

# Several staffs

[Business](#)



Recruited several staffs to take care of operations. After six months, in Septet'02, AL left to complete his MBA. Before leaving, started looking for someone to run his business. Impressed by Joey's (one of All's loan Officers) performance, AY offered him a partnership. Joe accepted the same and reached a verbal partnership agreement.

Afterwards AY found that conduct of Joe is not good for the company, parted his ways from him. He hired one manager also who lasted only for three days. Joe took away several loan files which did not got closed since August.

Joe was also reluctant into returning those files to ALL. This resulted into a great loss of revenues to the ALL.

In desperation, he entered into another Mitten partnership agreement with Wilbur. In desperation, AY gave him all the management rights expect signing authority for checks. Wilbur without consulting AY used signed checks for himself and Leticia (Office Manager). Because of lack of fund, Checks got bounced. AY got infuriated by Wilbur behavior. When AY enquired, Wilbur lied to him that this fund was meant for the payment towards salary to employees.

After further investigation, AY got to know that Wilbur lied again. AY spoke to response's of Boa and instructed them to stop payment of checks and transfer the money to payroll account from checking account. As baking staff from Boa were not aware about Wilbur legal capacity, they released the payments against the checks and also Wilbur was able to transfer all the money from payroll account to checking account. AY sent his agents to fire

all the staffs from his office. AY got to know that Inline has claimed himself as owner of the company.

AY and Wilbur entered into legal battle to claim funds and authority. This resulted in to significance loss of money and time at the AY end. B. What has to be decided? Lapse while making decisions about partnership agreements and selection of people. Control measures to be taken to control results and action.

AY should continue his fight to regain control over ALL or not? 2. Who are the players? AY, Joe, Wilbur, Leticia, Banking personnel of Boa 3. Where is the case happening, and is that important? In other words, are there Issues with This case is dealing with people. . When are deadlines important? Are there deadlines? , if yes, how do those deadlines impact the issues? (this may indicate a sequence for the decisions required in the case) Questions: - Identify the devices (controls) that AY Forint used to control his business both before and after he went back to school. Classify each control as a results, action, or personnel/cultural type tot control .

AY denned the dimensions to measure the performance of the employees. These measures were not sufficient to measure other factors.

AY must have defined ALL dimensions on which results are desired such as for profitability and customer satisfaction. This dimension would have helped company to achieve the target. Action controls could be controlled through having better control over banking transactions.

Finally that concern only led to this situation. There is a great scope of improving on personnel/culture control front. Since beginning, he lost his control on his employees or partners because he took his decisions in haste. He would have planned all those in better manner.

He would have invested some more time into finding right person.

When he was not sure about the character of people, he would not have exercised all the powers to them. 2. What Net wrong? Did AY use the wrong types of controls? Did he use the right types of controls but fail to design or implement them properly? Or was he just unlucky? Case exhibits that he was not mentally prepared to run this business. He was unable to set his priorities. Six month is too early to define all the control measures.

And above all, he hired the new manager just before leaving.

He had no time to judge the person. It shows complete failure at his end. Some measures should be defined from the day one or if not then should be monitored on day-to-day basis with more proximity. 3. Neat should AY do now? Why? As the case talks that he is already in lots of debt and for that he had to sell his house even.

In this situation it's not to go in further litigation which will again cost IM dearly. Fighting for self-respect and to teach lesson to bad people is very much required but not at the cost of self. Falling in one place does not mean that loss of everything.

Provided the time, one can build the same charisma over and over again.

Steve Jobs is the classic example of that.

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After throwing out of his own company ' Apple", he started a new company and regained his lost empire. CASE-4 PRIVATE FITNESS: This case is diagnostic in nature and talking about the delayed identification of problem by owner of the fitness center. Based on the inputs, I am supposed to come up with a solution to the problem identified. II.

Describe the case This case is about a fitness center named " Private Fitness, Inc. " which is owned by Rosemary Worth.

She hired Kate Hoffman, a long-time friend, as one of the instructor and also responsible for marketing and admin jobs. After some time, she got to know from other instructor that Kate has brought one new client on board. But after enquiring in detail, she got to know that Kate is not depositing or keeping the records about the amount earned from that particular client in fitness center account.

One day she also noticed that Kate has taken away few dollars from cash drawer. Kate finally admitted dishonesty and was very sorry. Facts of the case:- Rosemary prior to starting her own venture was an aerobics instructor and fitness model.

She started her own fitness center to capitalize on her reputation and brand name in market which came after winning several local fitness competitions and a former finalist in the Ms. Fitness USA competition.

Rosemary also wanted to save some time to spend with her kids. Fitness center is six month old. Kate Hoffman, a long-time friend, hired in the instructor as well as to take care of marketing and admin roles. Kate bought

one client to fitness veneer but neither keeping the records nor depositing the amount in accounts. Rosemary, on one occasion, also found that cash from cash drawer is missing.

She asked about the same to Kate which denied.

What has to be decided? Forgive or fire Kate? How to tackle the operational issues as Rosemary want to spend more time with her children? Issues? Issues are evitable from the case and are, No membership very new fitness center Owner is less involved in operational activities rough it's not clearly stated but it seems that policy regarding quantity discount is not in place. Rosemary lacks experience to run a fitness center. She is unable to define the control measures to check fraudulent activities inside the center. 2.

Who are the players? Players are Rosemary, Kate, other instructors, and clients.

3. Where is the case happening, and is that important? This case is about dealing with people and tackling operational issues. 4. When are deadlines important? Are there deadlines? There are no deadlines to meet. III. Start to identify the issues in detail, which should be done through identifying Neat questions need to be answered.

The central point of the issue is whether origin or fire Kate and how to answer operational concerns with the help of control measures discussed in class. ' V.

Write the issues down and begin to gather data from the case information that is related to the issues. Though it's not clearly evident but

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circumstantial evidences shows that Kate is guilty of taking away money from the cash drawer and not disclosing about the new client she has brought to the fitness center on her own. This is a matter of dishonesty and misconduct. V.

Determine if How have the data you need to develop an approach to address the issues, if not determine what you need and where you will get the data.

Case itself talks about all the required data. Questions: - 1 .

Describe a solution to Rosemary Worth's control problem that emphasizes: a. Results controls b. Action controls z.

Personnel/cultural controls or address the concerns, I need to talk about various control measures discussed in class. Result controls: - Considering the facts of the case, Kate is working towards the objective of the fitness center by bringing new clients but she is trying to get herself benefited from those loopholes of the system. There is lack of congruence between objective of organization and Kate. There is a lack on Rosemary side while being specific and communicating with Kate.

Rosemary must have communicated the objective of the organization to Kate very well.

Control on results is very much important. Action controls: - Case talks about serious lapse on action control measures. Physical controls like, installation of CATV camera, issuing of scan able ID cards to capture attendance of clients and installation of devices to scan ID cards at the entrance of fitness

center will result into controlling unauthorized usage of fitness center. This may result into additional cost but will help in controlling issues like this.

Personnel/cultural control: – Rosemary should treat Kate as her employee not as a friend. This kind of over-confidence results into frauds.

It should be made clear to every staff that any kind of fraudulent activity is beyond compromise and hence won't be tolerable. In small organizations like this, these kinds of fraudulent activities will not remain confined for a long time. Hence everyone will get involved into mischievous activities. This will lead to a bad culture and will result into closing of the organization. 2.

What should Rosemary do?

Rosemary must fire Kate from her present role. Role of instructor and office administrator should be segregated for better action and result control.

Hiring a manager in administrator role would certainly result into higher cost but it will pay in long-run. Suggested is to follow the physical control measures to deal with lapse on action control side irrespective of the cost involved. These measures will not only help in checking the flow of revenues by fraudulent activities but will also help in communicating the message regarding zero tolerance towards these kinds of activities.