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A CASE STUDY ON DAMODAR ELECTRIC SUPPLY CORPORATION

The main business of Damodar Electric Supply Corporation is to supply electric energy to the entire district. The Corporation has a work for, Mazdoors etc. General Manager is the Chief Executive, having full authority on all matters of administration. During the last two years, the Corporation has come into financial problems due to economic recession. As such, to bring control on the expenses the General Manager, has issued an unconditional order forbidding supervisory foremen to authorise over-time work under any circumstances.

One day, a cable-laying workman was working inside a wet manhole, in the marshy area near a river. About an hour before closing time he realised that he could not finish the job within the regular working hours. He estimated, that the work would be over within four hours more. The foreman having no authority to grant over-time telephoned the Section Officer at the Head Office. Section Officer, unwilling to breach the rule, contacted the Superintendent who in turn asked the Section Officer, to use his discretion. Section Officer conveyed the same message to the foreman. The Foreman, however, was still afraid of the consequences of over-time order. He therefore told the cable lay-man to wrap the cable securely and leave the work, to be finished the next day.

During the night, the river went on flood. Water entered the man-hole by the river-side and the 'cabling' was damaged. The damage to the cable was corrected after many days, involving a great expenditure.

Questions

1. Was the Corporation's over-time policy wrong?
2. Does the 'Management-by-rule' restrict the initiative of the staff and suppress innovativeness?
3. Under such rules, can there be a sense of achievement and job satisfaction for the subordinates?
4. Do you feel 'No Rules Situation' can be advisable for a company?
5. Recommend an over-time Policy to the Damodar Electric Supply Corporation.