

Formation of hierarchy top to bottom exists and authority exists along the formal chain of command.

In a popular MNC the scenario is different.

When an Rs500 crores collaboration with an Italian firm had to be signed, the Managing Director waited for the instruction and green signal from the Chairman.

But the Chairman coolly said “My instructions are not needed. Do what I will do if I were you”.

He did it.

The collaboration was a big success for that company.

Authority bypassed was proficient and work out well.

“Trust gives trust” says an economist.

Therefore Hierarchy failed but net result was success – a glorious success.

In the present business school trends, graduates, brimming with pride and talents come out of it and when they enter the business houses, they don’t bother about the authority formalities.

They don’t expect the boss to exercise his authority to command him.

In one of the south Indian auto manufacturing group Board Meeting, M.D questioned

“What is your contribution to this company”?

The MBA from IIM immediately quipped.