rather than thin months into the future, he now was required to envision years. Grinning, he remembered that at first he did not realize that there were so many people outside of production that he had to coordinate activities with. Marketing and finance had to be tied together with production. His conceptual and decision-making skills continued to increase. A long time ago, the benefits of the “good

old” SOP’s lost their value. But now, as Rajesh looks at his desk plate which says “President” new thoughts run through his mind. A whole new world opens to him now. He wonders what new requirements will be placed on him. A twinge of fear moves through his body as the thoughts of the new job take hold. What skills will be now needed to be successful?

Questions

1. As the President of Metro Manufacturing, what specific skills will Rajesh need to be effective?
2. How do the demands of different levels of responsibility change as manager progresses up the hierarchy of an organization?
3. What general recommendations would you offer for Rajesh?

Case Study 10

The day has finally come: Mr. Rajesh is to assume the position of President of Metro Manufacturing. Metro is a widely respected producer of high quality control mechanisms. When the previous president retired, Rajesh was identified as the likely choice for assuming the post. He was respected for his competence in the field and for his ability to work with employees at all levels of operations. Rajesh arrived at work early this morning, not so much to work but to think. As he sits behind his new executive desk, drinking a cup of coffee, his thoughts go back to his early days with Metro. Twenty years ago Rajesh was just a young man right out of college with no business experience and a degree in industrial management. He was hired as an assistant foreman and was placed immediately on the production line. “Oh, those were the days”, he thought. “Seems like there was a problem that required solving every minute”. Thank goodness for the standard operating procedures manuals (SOP’s) and for a foreman who was patient enough to answer my questions didn’t have to make too many critical decisions then. But I sure was putting out a lot of daily fires’. As the nostalgia influence continues, Rajesh thinks back to the time when he was taken off the production line and promoted into middle management. “Things sure did change then”, he thought. As production manager, he had to think further into the future. As a foreman, Rajesh was primarily concerned with meeting daily production requirements. Now he had to plan weeks and even months in advance. The human and communication problems remained although it seems like the reports he had to write were longer. But, as he remembers, the major changes occurred because he had to do more creative thinking. Laughing to himself he thought about the time he went to the files to pull out on SOP for an unusual problem he had to confront and there was none. He was frustrated because he had to handle the problem with little assistance. But, as his analytical, decision-making, and conceptual ability increased, he found himself using his technical skills less and less. Another cup of coffee provided the stimulus to think about the special promotion he made to vice-president of planning five year ago. It was a major hurdle in his life because he had been in heavy competition with five well-qualified managers. He had heard through the grapevine that he had received the position because he was able to think for himself. But, even his past training did not fully prepare Rajesh for the demands of the job; he had to learn much of it on his own. Rather than thin months into the future, he now was required to envision years. Grinning, he remembered that at first he did not realize that there were so many people outside of production that he had to coordinate activities with. Marketing and finance had to be tied together with production. His conceptual and decision-making skills continued to increase. A long time ago, the benefits of the “good

old” SOP’s lost their value. But now, as Rajesh looks at his desk plate which says “President” new thoughts run through his mind. A whole new world opens to him now. He wonders what new requirements will be placed on him. A twinge of fear moves through his body as the thoughts of the new job take hold. What skills will be now needed to be successful?

Questions

1. As the President of Metro Manufacturing, what specific skills will Rajesh need to be effective?
2. How do the demands of different levels of responsibility change as manager progresses up the hierarchy of an organization?
3. What general recommendations would you offer for Rajesh?

Case Study 11

Mr. Srinivasa Raghavan, the Chairman of the Best Food Products Company, was tired of being the only one in the company actually responsible for profits. While he had good vice-presidents in charge of finance, sales, advertising, manufacturing, purchasing, and product research, he realized he could not hold any of them responsible for company profits, as much as he would like to. He often found it difficult even to hold them responsible for the contribution of their various areas to company profits. The sales vice-president, for example, had rather reasonably complained that he could not be fully responsible for sales when the advertising was ineffective, when the products wanted by customers were not readily available from manufacturing, or when he did not have the new products he needed to meet competition. Likewise, the manufacturing vice-president had some justification when he made the point that he could not hold costs down and still be able to produce short runs so as to fill orders on short notice; moreover, financial controls would not allow the company to carry a large inventory of everything.

Mr. Raghavan had considered breaking the company down into six or seven segments by setting product divisions with a manager over each with profit responsibility. But he found that this would not be feasible or economical since many of the company's branded food products were produced on the same factory equipment and used the same raw materials and a sales person calling on a store or supermarket could far more economically handle a number of related products than one or a few.

Consequently, Mr. Raghavan came to the conclusion that the best thing to do was to set up six product managers reporting to a product marketing manager. Each product manager would be given responsibility for one or a few products and would oversee, for each product, all aspects product research, manufacturing, advertising and sale thereby becoming the person responsible for the performance and profits relating to the products.

Mr. Raghavan realized that he could not give these product managers actual line authority over the various operating departments of the company since that would cause each vice-president and his department to report to six product managers and the product marketing manager, as well as the president. He was concerned with this problem but knew that some of the most successful larger companies in the world had used the product manager system. Moreover one of his friends on a university faculty told him that he must expect a certain amount of confusion in any organization and that this might not be bad since it forced people to work together as teams.

Mr. Raghavan resolves to put in the product manager system in his organization as outlined and hoped for the best. But he wondered how he could avoid the problem of confusion in reporting relationships.

Questions

1. Do you agree with Mr.Raghavan's programme? State the exact problem in the case.
2. What would you do to avoid any confusion in this organization?
3. Do you suggest any other organization model for this business? If so, present the organization chart of the same.

Case Study 12

Case Study

The ABC Manufacturing Company is a metal working plant under the direction of a plant manager who is known as a strict disciplinarian. One day a foreman noticed Bhola, one of the workers, at the time-clock punching out two cards – his own and the card of Nathu, a fellow worker. Since it was the rule of the company that each man must punch out his own card, the foreman asked Bhola to accompany him to the Personnel /Director, who interpreted the to both workers.

The two workers came to see the Personnel Director on the following day. Nathu claimed innocence on the ground that he had not asked his card be punched and did not know at the time that it was being punched. He had been offered a ride by a friend who had already punched out and who could not wait for him to go through the punch-out procedure. Nathu was worried about his wife who was ill at home and was anxious to reach home as quickly as possible. He planned to take his card to the foreman the next morning for reinstatement, a provision sometimes exercised in such cases.

These circumstances were verified by Bhola. He claimed that he had punched Nathu's card the same time he punched his own, not being conscious of any wrong doing. The Personnel Director was inclined to believe the story of the two men but did not feel he could reverse the action taken. He recognized that these men were good workers and had good records prior to this incident. Nevertheless, they had violated a rule for which the penalty was immediate discharge. He also reminded them that it was the policy of the company to enforce the rules without exception.

A few days later the Personnel Director, the Plant Manager and the Sales Manager sat together at lunch. The Sales Manager reported that he was faced with the necessity of notifying one of their best customers that his order must be delayed because of the inability of one department to conform to schedule. The department in question was the one from which the two workers had been discharged. Not only had it been impossible to replace these men to date, but disgruntlement over the incident had led to significant decline in the cooperation of other workers.

The Personnel Director and the Sales Manager took the position that the discharge of these two valuable men could have been avoided if there had been provision for considering the circumstances of the case. They pointed out that the incident was costly to the company in the possible loss of a customer, in the dissatisfaction within the employee group and in the time

and money that would be involved in recruiting and training replacements. The Plant Manager could not agree with this point of view. “We must have rules if we are to have efficiency and the rules are no good unless we enforce them. Furthermore, if we start considering all these variations in circumstances, we will find ourselves loaded down with everybody thinking he is an exception”. He admitted that the grievances were frequent but countered with the point that they could be of little consequences if the contract agreed to by the union was followed to the letter.

Questions

1. Place yourself in the position of the Personnel Director in this situation. Which of the following courses of action would you have chosen in consideration of the information which was at the time of the decision?
 - a. Would you have discharged both men?
 - b. Would you have discharged Bhola only?
 - c. Would you have discharged Nathu only?
 - d. Would you have discharged neither of them?
 - e. Justify your choice of decision.
2. What policy and procedural changes would you recommend for the handling of future cases of this type? How do you see the loss to the company? Examine.

Case Study 13

The president of Simplex Mills sat at his desk in the hushed atmosphere, so typical of business offices, after the close of working hours. He was thinking about Rehman, the manager in charge of purchasing, and his ability to work with George, the production manager, and Vipulabh, the marketing and sales manager in the firm. When the purchasing department was established two years ago, both George and Vipulabh agreed with the need to centralize this function and place a specialist in charge. George was of the view that this would free his supervisors from detailed ordering activities. Vipulabh opined that the flow of materials into the firm was important enough to warrant a specialised management assignment. Yet since the purchasing department began operating it has been precisely these two managers who have had a number of confrontations with the new purchase manager, and occasionally with one another, in regard to the way the purchasing function is being carried out. From George point of view, instead of simplifying his job as production manager by taking care of purchasing for him, the purchasing department has developed a formal set of procedures that has resulted in as much time commitment on his part as he had previously spent in placing his orders directly with vendors. Further, he is specially irritated by the fact that his need for particular items or particular specification is constantly being questioned by the purchasing department. When the department was established, George assumed that the purchasing manager was there to fill his needs, not to question them. As Vipulabh sees it, the purchasing function is an integral part of marketing function, and the two therefore need to be jointly managed as a unified process. Purchasing function cannot be separated from a firm's overall marketing strategy. However, Rehman has attempted to carry out the purchasing function without regard for this obvious relationship between his responsibilities and those of Vipulabh, thus making a unified marketing strategy impossible. In his previous position, Rehman had worked in the purchasing department of a firm considerably larger than Simplex. Before being hired, he was interviewed by all the top managers, including George and Vipulabh, but it was the president himself who negotiated the details of the job offer. As Rehman sees it, he was hired as a professional to do a professional job. Both George and Vipulabh have been distracting him from this goal by presuming that he is somehow subordinate to them, which he believes is not the case. The people in the production department, who use the purchasing function most, have complained about the detail that he requires on their requisitions. But he has documented proof that materials are now being purchased much more economically than they were under the former decentralized system.

He finds Vipulabh's interests more difficult to understand, since he sees no particular relationship between his responsibilities for efficient procurement, and Vipulabh's responsibilities to market the firm's products. The president has been aware of the continuing conflict among three managers for some time, but on the theory that a little rivalry is healthy and stimulating, he has felt that it was nothing to be unduly concerned about. But now that much of his time is being taken up by much of what he considers to be petty bickering, the time has come to take some positive action.

Answer the following question.

Q1. Is Georges view of the situation realistic?

Q2. How do you evaluate Vipulabh's position?

Q3. How might this conflict be associated with factors in the formal organization?

Q4. What should the president of Simplex Mills do now?

Case Study 14

Implementing New Ideas

Industrial Hydraulics Ltd., is a public sector firm. The Assembly and test shops of the company are headed by Mr. Murthy, shop superintendent, who has one assistant superintendent Mr. Singh under him for both the shops. The two shift supervisors in test shop. Mr. Verghese and Mr. Mehta report directly to Singh. Murthy reports to factory manager and is an engineering graduate with about 15 years of service in the company. Singh, the Assistant Superintendent (27) has above five years of service in the company which he joined as a management trainee (tech.). He is popular amongst the workers and has a reputation for impartially and fair dealing on the shop floor. Mehta, the test shop supervisor (40) is an old timer in the company and is known to most of the old employees including senior officers. He has risen from the ranks and possesses ITI certificate. He is very well known to Murthy, under whom he served for a long time as a technician and later as asst. Supervisor. Verghese, the other supervisor in test shop is a young person, around 25, with a diploma in mechanical engineering and about 3 years of service in the company. He is shy, reserved and generally unknown outside his department. The test shop is the bottleneck area of the department where a large accumulation of units, awaiting testing generally exists. The product mix consists of about 30% of components with a short test cycle time, 45% of components with medium cycle time and 25% of components with a long cycle time. The components with high and medium cycle time have generally complex test schedules and considerable effort if required to rig up test circuits. The production targets are given on a monthly basis and weekly output is monitored by the factory manager. No realistic assessment of assembly and test timings exist. For the past 3 months, the test shop output has been very erratic while there is surplus production of short and medium cycle components which are not immediately required in the quantities produced; there is a large back log of urgently wanted long cycle time components. One fine morning, Murthy was summoned by the factory manager and given 10 days time to rectify the situation. He was given to understand in unequivocal terms the failure to correct the situation shall be entertained by the management. Murthy in turn, immediately asked for Singh and gave him one week to clear the back log in test shop. Singh had studied the situation for quite some time in the test shop and had tried to analyse the reasons for the erratic output. He was of the opinion that Mehta the "B" shifts supervisor was mainly responsible for the situation. He had a tendency to pick up only short cycle time components for test and never made any attempt to take long cycle time components. He was, in the

opinion of Singh, deliberately avoiding difficult and urgently required components to show higher output from his shift. 306 Singh presented his analysis to Murthy who showed his complete disagreement with Singh's analysis. He found nothing wrong of "B" shift and complimented Mehta for giving high output. He strongly advised Singh to concentrate his attention of shift "A" and leave Mehta alone. Singh knew that his reasoning at this stage, either with Murthy or Mehta will not cut much ice. He quietly decided to experiment with a new idea which he called the concept of 'point performance rating'. The idea centered around giving weightage to each item in terms of number of points depending upon the degree of complexity in setting to test circuits and associated cycle time. He also intended to use this data as a sort of merit rating for individual operators. Singh presented his scheme to the two shift supervisors. Verghese was quite receptive and as expected, there was a lot of resistance from Mehta. After a lot of discussion, Mehta offered to try the scheme for a limited period but he expressed his reservations about the success of the scheme. He wanted to approach Murthy who had proceeded on temporary duty to company head office for some urgent work. Singh overcame the resistance from workers primarily because of his reputation for fair dealing and straight forwardness. However, he informally made it known to some of the workers that constant higher accumulation of points by individuals shall indicate the efficiency and skill of the individual and may carry weightage at the time of department promotions. The scheme was informally introduced and was quite effective. Meanwhile, Murthy returned from his temporary duty and was quite impressed with Singh's performance. He gave his blessings for the continuation of the scheme. Shortly afterwards, some departmental promotion were announced. As it happened, quite a few of the good workers from test shop were ignored for promotion. Majority of workers promoted were from assembly shops. The workers overlooked from test shops were those with a consistent high accumulation of points. The workers reacted and boycotted the Point Rating Scheme stating that if merit plays no part in deciding promotion, why should there be a merit rating scheme. Singh tried to take up the issue of promotions with Murthy but was quietly told that there is nothing wrong with promotions as senior workers have been promoted. He was advised not to get worked up about the issue. Meanwhile, some of the disgruntled workers approached the union and represented objected to the scheme and demanded its immediate withdrawal stating that no such scheme can be introduced without the union's concurrence and the whole basis of allotting weightage is untenable. The factory manager, when approached by union office bearers expressed his ignorance about the existence of any scheme of this kind and

demanded an immediate explanation from Murthy. Murthy in turn put the entire blame of Singh.

Questions

1. Identifying the problem faced by the organization as against the symptoms seems easily in the case.
2. Generating the solution/ alternate solutions to the solution perceived by Mr.Singh.
3. Implementing the solution, taking care of pitfalls, a young executive should avoid at different phases of implementation

Case Study 15

Mr. Srinivasa Raghavan, the Chairman of the Best Food Products Company, was tired of being the only one in the company actually responsible for profits. While he had good vice-presidents in charge of finance, sales, advertising, manufacturing, purchasing, and product research, he realized he could not hold any of them responsible for company profits, as much as he would like to. He often found it difficult even to hold them responsible for the contribution of their various areas to company profits. The sales vice-president, for example, had rather reasonably complained that he could not be fully responsible for sales when the advertising was ineffective, when the products wanted by customers were not readily available from manufacturing, or when he did not have the new products he needed to meet competition. Likewise, the manufacturing vice-president had some justification when he made the point that he could not hold costs down and still be able to produce short runs so as to fill orders on short notice; moreover, financial controls would not allow the company to carry a large inventory of everything.

Mr. Raghavan had considered breaking the company down into six or seven segments by setting product divisions with a manager over each with profit responsibility. But he found that this would not be feasible or economical since many of the company's branded food products were produced on the same factory equipment and used the same raw materials and a sales person calling on a store or supermarket could far more economically handle a number of related products than one or a few.

Consequently, Mr. Raghavan came to the conclusion that the best thing to do was to set up six product managers reporting to a product marketing manager. Each product manager would be given responsibility for one or a few products and would oversee, for each product, all aspects product research, manufacturing, advertising and sale thereby becoming the person responsible for the performance and profits relating to the products.

Mr. Raghavan realized that he could not give these product managers actual line authority over the various operating departments of the company since that would cause each vice-president and his department to report to six product managers and the product marketing manager, as well as the president. He was concerned with this problem but knew that some of the most successful larger companies in the world had used the product manager system. Moreover one of his friends on a university faculty told him that he must expect a certain amount of confusion in any organization and that this might not be bad since it forced people to work together as teams.

Mr. Raghavan resolves to put in the product manager system in his organization as outlined and hoped for the best. But he wondered how he could avoid the problem of confusion in reporting relationships.

Questions

1. Do you agree with Mr.Raghavan's programme? State the exact problem in the case.
2. What would you do to avoid any confusion in this organization?
3. Do you suggest any other organization model for this business? If so, present the organization chart of the same.