

CASE STUDY DICE, DISROBE AND DOWNSIZING AT IIM HASTINAPUR

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CASE STUDY

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ABSTRACT

The case is hypothetical in nature and characters of the case are not based on the life and incidence of an individual or organization. The case is based on a management institute which is opened by a corporate house on the issue of Corporate Social Responsibility. The author has compared incident of the case with disrobing of Draupadi in the game of dice played between Pandavas and Kauravas in the epic Mahabharata.

The case focuses on an incident when in an academic institute downsizing has been decided by the management. In order to reduce manpower in the institute only the faculties were selected without deciding any criteria of downsizing. The management has left the decision on the director regarding selection of the faculty members who have to be retrenched in the process of downsizing. Amazingly, director selected names of 3 faculty members who were senior in their concerned departments and doesn't come in any of the criteria of downsizing. The huge power and politics played in the institute to save near and dear of the director.

There were cases in which the faculty was terminated and their courses or subjects were given to the faculties of other department. The whole case is related with the dice, disrobe and downsizing of faculty members in the institute.

Keywords: *Dice, Disrobe, Downsizing, Corporate Social Responsibility, Mahabharata.*

Introduction

One management institute named Shri Hari Institute of Management & Research (SH-IMR) running in northern India in the city of Varanasi, Uttar Pradesh since 1995. The institute was set up by the corporate conglomerate Shri Hari Group of Companies on the name of Corporate Social Responsibility, with the motto of serving society as well as brand building of the company.

The institute was successfully running since 1995 after lots of up and down but it start facing problems in 2009; under the leadership of Prof. Jashpal Singh, director of the institute, who joined the institute in July, 2007. There are many reasons due to which the institute is deteriorating its name and quality of education. Recession in the academic institutions is one of the reason due to which the institute is facing the problem of aspirants for admission. The mushroom like increasing number

of management institutes in Varanasi is the second important reason due to which the institute was facing problem. The third and most important reason are the policies and guidelines of the institute framed by the director.

The governing council members of the institute are working as sleeping partner. In other words, they are similar as the council of ministers in the reign of King Dhritarashtra at Hastinapur. Chairman of the governing council doesn't take keen interest in the activities of the institute since it is running on the principle of no profit and no loss. The behavior and activities of the chairman is similar as king Dhritarashtra, who ruled once upon a time in Hastinapur. Due to all these inefficient and ineffective members in the governing council, the director has taken full authority for taking the decision in similar manner as taken by Duryodhana, Prince of Hastinapur.

The director takes decisions on whims and fancies and sometimes even overruled his own written decisions. In the academic year 2011-12, he found that scenarios of the admissions are not satisfactory. In order to meet out the required number of admissions, he made an agreement with the local coaching institutes of Varanasi and nearby areas. During these agreements, he spent Rs.70 lakhs approximately and ultimately the result was zero. When the number of students is reducing day by day; he appointed 1 faculty and 2 staff members in the month of December, 2011 which can be avoided, since they don't have any significant work load. The financial analysis for the year 2011-2012, governing council found that financial status of the institute is very critical and the balance sheet may come down in negative figures. After meeting with the governing council members, he started holding meetings with his close faculty members who are similar to Duryodhana's have Shakuni and Dushasana in the epic 'Mahabharata'. They have suggested him for going to a downsizing process of the faculty members who are in surplus, due to the closure of 2 management courses - Financial Management and Retail Management in the previous years. During this process, they forget that several faculty members resign on their own and left the institute during last few months. As per the rules and guidelines of AICTE, only 2 faculty members were in excess, including the one who was appointed in December, 2011.

Now the game of dice started by selecting name of the faculty members who have to be disrobed in the name of downsizing. They selected 3 faculty members for the process of downsizing, but keep the decision confidential. The faculty members whose name selected are more academic oriented in comparison to others. The director agrees on these names and date for the game of dice is fixed on Tuesday, May 15, 2012.

1.1 Dice

A formal notice was circulated among the faculty members on May 08, 2012 that the academic performance review for the year 2011-2012 would be conducted on Tuesday, May 15, 2012 individually in which their performance analyzed. After the day long individual review, 3 names came out. The 3 faculty

members were asked to resign till June 30, 2012; otherwise their services would be terminated by the institute. All the faculty members were amazed since this had never happened in the institute earlier.

Out of the total 18 teachers, 3 were selected for the process of downsizing. The institute offers Post Graduate Diploma in Management (PGDM) in which facility of 6 specializations was given to the students. The 3 faculty members were Mr. Sunil Awasthi from Economics and International Business, Mr. Rohan Saxena from Marketing and Mr. Rahul Rai from Organizational Behavior and Human Resource Management, who were selected for the process of downsizing.

2. Downsizing

2.1 Members in the Department

Mr. Sunil Awasthi was teaching in the department of Economics and International Business, since last 3 years. The department consists of 3 faculty members in which 1 faculty is senior to him and the other joined along with him and have the same qualification. The director selected his name but was not able to explain on what grounds his service would be terminated.

Mr. Rohan Saxena was teaching in the department of Marketing, since last 4 years. The department consists of 5 faculty members in which 2 faculties were senior and other 2 were junior to him, if date of appointment is concerned. In this case also, the director was not able to explain on what grounds, his service will be terminated.

The case of third faculty member is the most interesting one. Mr. Rahul Rai was teaching in the department of Organizational Behavior and Human Resource Management, since last 5 years. The department consists of only 2 faculty members including him. The other faculty member joined after Mr. Rai but she is more qualified than him. Very interestingly, the department requires 3 faculty members to run the subjects. The director decided to take resignation from Mr. Rai, and his courses will be distributed among 2 faculty members who belong to the department of Marketing. The director told Mr. Rai that if he would not give his resignation voluntarily, then his service will be terminated from the institute.

2.2 Credit Point Policy

All the 3 teachers were not able to understand on what ground the director asked their resignation. One year before, the director has designed a credit point policy for the faculty which considers all the teaching and non-teaching activities in the institute, the credit point is fixed and accordingly their performance is evaluated at the end of the academic year. The credit point is fixed only for the faculty members, and staffs were kept apart from this policy. As per the rules and guidelines of credit point policy, each faculty member is required to complete 8 credit points in an academic year to meet out their average performance, those who achieve more than 8 credit points in an academic year comes under high performance category and those below 7 credit points are under performance. The faculty member whose credit points are

between 7 and 8 credits; their performance will be deeply analyzed in the next academic year. The performance of the faculty members are analyzed in a block of 2 years.

Mr. Sunil Awasthi, faculty in the department of Economics and International Business was able to complete his credits and earn 7.5 credits in the academic year 2011-2012. The department consists of 3 faculties and all of them were able to complete their credits.

Mr. Rohan Saxena, faculty in the department of marketing was not able to complete his credits and earn only 4.0 credits in the academic year 2011-2012. The department of marketing consists of 5 faculties and the head of department was not ready to give up the papers which were taught by him from the last 15 years to other faculty members. The other 2 faculties in the department have also the same credit as of him.

Mr. Rahul Rai, faculty in the department of Organizational Behavior and Human Resource Management was able to complete his credits and earn 17.4 credits in the academic year 2011-2012, which is more than double a faculty has to achieve in an academic year. The credits earned by him also exceed the limit which a faculty has to achieve in a block of 2 years, which are 16.0 credits. The department of Organizational Behavior and Human Resource Management consists of only 2 faculties and all of them were able to complete more than the credits required to complete in an academic year.

2.3 Individual Faculty Background

Mr. Sunil Awasthi belongs to a family who has their own business of readymade cloth garments. He is married and has a girl child. Due to his family responsibility; he was planning to join his family business, if not getting a suitable job within the specified period of time.

Mr. Rohan Saxena belongs to a service class family. His parents were died few years before. He is a bachelor and living with his elder brother, who is working in a government educational institute as a staff.

Mr. Rai belongs to a farmer family though his father retires from Indian Air Force as an auditor and he lives with him. He met with an accident on October 23, 2011, when he was returning home in the mid night after the annual function of the institute. His right leg was completely fractured which was operated on October 24, 2011 and till May, 2012 he was walking with the help of crutches. During all these adverse circumstances, his marriage which was already fixed in June, 2011 was rescheduled on June 24, 2012 with the hope that he would recover from his injury during the mean time. All the arrangements and advance booking has been done and he has to marry in this situation; no other option left.

Mr. Rai was struggling with his medical problems as well as marriage related issues. After May 15, 2012; he was facing another problem on the professional front. After self assessment of his service period in the institute during last 5 years, he was not able to understand on what ground his service will be terminated.

2.4 Parameters of Downsizing

Mr. Rai considered various parameters on the basis of which the downsizing can be implemented in an organization, if necessary; and analyzed his service tenure on those parameters. The parameters would be:

- (a) If the department is concerned, it consists of only 2 faculty members.
- (b) If the designation is concerned in the whole organization, there are many other faculty members who are junior to him.
- (c) If the date of joining is concerned, more than half faculty members are junior to him.
- (d) He is not coming in any of the parameters of LIFO (Last In First Out) or FIFO (First In First Out).
- (e) If the credit point is concerned, he has earned 17.4 credits in an academic year, which he has to cover in a block of 2 years.

Some of these points are also applicable with Mr. Sunil Awasthi and Mr. Rohan Saxena. But the situation of Mr. Rai is very critical and different from others. The director was not explaining that if downsizing is required; on what parameters it would be implemented in the institute. All the faculty and staff members were tense with the situation going on in the institute. The downsizing seems more to be a game of power and politics by the director and their core team members. On the one hand, director was raising the issue of decreasing revenue; and on the other hand, he purchased new luxury car for himself from the institute fund which costs Rs. 15 lakhs approximately, when he has already 2 cars provided by the institute. He also makes regular visit to the foreign tour showing that he was going for the benefit of the institute but the reason was pure personal.

3. Disrobe

During the mean time, Mr. Rai required leaves for his marriage ceremony. He submitted the leave application twice which was rejected by the director. The director wants resignation letter in advance from him and then he will consider the leave application. After a lot of negotiation the problem seems to be sort out. The negotiation leads to a compromise that after the marriage when he returns back to the institute, he will immediately resign. His leave was sanctioned from June 11, 2012 to July 07, 2012. Mr. Rai made departure from the city of Varanasi for his native place in Bihar. All the marriage ceremonies were going on but it seems that his heart, mind and soul left somewhere else. He made his returning reservation to Varanasi for July 03, 2012; even before his sanctioned leave.

On July 06, 2012 almost around midnight; he opened his official email account and found that the institute sends termination letter to him on July 02, 2012. As per the policy of institute, the termination letter sent with an advance notice of one month and his last date of service in the institute would be August

01, 2012. Mr. Rai was not able to understand that after discussion with the director; how the termination letter can be issued when the employee went on sanctioned leave? In the same midnight, he drafted an application letter regarding his termination and sent it to the member of Governing Council and the chairman via email. After thinking whole night, he decided to meet members of the Governing Council and explain to them the whole situation.

On July 07, 2012 he went to the corporate head office and met one of the Governing Council members, Mr. Sanjay Rastogi and explained him the whole situation in detail. He suggested meeting chairman of the governing council, Mr. S. P. Agarwal. He met the chairman and explained to him the whole situation which he had already sent to him via email. The chairman promised him that he is going to set up an inquiry and within a week he will contact him on his mobile.

On July 12, 2012 the chairman called Mr. Rai on his mobile and suggested him to take appointment from director and meet him. He was amazed on such instructions by the chairman. He took appointment and met the director in the same evening. The director was highly annoyed with him regarding his meeting with one of the members of governing council and the chairman. The meeting between the director and Mr. Rai continued for around 45 minutes and concluded without any results. The director was not ready to reconsider the decision regarding termination of his service, while he was ready to give some extra time to Mr. Rai on the medical grounds if he requested it to the director by means of a written application. After meeting with the director, Mr. Rai was not able to understand the decision taken by the chairman and the governing council, just after inquiry.

Mr. Rai was thinking regarding the inquiry, as per the promise done by the chairman, and then there should be some firm decision. If Mr. Rai's application was fraud, then he should be sacked with immediate effect on the charge of defaming his own boss. If the decision taken by the director to terminate Mr. Rai is based only on whims and fancies, then the decision should again be re-considered and the director must be asked clarifications on this issue. During all these confusions, Mr. Rai took around a week to reach the decision after consulting his family members and friends that he submits an application and make a request to give extension on the basis of medical grounds. Unwillingly, Mr. Rai wrote an application to the director in which he requested for extension of 3 months on medical grounds; so that he recovers from the injury which he got from accident and reaches the normal situation. The director accepted the application and extends his service for 3 months up to October 30, 2012. The director wants to keep himself on the safe side. So, he also suggested to the other faculty members that if you request on the written application; I can provide some time for searching the new job. The other faculty members also submitted the application and their service tenure can be extended by 1 month and 15 days i.e. up to September 15, 2012. Now the director is on the safe side regarding any legal matters raised.

Mr. Rai was not able to understand the incident occurred in between when he met with the chairman and till the time of extension of 3 months of service given by the director. After few days, one person who is very close to him and working in the head office of the company incidentally met him. During the discussion, he told that in the last governing council meeting; director of the institute proposed downsizing of the faculty members and the council members gives their consent on it. The reason behind the decision is the downfall in the institute's revenue and increasing expenditure. The revenue is reducing due to the lack of admissions year after year. The members of governing council agreed upon reducing the workforce and decision of selecting the faculty is left on the discretion and wisdom of the director.

Now, the whole scenario is very much clear to Mr. Rai. The director and his core committee members played the dice and selected 3 faculty members whom they don't like personally. This is a great opportunity of disrobing all 3 of them like Draupadi, who was disrobed in the reign of Dhritarashtra, King of Hastinapur. All the dice was planned and then the process of downsizing was started to disrobe these teachers, since they are only concerned about their work not the sycophancy to the director and their core committee members. The 3 faculties who were selected for the process of downsizing was more concerned about their performance in the class room and other academic activity, rather than power and politics played in the institute. Now, they are paying the cost of their behavior which is focused on sincerity and honesty.

Ultimately, he understands that why after the written complaints and face to face discussion with one of the governing council member and chairman, the status quo was maintained. He was shocked by understanding all the power and politics in the institute as well as working culture of the corporate head office. Mr. Rai had seen the dual faces of his top bosses. A deep rooted question arises in his mind that if this is the professional ethics of the chairman, members of the governing council, director and the faculty members; what professional ethics they taught to the management graduates? The students who come with lots of hope and desire to learn the management subjects; they only get their degree and become a management professional in the corporate world. They spent lots of hard earned money on the education and in return they receive an environment of power and politics where nobody is concerned about the academic performance but everyone is more concern about their own profit and loss.

Ultimately, all the 3 faculty members who have been identified for downsizing relieved from their duties on their respective dates. In the next meeting, director and their core committee members have decided to change all the computers of computer laboratory which costs Rs. 15 lakhs approximately for 60 desktop computers, only to make some amount of money from commission.

Mr. Rai was also relieved on his due date. He tried a lot but not able to get the job in other academic institute due to mid of the academic year. Ultimately, Mr. Rai leaves the academics and joined the industry in the capacity of Assistant Manager – HR in one of the local firm in the city of Varanasi. The whole incident is similar as Pandavas left the Hastinapur after disrobe of Draupadi and losing their empire to Kauravas in the game of dice.

4. Conclusion

The case concerns about the behavioral attitude of power and politics in the management institutes in India. There are 4 P's in the organization in a well proportionate manner: Purpose, People, Power and Politics. Purpose is given the highest concern while Politics least. People come in the second importance level and Power at the third level of concern. When power and politics are given the highest level of concern then obviously it will cause suffering to the purpose and people.

The situation of IIM Hastinapur is also critical where academics, faculty and students are given the least preference. The highest priorities are earning money and increase their power by playing politics.

In all these types of circumstances, ultimately the students suffer and deteriorate image of the institutions and credibility of their courses. Due to all these factors, credibility of the management education and its institutions decreases among the aspirants which lead to the ultimate downfall of the management education system in India.

Questions for Discussions:

i. Analyzing all the situations of dice, disrobe and

downsizing, do you expect another Mahabharata (Brainstorming) in academics which will lead to the change in situation and establish the truth and sanctity in the academic institutions especially those who are running the management education system in India?

- ii. Do you feel that almost all the time, only the genuine and worthy person face the situation of downsizing?
- iii. In your opinion, what should be the formula adopted in an organization, if downsizing is essential?
- iv. Do you think that power and politics played in the academic institutions was deeply observed by the students especially in the higher education institutions? Comment with suitable logical arguments.
- v. 'Paradigm Shift in Management Education' or 'Management Education in 2020'. Do you think that the topic is really relevant or it was only designed and created by the scholars to collect the focus from other fraternities? Comment.
- vi. Do you think that the story of epic 'Mahabharata' is still relevant now-a-days. If yes, then would you suggest that it should be in the course content in management education for teaching ethics to the students?
- vii. If you were in the position of Mr. Rahul Rai, what should be your decision and action in reply to the director's letter of termination and why? Justify your decision and action with sufficient logic.