**AUTHORITY, DELEGATION & DECENTRALISATION**

Sigma Appliances Limited was in the business of trading of various home appliances. For this purpose, the company entered into agency agreement with different leading manufactures. The agency business was doing quite well. About ten years back, it was diversified into manufacturing some of the appliances like electric iron press, electric oven, electric heater and other electrical gadgets. For this purpose, the company hired a team of technical personnel led by Khempal who was a diploma holder in Electrical Engineering but had considerable experience in the relevant field. The marketing was looked after by personnel of agency division with the addition of some more hands.

With increased business activities, the company was facing the problem of integrated information system, as this could not be built up since the company graduated from a small-scale level. Whatever information system was developed, it was based on the needs felt rather than based on planning. In order to develop its management information system based on computerized processing, the company decided to recruit an MIS manager and advertisement was put in leading national newspaper inviting the applications for the post. After receiving the applications, the company appointed a selection committee consisting of three members – managing director of the company, manager of agency division, and an outside consultant. The committee interviewed applicants and selected Narayanan with three years’ experience in MIS in a large company. Narayanan was very happy on this appointment as he was offered very profitable emoluments.

On one day, Khempal had an informal chat with the Agency manager (Rajneesh), which proceeded this way;

KHEMPAL: I have heard that you have appointed a new manager who will provide us information about how we should do.

RAJNISH: I have not appointed him but the management has done this. I was just a spectator in the selection committee meeting.Further; Narayanan will not provide us information about how we should work. Rather he will collect information from us regarding how we are working.

KHEMPAL: I do not see any need for that. We are working alright and management has wasted the money in appointing Narayanan.With this money, I could have three more engineers who could have done something meaningful.Well, it is their money .If they want to waste it in this manner, what we can do.

The chitchat ended as both departed. After joining the company,Narayanan decided to meet the senior personnel to understand their information need and the information could be generated from different parts of the organistion.In this process, he met Khempal in this factory office, which was adjacent to the administrative block and the conversation took place as follows:

NARAYANAN; Good morning Sir.

KHEMPAL: Good morning .How do you do?

NARAYANAN: I am fine sir.Sir; I want to know what information your department needs.

KHEMPAL: If you want to enjoy a cup of tea with me, you are welcome. But if you want to ask such a silly question, I am sorry.

At this Narayanan looked visibly upset and left the factory office after saying, “Sir, I will meet you later.”

1. Discuss the nature of problems involved in this case
2. What kind of perception was formed by Khempal about the role of MIS manager? What could have been the probable reasons for this?
3. Advise Narayanan about how he should proceed.
4. What methods should the chief executive adopt to overcome the problem?