

Case Study

Mr. James joined as an AGM marketing for a retail giant who sells textile products. The company had 4 directors who looked after various functions of the organization and all the approvals and sanctions were with the top management. James's specialization is advertising and marketing. Time to time he was also asked to look into the purchase of textiles, and quality. Mr. James had the responsibility of managing all the marketing activities of the company. Financial budget approval had to be taken from the Directors even if it is a small amount. All the directors had a say on the marketing activities and James had the responsibility to take necessary approval for even the minor activities. Mr. James insisted on integrated marketing communications but the Directors thought otherwise. A separate plan was drawn out for various communication mediums.

By and Large, James had a good name in the organization but when it comes to incentives and bonus James had a lesser share of the pie compared to other AGMs managing core departments. James had two assistants to help him in his activities. One of them was a commerce graduate and another diploma holder in electronics. These people were always on the move and were not available when needed urgently. When questioned these people were arrogant and did not listen to Mr. James. Despite this James gave them a free hand when it comes to giving ideas.

Good ideas were accepted and implemented. The electronics graduate was paid a monthly salary of Rs.30000/- and the other individual Rs.25000/-. They were allotted to the marketing department with a condition that they will spend one year in marketing and then will be moved to purchase. All the orders from the directors were routed through the GM and then to the AGM and the executives.

However, in case of any urgent implementation Directors used to contact Mr. James directly. Though there were minor issues, the organization, as a whole functioned well. Employees considered organization interest above personal commitments and worked extra hours to achieve goals. There was a good harmony between various departments and by and large, there were no conflicts between departments.

Question: Identify the principles of management which were followed/not followed in the above case.

Solution

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Good ideas were accepted and implemented. The electronics graduate was paid a monthly salary of Rs.30,000/- and the other individual Rs.25,000/-. They were allotted to the marketing department on a one-year contract which may be renewed later based on their performance. All the orders from the directors were routed through the GM and then to the AGM and the executives. However, in case of any urgent implementation Directors used to contact Mr. James directly. Though there were minor issues, the organization, as a whole functioned well. Employees considered organization interest above personal commitments and worked extra hours to achieve goals. There was a good harmony between various departments and by and large, there were no conflicts between departments.

Mr. James joined as an AGM marketing for a retail giant who sells textile products. The company had 4 directors who looked after various functions of the organization and all the approvals and sanctions were with the top management **(14. Centralization)**. James's specialization is advertising and marketing. Time to time he was also asked to look into the purchase of textiles, and quality **(1. Division of Labour)**. Mr. James had the responsibility of managing all the marketing activities of the company. Financial budget approval had to be taken from the Directors even if it is a small amount **(2. Authority)**. All the directors had a say on the marketing activities **(4. Unity of Command)** and James had the responsibility to take necessary approval for even the minor activities **(2. Authority/Responsibility)**. Mr. James insisted on integrated marketing communications **(5. Unity of Direction)** but the Directors thought otherwise. A separate plan was drawn out through various communication mediums.

By and Large, James had a good name in the organization but when it comes to incentives and bonus James had a lesser share of the pie compared to other AGMs managing core departments **(6. Equity)**. James had two assistants to help him in his activities. One of them was a commerce graduate and another diploma holder in electronics **(7. Order)**. These people were always on the move and were not available when needed urgently. When questioned these people were arrogant and did not listen to Mr. James **(8. Discipline)**. Despite this James gave them a free hand when it comes to giving ideas **(9. Initiative)**.

Good ideas were accepted and implemented. The electronics graduate was paid a monthly salary of Rs.30,000/- and the other individual Rs.25,000/- **(10. Fair remuneration)**. They were allotted to the marketing department on a one-year contract which could be renewed later based on their performance **(11. Stability of Tenure)**. All the orders from the directors were routed through the GM and then to the AGM and the executives. However, in case of any urgent implementation Directors used to contact Mr. James directly **(12. Scalar Chain)**. Though there were minor issues, the organization, as a whole functioned well. Employees considered organization interest above personal commitments and worked extra hours to achieve goals **(13. Sub-Ordination of Individual Interest to General Interest)**. There was a good harmony between various departments **(14. Espirit de Corps)** and by and large, there were no conflicts between departments.