## Swastika case study solution



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Short Description
Swastika case study solution

## **Description**

Swastika

Swastika Computer System was established in 1981 at Delhi to provide computer training. In 1980s

computer education was relatively new in India. Personal computers 286 existed and MS DOS was

the operating system. Languages like Basic, Pascal, COBOL, FORTRAN were used in programming.

Swastika Computer Systems was established with their support departments namely computer

assembly, faculty training and computer servicing department. In the first financial year, it recorded a

turnover of Rs 11.5 lakhs. Within a few years of its existence, Swastik Computer System opened its

branches in eight major cities of India and had a gross annual turnover of Rs 86 lakhs. The

organisation was highly centralized. The head office at Delhi handled all accounts, recruitment, and

placement of students and servicing of computers. The Bhopal branch of Swastik Computer Systems

was set up in May 1987. The branch was headed by a dynamic branch manager

Hemant Gupta. He

was a BSc in computers and had previously worked in the data processing department of a

manufacturing concern. To establish the Bhopal branch, Hemant Gupta realized the need for making

Swastik Computer Systems, Bhopal known to the younger generation. With this in mind he

introduced some innovative promotional schemes like offering scholarships to students doing well in

the intelligence tests administered by the branch, giving personal computers to students to deposit

term fees at their convenience. Hemant Gupta also ensured that teaching standards were high and

computers at the branch were well maintained, so a student once enrolled felt that he had made the

right decision by joining Swastik Computer Systems. He also made himself available from 8.00 a.m

to 7.00 p.m at the branch. Students were free to go to him with their problems, which he took pains to

solve. Soon Swastik Computer Systems was one of the leading computer training centres in Bhopal.

As the Bhopal branch prospered, the head office at Delhi started taking an active interest in the

running of this branch. The Regional Manager who visited Bhopal once a month started making

frequent visits. During one of his visits, his attention was drawn to rumors that branch funds were

being misappropriated. When the Regional Manager informed the Delhi office about the rumor, a

team was sent to the Bhopal Branch to look into the matter. On investigation, the term was convinced

that the rumors had some truth in them. It was found that a larger number of students attended the

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classes than were enrolled. It was felt that this fraud was not possible without the consent of Hemant

Gupta, and without any further inquiry a decision was taken to remove him forthwith. Amit Verma

who was a senior faculty at Swastik Computer Systems, Delhi was asked to takeover the Bhopal

branch as Manager. He was an MCA and had been associated with the organization

since its

inception. Amit Verma's appointment at Bhopal was welcomed at the Bhopal branch by both, staff

and faculty as he had the reputation of being an easy going person. After he joined the Bhopal, it was

observed that Amit Verma, although academically sound, was not an effective administrator. His

approach towards staff and faculty was lenient. He was not particular about punctuality and was not

available during office hours. This had an adverse effect on faculty in general and classes in

particular. Not only did classes suffer but even administrative work was affected. Monthly reports to

the head office were not sent on time, as a result requisitions for computer servicing, reading material

and funds were unduly delayed. Due to lack of maintenance, computer breakdowns became common,

students did not receive their reading material on time and payment of building rent, and telephone

bills etc were unnecessarily delayed. The symptoms of deterioration at the Bhopal branch were

obvious. The branch which had an annual turnover of Rs 30.7 lakhs fell to Rs. 4 lakhs. As

enrollments decreased the head office at Delhi started feeling the pinch. It started delaying transfer of

funds to the Bhopal branch. As a result faculty salaries were unduly delayed. The faculty started

leaving for greener pastures.

Worried by the number of faculty turnover, the head office started a practice of recruiting only

those faculties willing to sign a bond of 3 years. The organization started a practice of taking a deposit

of Rupees 5000 from the joining faculty, which would be refunded after 3 years. In case the faculty

left before this duration, the deposit stood forfeited. This policy further reduced the quality of faculty

joining Swastik Computer Systems, Bhopal.

- 1. What according to you went wrong at the Bhopal branch?
- 2. What can be done to revive the Bhopal branch?

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## **Details**

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