



### IS Small Beautiful? (E)

'This case material is prepared under the guidance of Prof. Krishna Kumar, Former Professor, IIML, as a basis for class discussion rather than illustrating correct or incorrect handling of administrative situations.'

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### **Is Small Beautiful (E)?**

“The twin issues of delays in completion of construction work and managing through limited manpower worried me most during my tenure, especially the subordinate non-teaching staff (SNTS). The two were interconnected in a way, but while the former worried me in the first year more, the latter took almost four years to resolve. But at the end, we were not able to solve the issues, but in a way we were over successful” said the former Director of IMP Institute reminiscing his five years tenure at the Institute. The problems faced in the completion of construction work are discussed in case ISB (A-D). This case describes the challenge of managing NTS.

#### **Problems of Non-teaching Staff**

Way back in March 2004 itself, within a month of joining the Director had received a memorandum from the Non-Teaching Staff (NTS) Association about various demands, ranging from removal of anomalies on pay revision, to notification of provident fund, Central School for the wards, promotion on completion of 6 years service etc. Each one was a complex issue and the Director did not have any clue as to how to go about solving the problems. He was advised by the Chief Administrative Officer not to entertain the office bearers for the NTS Association. He agreed to it. Association was not a recognized union, having only 17 members. He did not, however, listen to the suggestion of ignoring them. Instead, he proposed to meet all the NTS together in his own office, for a direct dialogue with all and avoid “communication gaps” that may get created if he did not listen to their problems comprehensively.

Most of the NTS members had joined the Institute in the year 1997-98. Since the institute had got its financial clearance from the Ministry of Human Resource Development, Government of India only in early 2003, no confirmation of regular employment could be done. By 2003, there were 30 NTS staff members (including 20 SNTS and 10 officers). Although the EFC was cleared in early 2003, only 14 NTS positions were sanctioned, as the positions were sanctioned on the basis of PGP population in the ratio of 1.1 NTS for 10 students. Since the intake was only 80 students, the students’ population

was around 130. Since the NTS staff strength already on rolls was double of that, the Institute had to increase intake further, to 120, even though the class rooms and hostels for the increased intake were not ready. The additional NTS staff positioned were sanctioned in October 2003, and the confirmation of all the NTS staff could be done only roughly a fortnight before the new Director joined on 27<sup>th</sup> February 2004. By that time almost all the NTS staff had completed 6-7 years' service. Many had come from other similar institutions, where some of their former colleagues had got at least one promotion. The other Institutions had 5-10 times the size of NTS staff. The NTS of IMP had to thus shoulder 3-4 times the workload of NTS staff of other institutions. Demand of promotion was thus not unexpected once they were confirmed employees. The problem was further compounded by the fact that all of them were only in two pay scales with 16 of them being in the scale Rs. 5000-8000 (see exhibit 1). In no case one could expect Ministry to permit promotion of all the latter making Institute having 26 officers out of a total of 30 NTS. For the Director achieving a sustaining this level of efficiency was not easy without some meaningful and satisfying action. Director was also apprehensive in the initial period someday they may bring the academics in the institute to standstill, as the Institute was located in a state that was known for frequent strike and labour unrest. Each academic activity (except one) was handled by one SNTS. If they went on strike, the whole activity would be closed and if they all went together, the academics could come to standstill.

### **The NTS Agitation**

Nothing really happened for the next three months despite few reminders and occasional meetings. In July end, the Director saw a frantic email from the Chairman of the Post-graduate Programme (PGP) that the staff was threatening the boycott of PGP examination. Immediately on returning to the Institute, he called a meeting with all the staff. During the meeting a long list of demands appeared on the discussion board of his office (which became a charter for addressing staff problem for the next few years) as given below:

1. Promotion under a clear cut promotion policy for NTS.

2. Removal of anomalies in Pay fixation of junior engineers (3) and Senior Library Assistants (2).
3. Implementation of CPF/GPF-cum-Pension Scheme.
4. Starting Central School in campus for children
5. Charging for use of Institute bus by contract and other staff (for coming and going from office).

The Director requested them not to add further items to the list and promised them he would do his best to address them. He also decided that would not use his some of his entitlements until he is able to give them their due. As a token, he stopped traveling in other than economy class, avoid AC-I class and refrained from for entertaining guests at home and seek reimbursements he was entitled to, so that people believed in him.

This case describes the first 3 issues which took over 4 years to resolve. The 4<sup>th</sup> & 5<sup>th</sup> issues though ticklish, could be resolved fast in within 6-12 months.

The Director wondered how many pending matters he has inherited in legacy. The delays in project management in itself was a complex issue (see ISB C&D), besides low fee of Rs. 1,00,000 lakh p.a. for Post Graduate Programme (PGP) against Rs. 1,50,000 or 1,75,000 charged by other established institutions.

The Director decided to attack the second issue first. From the previous correspondence on the subject he observed that the letters to the Ministry contained, besides the issue number 2 and 3, some others issue, namely upgradation of the post of Chief Administrative Officer and Librarian and change in the designation of “Manager, Computer Centre” to “Systems Manager”. He decided to separate out the issues for writing the Ministry. In the first letter he requested the change in the designation of the Manager, Computer Centre, which was approved by the ministry in few months.

In the next letter he referred the cases of anomalies in pay fixation. This issue was also resolved with revised pay fixation of Junior Engineers by the Ministry, which did not agree, however for revised pay fixation of senior library assistants, explaining that there was no anomaly existing in fixation of pay under 5<sup>th</sup> Pay Commission.

The issue number 3 was more involved. The Government of India had stopped GPF-cum-Pension Scheme for the staff for government employees, w.e.f. January 2001. It was also applicable to the autonomous body of the central government like IMP. All the staff members of Central Government were to be covered under CPF or EPF. Since the Institute's EFC\* was cleared only in early 2003, the posts, both teaching and non-teaching were sanctioned in March/October 2003 and hence employees who had joined directly without seeking transfer of service with the consent of the previous employer, did not get the benefit of GPG-cum-Pension scheme. It did not matter in 1998-2002 period, as the economic slow down had not taken place and most people had voluntarily opted for CPF scheme. They started pleading for GPF-cum-Pension Scheme when the interest rates started falling from 2002-03 onwards.

A reason for greater worry was that CPF notification had not come. Staff was apprehensive that although they had been availing tax benefit on CPF contribution. If the income tax authorities refused tax rebate on technical grounds (no notification), they would lose heavily.

The Director asked the staff to be clear on whether they wanted to be covered under CPF or EPF scheme. Although EPF scheme was financially more beneficial (as it provided for 12% contribution from employer than 10% under CPF), it entailed time consuming disposal of loan/withdrawal requests. It could create hardships as the EPF commissioner could ask to deposit 2% additional contribution from every employee since the day one had joined the CPF scheme. Also many people had taken loans/withdrawals for various purposes. How that would be adjusted by EPF office, worried many. The employees, therefore, converged to option of CPF scheme, rather than opting for coverage under EPF scheme (which was less bothersome for the Director to get implemented).

What upset the Director was the fact that there was no response from the Ministry, despite almost six years having passed since the proposal for CPF scheme was forwarded to the Ministry. On in a chance meeting with the Joint Secretary in the Ministry, the Director raised the issue with, requesting him to expedite the matter. He was shocked to learn that the proposal sent for approval of the scheme had a major defect. The

employers' contribution in the proposal was mentioned as 12% (applicable under EPF scheme) instead of 10% permitted under CPF scheme.

Returning deeply disappointed to learn this folly, he asked the CAO to get the original scheme sent to the Ministry. He was astonished to learn that the administration was not able to trace the letters and enclosures sent to the Ministry in this regard. He then sought the Ministry's help to get a copy of format of the scheme, got it filled and sent a fresh proposal to the Ministry. After several rounds to the Ministry, its Integrated Finance Division, Ministry of Finance and the Department of Personnel, after over two years, he finally got the CPF scheme notified. Although the notification (2007) took almost 10 years but it was faster than CPF notifications received in any of the other established sister institutions. It gave a sigh of relief to the staff.

### **Problem in the Staff Promotion**

The promotion of staff was not an easy task at all. The Ministry was not inclined to permit the promotion except on completion of 12 years service in the scale. Staff was agitated. If the PGP intake was increased then sanctioned strength could be increased and NTS staff could get promoted to the next levels.

Increasing intake in PGP further was however not easy. Only in the previous year i.e., 2003, the intake was increased from 60 to 120. It required many things, ranging from additional class rooms, hostels and faculty. The issue of classrooms was somewhat resolved with the modifications made in the design of a duplicate class room complex that was under construction [see case ISB (D)]. The conversion of two number 60 seater classrooms into 79 seater classrooms and two number 36 seater classroom into 60 seater ones, augmented the number of 60 seater classrooms to 6 on completion of classroom complex II, instead of 4 as envisaged in the original design. "The idea crossed in my mind that if we can make new hostels and additional faculty, the batch size could be increased to 180 from 60 in 2002 to 120 in 2003 just an year ago" said the Director.

One day the CAO brought a proposal to increase number of security guards for hostels that were nearing completion to accommodate 120 students batch size. Being hard pressed for funds, the Director flatly refused the request.

“On insistence by CAO for allowing increase in number of security guards, I asked how many more were required. I was surprised to learn that he wanted 1 for some hostels and 2 for some others. I asked whether hostels were of different sizes, he said yes, because of the terrain in which they were constructed. On asking the details of rooms in the 7 hostels, I observed, though the number of rooms varied from 44 to 54, each hostel had more than 40 rooms which meant that there were more than 280 rooms. The actually totaled to 318. I was pleasantly surprised that although phase II construction was for a batch size of PGP intake of 120 (2 sections), there were over 60 rooms extra due different design based upon the hilly terrain. It occurred to me if we get some more faculty, the batch-size could be increased to 180 in June 2005. One more 60 seater hostel would be required that can be completed in a years time (ie, by June 2006), when the 180 students batch reaches second year”. The Director sanctioned the additional security guard, but did not make public the fact that there won’t be crisis of hostel immediately even if it was decided to increase the batch size to 180 even as late as June 2005” he said.

In December 2004, when the classrooms size conversion was nearing completion, the Director sounded the Architect to start constructing a multi-utility hostel. In March 2005, when the Architect gave preliminary design and cost estimates, the Director submitted the same for “in principle” approval by the Board. Questions were raised as to why the cost was high. Explaining to members of the Board, the Director told the Board;

“We badly need build a low cost accommodation for training programmes. The Institute does not have a regular hostel for training, especially for conducting faculty development programmes. Furthermore, the Phase II construction works are designed for a batch size of 120 only. If the Institutes decided to go for 180 student intake, it will need two more hostels, one to be built immediately. The hostel is an experiment on multi-utility building. As of now all the PGP students’ hostels in various institutes are used only for 9 months in a year on single occupancy basis. The new hostel is proposed to be used for 12 months; 9 months for PGP students and three months for conducting training

programmes (especially Faculty Development Programmes), Conference etc. The cost is 25% more, but utility was 33% more. The Board appreciated the novel idea (for economics of the multi-utility hostel – see case ISB C,D ).

### **Solving the Faculty Problem**

Shortage of faculty has been a serious problem recognized across all management institutions. In March 2005, when the Director proposed to the Faculty Council to increase the intake in PGP from 120 to 180, the faculty members were very agitated; especially because PGP intake was increased from 60 to 120 only in 2003 July, without commensurate increase in faculty size. The full time faculty strength had gone up from about 18 to 23 only. A presentation by the PGP Chairman in around October 2004 had indicated the requirement of 40 faculty members for going to third section. The sanctioned faculty strength was 27, but actually there were only 23. Bridging the gap of 17 faculty members was an onerous task. The Director pleaded that

“The Institute is having a batch size of 120 students. For adding one section of 60 students, only 6 more faculty members were required in the first year. If we can recruit 6-7 faculty members between April-July, the faculty should not have any reservation”. The Faculty Council agreed to it, but asserted that the increase should not be affected until 6-7 new faculty joined, to which the Director agreed.

The Director accordingly approached the Ministry for approval of 12 additional faculty and 13 additional non-teaching staff.

Besides staff demand for promotion, there were several other pressing considerations for increasing intake from 120 to 180 students. One, there were only 4 faculty positions vacant (27-23). Once they were filled, there would be no scope to recruit a faculty, even if good candidates were available. Secondly, it would be difficult to promote existing faculty to higher positions which will make it difficult to hold even existing faculty from moving out to other institutions. Thirdly, the Director was aware that Ministry was considering introduction of Block Grant scheme, i.e., a definite amount of funds would be given to the Institute by the Ministry every year for the next 5 years to meet recurring



expenditure. After that the Ministry would not give any fund for meeting recurring expenditure. The amount of Block Grant would be based upon the size of PGP intake. Further, if the Institute saved some money from the total of Block Grant and other income of the Institute (fees etc.) after meeting all the recurring expenditure and transferred it to a Corpus Fund, the Ministry would give equal amount as matching grant, which could to be added to the Corpus fund, until the Corpus fund reached Rs. 500 million level. An increase in PGP intake would increase income from fee, Block Grant and the matching grant, if the expenditure was contained. All these would go a long way in having sufficient funds at the disposal of the Institute, instead of banking on the Ministry for sanction and timely release of grants to be able to pay builders' and others bills timely – the former being critical for expediting completion of Phase II buildings, being made by a reputed but loss making builder (see ISB Case B).

Last but not the least was a horrible fact that Director realized on analyzing the faculty work load for identifying areas of critical faculty shortages. The Institute had applied 60% of overhead expenses to PGP to calculate per student cost, which was used by the Ministry for approving fee rise for IMP at 50% of cost per student. This was based upon the assumption that faculty members spend on the average 50% of their time in teaching in PGP (3 course credits (a 30 class contact course, one section was taken as one full credit load) and another half credit load in administrative tasks related to PGP. Although the faculty size approved was 27 on this basis and there were only 23 faculty members, on the face of it they were overloaded. In reality, however, full time faculty had only 1.6 course credit load instead of 3.5. Adjunct faculty was bearing about 55% teaching load and core (full time faculty) only 45%. If this fact was reflected in PGP cost calculations, the overheads costs applied to PGP could be only 25% (1.6/6) instead of 60% (3.5/6), the cost per student would then come down from Rs. 0.28 mn to Rs. 0.21 mn. and the Institute instead of asking for rise in PGP fees from Rs. 0.10 mn to about Rs. 0.15 mn would have to be contented to keep it around Rs. 0.105 mn. (i.e., almost no increase in fees would be justifiable). This was too horrifying a scenario when the institute's electricity, security, house keeping and horticulture bills were shooting astronomically as the Institute move from its temporary premises to its own campus in January 2003. For example electricity bill shot up from about Rs. 1 mn in 2002-03 to over Rs. 8.0 mn in 2003-04. By 2007-08, these expenses reached over Rs. 17.5 mn, which was total PGP

fee collected in the year 2003-04. Most of these costs were fixed and could not be covered without rise in fees as well as PGP intake. The whole economics of running the Institute thus depended upon the size of the PGP intake.

### **The Great Let Down & Exodus**

As the Director proposed to increase intake and pleaded with the Ministry for approving the additional teaching and non-teaching staff positions and organized faculty recruitment exercise and offered appointment to the 7 new faculty members (on the terms agreed by them at the time of interview), two things happened. One was a Great Let Down – none of them joined after having agreed to do so, on some or the other pretext. Second, 6 existing faculty members resigned, hired by other management institutes of the country. Director had a belief that the Institute had tenacity to withstand this development. Not only that, he also believed that it could work as a positive factor to bring out the latent efficiency of the core faculty members.

The increase in intake was resisted by the faculty members. The decision to do so was taken on 1<sup>st</sup> June just before the summer vacations ended and the Institute reopened on 5<sup>th</sup> June. Many faculty members had expressed reservations against it because new faculty had not joined and 6 had submitted resignation. There was also suggestion to defer it next year. The Director was candid but made it clear that he has been able to get additional posts sanctioned by the Ministry only on the promise that this was required for increasing intake and without that increase in PGP intake could not be undertaken. Ministry also agreed to do so perhaps because this was the only institute among the six established that was going to PGP intake of 180 in the 8<sup>th</sup> year, for which others had taken 10-20 years. Director also clarified that he could not rule out the withdrawal of sanctioned post, if the promised increase in intake was not affected. Although the faculty council had approved the increase in intake, many had strong opposition to the idea, little realizing the wider ramification of non-increase, including blockage of promotion opportunities of the junior faculty colleagues. They did not appreciate how difficult it was for the Institute to retain faculty and recruit new faculty in an institution having serious location and advantages (see case ISB A & B). Many had consideration of their own workload and comfort and did not care about the challenges the Institute was facing

in building infrastructure and facilities. Neither they were concerned about the economics of running the Institute nor the problems expected due to heavy dependence on government.

His faith was not ill founded. The faculty flock increased its workload, albeit with new incentive scheme introduced (see case ISB ). The average teaching load increased to about 3 credits, rising from 1.6 earlier. A large number of committed adjunct faculty ranging from industry expert – independent consultant and academicians (from leading institutions of India and abroad) gave inputs that it did not affect the quality of education. It reflected in the summer and job placements. The Institute job placement ranking remained same (indeed improved marginally) despite steady increase in intake.

By 2007-08 the Institute's corpus fund crossed Rs. 500 mn (i.e, in the third year of the 5 year block grant period). By the end of third year it crossed Rs. 650 mn and by 2008-09 in crossed Rs. 850 mn. It was expected to cross Rs. 1000 mn by end of 5 year block grant period.

With Rs. 1,50,000 fees for PGP in 2006-07 and an intake of 180 (360 students together in the first and second years) the income from PGP fee went up to Rs. 540 mn from about Rs. 175 mn in 2003-04, which changed the whole economics of running the Institute. This helped it in covering up the entire recurring expenditure. This also allowed Institute to save the entire Block Grant of Rs. 68 mn. Added to it was additional income of approx. Rs. 20 mn from PGP admissions. If the PGP intake was only at 120 and PGP fees at Rs. 100,000, the income from fee would have been only Rs. 240 mn, which would not have been sufficient to cover the entire running expense of Rs. 45 mn. Also the Institute's Block Grant would have been pegged at about Rs. 45 mn only, which could have led to about Rs. 100 mn less as Block Grant over 5 years. All this helped in transferring about Rs. 100 mn in 2006-07 to Corpus Fund and earn a matching grant of Rs. 100 mn. Similar savings helped in the Institute piling up a corpus fund of Rs. 500 mn by 3<sup>rd</sup> year. The interest income on the same helped in the Institute reach a corpus fund of Rs. 650 mn despite stoppage of matching grant which happened when the Institute crossed Rs. 500 mn mark. Of course, this was facilitated by additional income of Rs. 180

mn when the PGP fee was increased to Rs. 0. 2 mn p.a. in 2007-08, which the Institute had to do as other Institutions hiked their fees.

### **Containing the NTS Agitation**

Although the PGP intake was increased to 180, the NTS problem persisted. This was because while the Ministry approved additional teaching positions, it did not convey the sanction of non-teaching positions. This agitated the non-teaching staff very much and they were losing confidence in the Director as the matter had to be referred to and approved by the Ministry of Finance, which made the whole issue very complex and time consuming.

With removal of anomalies in pay fixation Junior Engineers, change in designation, resolution of central school related issues, expedites completion of Phase II construction works, approval of additional faculty positions and resulting in increase in PGP intake, the employee acknowledging a wind of change, the dream of their own promotion had not materialized as yet. The NTS was in no mood to forgive the Director. They were getting restive. And the Director was apprehensive of a serious agitation.

He then called a meeting and explained the reason that the approval for non-teaching entailed clearance from not only the Institute's own Ministry but also from the Ministry of Finance, and it could take more time. The staff got agitated even more. The Director explained to them that these things were not in his control, and what was in his control he won't mind doing. The staff complained that no action was seen on the promotion scheme they had drafted and submitted for consideration. Director asked them what action they expected, if the posts for promotion itself were not there. He then enquired what would they get if they got promotion. The staff listed the following:

1. A change in their job (many people were in same post for several years and needed change in job).
2. A change in their status.
3. Increase in emoluments.
4. Increase in terminal benefits.

The Director agreed to consider and try his best for the item no. 1, 2 and 3. As a part of this, he initiated job rotation of all the staff except one who was transferred only previous year. On 1<sup>st</sup> July 2005 all the staff members were to assume new positions. Some had reservation. But the Director stuck to his words, either all or none. Finally all the staff agreed and all but one staff took new positions.

“This helped me in putting the right people for respective job. For example, the existing assistant in PGP Office, in my view, would not have been able to bring reforms we needed in PGP Office to cope with challenges of increase in PGP intake to 180. We needed an equally competent man in Admission and IDL Office. We also wanted a competent man to take charge of training programmes that were leap frogging. It also sent message that one has to prove himself to avoid insignificant postings. Lastly, we badly needed back up for every departmental assistant, as every department had only one regular employee that too at assistant level. Only 10 among non-teaching staff were above assistant (officer) level, 4 in accounts department, 2 in computer centre, 1 each in library and project management, 1 as Chief Administrative Officer and 1 as Personal Secretary to the Director”.

### **Introduction of the “Award Scheme”**

For the third item, the Director wondered if any thing could be done. He calculated that on promotion they would get one increment in previous scale and then fixed in the new scale at next higher basic pay. They will also get corresponding increase in Dearness Allowance. Since increment was only Rs. 150/-, he thought per month they will get about Rs. 300/- extra, i.e., annually about Rs. 3600/- per head. He talked to the NTS whether this would be OK, to which they agreed. “Since there were only 17 people it would cost about Rs. 60,000/- to the Institute, which is a meager sum considering that increase of batch size by 45 students would fetch about Rs. 56 lakh as additional fees from PGP alone” he thought.

There was, however, still a hitch. The Director informally sought the views of IFD of the Ministry whether this was permissible. They clarified that while there would be no objection to giving Lump Sum Awards for outstanding performance of the staff, who had

stretched there workload threefold in the last 3 years, it should not have any impression/ connotation of any special increment.

The Director then worked out the total actual entitlement of all the staff, who had completed seven years service. He then instituted two Awards – one for those who were in the scale of Rs. 4000-6000 and the second Rs. 6000 for those who were in the scale of Rs. 5000-8000. This was done by collecting fractions that people were entitled to if the increment were given as if they were promoted. For Example, a person who was in the scale of Rs. 5000-8000 and was entitled for say R. 6500, calculated on the basis of assumption of his possible pay fixation on his assumed promotion, got only Rs. 6000/-, and the person who would have been entitled for Rs. 5900/- also got Rs. 6000 as lump sum award. The first person lost Rs. 500 and the other got Rs. 100 more. The extreme case was that of a person who was in the scale of Rs. 4000-6000 and was getting entitlement for only Rs. 2900 and was given Rs. 5000 like 3 others in the scale. It was made clear that this Award was only for the year 2005 and those people who had completed 7 years of service in the scale and performed well, but could not be promoted as no posts were available. If the posts were available in the future, the Award would not be due.

The Director expected problem when during the announcement of Award scheme the NTS asked the basis on which the awards were given. They had done their individual entitlement calculations, which for some was more than the Award value. He was pleasantly surprised when the staff complemented him for the novel idea, especially for rewarding the person, awarded Rs. 5000 instead of 2900, (whom they all held in high esteem for his sincerity and hard work, but who was going to get the least as per their calculations), even though many sacrificed the additional money that they could get if the awards were given by calculating increments based entitlements. Director was impressed by their sense of justice even at their personal cost. The Award Scheme was applied to Officers also from the next year (2006), as they were also stretching themselves to cope with growing workload and had no opportunity of promotion as Government was not allowing higher grades even in other sister institutions. This gave a respite to the Director as peace somewhat returned among the staff and they had more faith in the Director to see through their promotion eventually.

### **Towards a Growth Based Policy**

With 13 out of 17 people in the scale of Rs. 5000-8000, all expecting Rs. 6500-9000 scale, with ten officers already on higher grades, the Director felt it could be futile to expect 23 officer and 4 Assistants, even he proposed for the same. He felt that if the new scales were not introduced the crisis would become even more serious in the future. He therefore, had proposed the following post in 2 existing and 5 new pay scales for additional non-teaching positions.

**Table 1 Proposed New Posts in the Institute**

<b>S.No.</b>	<b>Scale</b>	<b>Posts</b>	<b>Number</b>
1	INR8000 – 10,000	Administrative Officers	2
2.	INR 6500 – 9000	Assistant Administrative Officers	4
3.	INR 5500- 8500	Senior Assistants	2
4.	INR 5000-8000	Assistants	0
5.	INR 4500-7500	Junior Library Assistants	2
6.	INR 4000-6000	Upper Division Clerk	0
7.	INR 3050-4040	Multi skilled Assistants	4

It would give opportunities for promotion to 12 people out of 17 and opportunities for recruitment of 6, making 18 people happy. He also felt with creation of two post at the top 14 people can be promoted in the future. There would be 6 people left who would not be promoted immediately. In due course they will also get it when new posts are sanctioned. But advantage will be that the folly of clustering people in only two scales, who will always be facing problem of en-masse frustration, will go. It also meant that in the long term if one or two position are created every 5 years, all the existing people could be promoted in very 5 years.

It was not an easy thing to do at all. It took several rounds of discussion for persuading the Ministry, IFD, the Department of Personnel in the Ministry of Finance. They were extremely reluctant to post at no.7 but agreed to the Director's logic of experimenting

with multi-skilled staff. They approved positions requested at Sl. No. 1,2, but not at 3 and 5. In all they cleared 11 positions, thus paving ways for 10 promotions and 3 multi-skilled staff cum driver who proved to be a great boon but should multiple responsibilities. It took almost 10 months but the staff could be promoted under new growth based promotions policy w.e.f. October, 2006.

When the PGP intake was increased further to 260 in the year 2008 (see case ISB ), the following additional post got approved, within 2 months by the Ministry.

**Table 2 Approved New Posts in the Institute**

S.No.	Scale	Number
1.	INR 10,000-14500	2
2.	INR 6500-9000	2
3.	INR 5500-9000	2
4.	INR 3050-4050	1

Since there were no eligible candidate available Rs. 8000-10500 and the posts up to scale of Rs. 10,000-14,500 were to be filled internally, some posts were downgraded for promotion purpose. Once people were eligible these could be filled up. The second exercise of promotion was done in October 2008 as per the promotion policy with two persons being sore that they could not go to Rs. 6500-10500 and had to be contented with promotion to scale of Rs. 5500-8500.

All in all, in three years time all the non-teaching staff members were promoted, an unusual feat that no Institution could think of.

Sharing the experience of agony and ecstasy the Director said: "I had not visualized that I can ever attend to the so challenging tasks. But little innovation in thinking in project management and motivation policies, a subject that I relished teaching, achieved this, which helped morale boosting of faculty and staff who made the Institute achieve several extraordinary feats". Some of these are mentioned below (see exhibit 2):



- i) Fastest growing Institute under MHRD: Reaching PGP intake of 300 in 12<sup>th</sup> year which took more than 4 decades to senior institution without diluting quality of PGP, as reflected in job/ summer placement records.
- ii) Surpassing OBC quota related increase in PGP intake by 2<sup>nd</sup> year while others are struggling to meet the same even in 3 years.
- iii) Becoming leaders in faculty development programme.
- iv) Retaining pioneering, leadership role in online learning being the first institution to Executive PGP online.
- v) Crossing the Rs. 500 mark in 3<sup>rd</sup> year of block grant scheme and expected to cross Rs. 1000 mn mark in the 5<sup>th</sup> year despite matching having stopped in the third year.
- vi) Despite charging lowest fee in almost every academic activity, the Institute generates enough surplus to fund one or two new similar institutions running expenses in 2010.
- vii) Conducts higher number of Research Seminars and Conferences.

“For me the promotion of all the SNTS was a dream fulfilled. Indeed in January, 2008 there came a day when I decided to quit Directorship and return back to Lucknow as my wife was seriously ill and badly needed my presence to attend her. Fortunately her condition improved. Still I was in double mind. Her encouragement, and my stupid concern to see OBC quota related increase, which could have created serious infrastructure and faculty shortage problems for a new Director immediately on joining, and thus deterred him from bold decision of increasing intake further immediately, made me stick there to complete my full 5 year term.. In 2008 we were able to PGP increase intake further to 260. Without that increase, sanction of additional faculty NTS positions from the Ministry, which came within 2 months of increasing intake and enabled promotion of all the SNTS, helped me in keeping the promise and resolve I had made would not have happened.

I returned back to my parent organization with a dream fulfilled. I could not do much for officers especially because they were already recruited at the highest scales and Ministry was not permitting higher scales to any Institutions, except where they were already

approved decades ago. I did however introduce AWARD scheme for them also, which other Institution did not have.

I had never visualized the task demands in a small organization like IMP , nor felt I could meet them when I joined here. But with the grace of God and with growing understanding of the people here, we have achieved something which can be called somewhat extra ordinary feat. My successor too carried on the spirit and set almost a world record in growth of academics there, increasing PGP intake further to 300 seats seat (thus not only meeting the government stipulation of 54% increase in intake in 3 years time, but surpassing it by 10%, in the second year itself), when other sister institutions with less constraints were finding difficult to think.”, said the former Director of IMP , sharing his feelings on completion of his five year tenure

“When I joined in 2004 faced with variety of problems and constraints. I started wondering *Is Small Beautiful?* Today I am wondering *Is not Small Beautiful?*”, he quipped.

### **Autonomy from the Ministry**

1. When others were being asked to reduce fees, IMP was allowed to increase fees.
2. Allowed increase in staff and faculty, when others were not allowed to increase the same.
3. Allowed construction of 200 MDP complex in the one go, while no other similar institute was allowed to do so.
4. Gave a Block Grant of Rs. 68 million while equally older institutes were given Rs. 45mn.
5. Allowed posts in scale of Rs. 3050-4050 which they had not done for any other in recent past as a policy.
6. Allowed purchase of land for expansion under OBC quota.

Ever since I joined the Institute, there have been frequent show downs of older institutions with the Ministry. But I never felt the pinch as seriously as others felt. May

be their context and pressures were different. But I found Ministry quite amenable. I however, kept certain fundamentals in mind all through, taught to me at my alma-mater.

1. To succeed, an organization has to protect the interest of all the stakeholders.
2. We tend to take care of only full time employees as the organization successfully stabilizes.
3. Government has created the Institute with a charter of a portfolio of academic activities. These must be produced in a balanced rather than in a lopsided manner.
4. Institute must consistently grow and diversify to meet the requirements of larger and varied sections of society, which is implied in the charter of the society.
5. Cost must be covered through price that is affordable by the users of the service. Give value for money to attract users on a sustained basis.
6. Cost must be contained and reduced through innovative methods. Refrain from passing on increasing cost to the users on actual basis (thus exploiting vulnerable users of social good like education).
7. Lowering cost was not mean or entail lower quality, if quality is a conscious concern.
8. Organisation opportunism could be killing in the long run.
9. Resources are never a constraint. It depends upon the way you look at it. Resources are lying around in readymade or semi finished form (which may have to be honed)
10. Autonomy can't be begged or robbed, it has to be earned from various stakeholders.

Working on these I always focused on the charter of the Institute, i.e., concerns of Government as a key stakeholder and supplier of resources and developed plans for steady growth, and infrastructure required for it I reversed the input based growth model to output based growth model by starting activities in improvised infrastructure and building it as the activities pick up to a economic size.

## Questions:

1. Enumerate the problem that Director was facing in meeting the challenge of staff discontent.
2. How did he go about meeting the challenge?
3. Should it have taken the long time in doing so?
4. Why the Director wondered “*Is Small Beautiful?*” at one point of time and had totally opposite view?

*\* The Government of India runs a social security pension scheme as that makes the provision that the State shall within the limits of its economic capacity make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old-age, sickness & disablement and undeserved want. It was run as General Provident Fund (GPF) cum Pension scheme prior to 2001, where it was changed to Contributory Provident Fund (CPF) / Employee Provident Fund Scheme (EPF).*