

M.Com Part-II

Semester- VIII

Sub-Case Studies in Co-operation and Rural Development

CASE NO.1:

COMPUTERIZATION IN A CONSUMERS

CO-OPERATIVE

Shree Rajaram Super Bazar, registered under the Maharashtra Cooperative Societies' Act, is a leading department store with a chain of 15 branches spread over the entire Ahmednagar District has its head office in Ahmednagar City. The Super Bazar employs 455 persons.

Shri. Prakash Patil, the chief accountant and head of Accounts Department, has 30 persons working under him. Apart from this staff, 15 branch managers and their accountants also report to him. The entire staff is from the nearby areas with a little exposure to the recent trends in the accounting practices. Shri. Prakashpatil, with the approval of the Bazar's Board of Directors, has finalized a massive plan of computerization of personnel, accounts, purchase and sales transactions. For this purpose, he has entrusted the execution of this plan to Shri. Shyam Bhosale, the assistant manager and chief liaison officer in the accounts department.

Shri. Bhosale's responsibility is to help the consultants hired, for system design and to see the whole process of computerization through. The computerization plans have received mild resentment from the staff who are required to work late to facilitate the computerization experts. Also, after the plan is implemented, the staff's responsibilities would change considerably and they may require to undergo training. There would also be. Substantial organizational restructuring. The staff is worried about the continued security of their jobs. They have, therefore, met Shri. Prakash Patil and expressed their concerns. Shri. Prakash Patil asked Shri. Shyam Bhosale to handle these emerging issues, in addition to the computerization work already entrusted to him.

Review Questions:

1. If you were Shyam Bhosale, how would you deal with the staff and ensure their cooperation and acceptance of the plan?
2. What steps the Board of Directors should take to ensure that such a major organizational change has minimal negative impact on the staff's mind set, their work output and workplace behavior?

CASE NO.2:

AUTOMATION IN AN URBAN CO-OPERATIVE BANK

Shri. Prakash Mane is the President of the, fast-growing Pune Urban Cooperative Bank that is well established and professionally managed by a team of Directors. The Bank has its head office in Pune and 55 branches spread over in suburban Pune and three other commercial cities of Maharashtra.

One morning, Shri. Prakash Mane received a report from his Director of Marketing. Shri. Avinash Rane, focusing on the strategies of using electronic banking system and automatic teller machines adopted by their direct competitor to broaden their business coverage. Prakash Mane called Avinash Rane for personal Meeting about how to respond to this challenge. Avinash Rane came prepared with a detailed report outlining the infrastructure needed for raising an electronic banking system. During the meeting, Avinash Rane said to his boss, "Sir, very soon almost all the banks in India will be forced to develop their systems so as to retain their market share. Our Bank cannot ignore this fact either and now is the time to decide whether we would like to be early leaders or to follow others at a later stage.

At the end of the meetings, Prakash Patil was convinced that the best strategy would be to be early leaders and consolidate the position later. He decided that he would take up this plan for further discussions at the board meeting scheduled during the next week. He sent a copy of his plan to Shri. Hemant Kadam, Vice-President (Branch Operations) asking for his comments.

After three days, he received a call from Shri. Kadam, in which he said, "Dear Prakash, I have read your proposal carefully. I agree that aggressive consumer lead banking which you initiated and worked upon through out has been the reason behind

out growth. I also agree with the recommendations of Avinash Rane and feel that our competitors would gain an advantage over us with their initiative.

"However, one basic problem which I see in going further with this discussion is we may have to reduce our manpower after we install ATMs. We will have to retrench a large number of people because we will not be able to accommodate all of them colleagues jobs. Once 'we start retrenchment, our other people will also be scared.

"Secondly as the vice president of branch operations, I have to work with branch employees. They are our .frontline, first contact staff with our customers. Any unhappiness or insecurity among them would ultimately affect our standards of personalized customer service. I wonder how they would feel when they see their colleagues being out of job and their work taken over by a machine".

The meeting ended, but Prakash Mane, the bank's president, continued to think about the whole situation. He could not decide his stand on the issue and began to analyze the whole situation all over again.

Review Questions

1. In terms of the decision-making process at the Board of Director's level, analyze the situation and the various influences working on it.
2. Outline the strengths and weaknesses of the proposed automation plan. Discuss the factors that can tilt the decision in favour of the plan.

CASE NO.3:

ESTABLISHMENT OF A TRAINING CENTRE

A leading State Cooperative Bank, with its head office, five regional offices and 28 branches at distric places, working with 1,300 employees is located in the State's capital. Shri. Subhash Patil, Managing Director of the Bank, once voiced an idea of setting up a staff training centre in the Bank's head office. The idea soon became a topic of discussion-should we set up such a centre or continue to rely on external training agencies. The M. D. had even visualized the hiring out of the training services of the Bank-appointed faculty to other cooperatives banks, so as' to make the training centre as a profit centre within the Bank. Shri. Ghorpade, the Bank's executive director incharge of the human resource management (HRM) and who was responsible for the training of the

employees, though in favor of the idea, however, wondered whether his Department should be run as the peripheral business activity of the Bank or should it concentrate exclusively on the training of their own employees.

Review Questions

1. Should the Bank set up its own training centre or continue with the already existing external training system?
2. Should the Bank use its own training centre to train the employees of other cooperative Banks?

CASE NO. 4

QUALIFICATION versus EXPERIENCE

Uday Cooperative Sugar, a fast-growing and leading sugar mill in Nashik District, had commenced its production 15 years earlier (1989). The mill employed more than 500 workers. Shri. Vasantrao Patole, aged 45 years, was the mill's purchase and stores manager. His department had 20 clerks and 5 computer operators. Shri. Baburao Gunjal, aged 50 years, was the mill's administrative officer who also looked after personnel. His department had 30 clerks and 8 computer operators. Both were with the mill since its establishment. Also, both were commerce graduates and possessed very good knowledge about the cooperative sugar-mills functioning. They also were very particular in their work and also popular among their respective staffs.

The Board of Directors of the mill was efficient and during their tenure, had taken the min to the ever newer heights of success. However, the Board lost the last elections and hence, was changed. The new board members, though highly qualified, were quite young and inexperienced, but keenly interested in further developing the mill. The new Board also desired to set up a distillery as a bye-products unit. As an internal reorganization, the new Board wanted MBA graduates to head their purchase and administration departments among other. Accordingly after passing the necessary Board resolutions, these two posts were advertised in the press.

When both Shri. Patole and Shri. Gunjar came to know about it, they both approached the Chairman of the Board and tried to convince him that they would like to offer themselves as the candidates for the posts advertised on the basis of their experience and not qualification. The Chairman, however, could not be convinced and the Board

proceeded with the appointments of new department heads. On hearing about it, both Shri. Patole and Shri. Gunjal proceeded on long leaves. The Chairman tried to call them in his office for personal discussions; but they responded by sending in their resignations. In due course, the Chairman came to know that both of them were taken up in responsible positions by another cooperative sugar-mill in the nearby district.

Review Questions

1. Do you think that the new Board's step in appointing fresh MBA graduates as department heads was correct?
2. What advantage would the sugar mill would gain by appointing better qualified persons as department heads?
3. What advise would you like to give to the new Board?
4. For retaining Shri. Patole and Shri. Gunjal, would it have been advisable to split their respective departments into two, that is, purchase & materials, also general administration and personnel?

CASE NO.5:

BOARD· ROOM DISCUSSION

MILK FLOOD a leading district dairy cooperative, engaged in collection and distribution of milk with milk products such as milk powder, Shreekhand, ghee, butter, cheese, etc. in three districts and Mumbai market. The Board of Directors of this dairy has to take decisions on the following issues. As an expert in cooperation. how you would guide them:

1. There are two milk collection cooperative functioning in village Alegaon, which have a daily milk supply quota of 4,500 liters and 3,500 liters, respectively from the Milk Flood dairy. Both th7se collection cooperatives, however, regularly fail to fulfill their allotted quota. Milk flood dairy's veterinarian has already reported that the milk animals in the village are undernourished and of low milk yield breed. A third collection cooperative has been formed and has also applied for the supply quota of 3,000 liters to the Milk Flood dairy. Under the circumstances, whether the third dairy also be allotted a supply quota it has asked?

2. As is well-known, upkeep and maintenance of the milk animals is mostly responsibility of the women in the household. A certain village within the jurisdiction of the Milk Flood dairy has two milk collection cooperatives, one being fully women-operated and another being men-operated. The milk payments made by the Milk cooperative dairy to the women-operated cooperative go straight into the women's hands, while the payments made to the men operated cooperative are mostly retained by the men. The womenfolk of these households have formed an informal association, taken the help of an imitative women's help group at the district place and approached the Milk Flood dairy with a demand to handover the milk payments to them, instead of their menfolk. The women's help group has given good publicity to the demand and has also announced its plans of agitating the issue through Morchas and petitions to the Government's Cooperation Department. As an advisor to the Milk Flood's Board, what would you suggest them for handling the demand peacefully?

3. Milk Flood Dairy has a large fleet of milk tankers. One of the tanker driver with 25 years accident-free service, while overtaking another vehicle, rammed into an oncoming vehicle, killing three persons and also injuring himself seriously. In view of his past clean service record and seriousness of his injuries, the Dairy did not take any action against him, it even admitted him to the hospital at its own cost. As per the settlement agreement with the worker's union, the Dairy undertook to pay him all the sickness benefits and hospital costs for six months. The period of six months about to finish but the doctors have informed that the driver will not be able to return to his job within reasonable future.

Review Questions :

1. Whether the Dairy was justified in not taking any action against the driver immediately after the accident?
2. Whether the driver should be charge-sheeted and enquiry held against him or should he be simply discharged as per service rules?
3. Whether the driver is entitled to claim compensation for the injuries suffered during the course of duty. In addition to his legally due retirement benefits?