

05449

MANAGEMENT PROGRAMME

Term-End Examination

June, 2011

**MS-10 : ORGANISATIONAL DESIGN,
DEVELOPMENT AND CHANGE**

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

Note :

- (i) *There are two Sections A and B.*
 - (ii) *Attempt **any three** questions from Section A. All questions carry **20** marks each.*
 - (iii) *Section B is **compulsory** for all and carries **40** marks.*
-

SECTION - A

1. Identify the key factors which affect the Organisational Design ? Briefly discuss the principles of a good Organisational Design. Explain with examples.
2. Distinguish between the Functional and Product Organisation, and Line and Staff Organisation. Discuss their merits and demerits with suitable examples.
3. What is Organising and Analysing Work ? Briefly discuss 'Scientific Management' and 'Human Relations' approaches to organising and analysing work.

4. Define and describe Organisational Diagnosis and its purpose. Discuss with suitable examples the role of various organisational sub-systems and processes as components of organisational diagnosis.

5. Write short notes on *any three* of the following :
 - (a) Institution Building.
 - (b) Questionnaire as a diagnostic tool.
 - (c) Essentials for success of Organisational Development.
 - (d) Team Building.
 - (e) Commonly used interventions for managing change.

SECTION - B

6. **Read the following case carefully and answer the questions given at the end.**

Sunrise Industries wasn't always a big industrial giant. In fact, it had a very humble beginning. Kamaldeep, an electrical engineer, set up a small scale industrial unit in 1975. To start with, he undertook assembly and sale of sewing machines under the name 'Sunrise' and gradually started manufacture of certain spare parts. Because of better quality, greater selling skills and lower profit margin, his sales turnover touched the figure of Rs. 1 crore during 1979 - 80. The products included sewing machines, irons, fans, geysers, etc.

In 1981, Kamaldeep entered into a partnership with Ankit, an MBA, who contributed a lot of capital into the business. The firm acquired a big industrial plot in the New Industrial Area, of Ludhiana and converted their business into a company known as Sunrise Industries Ltd. in 1982. The brand name 'Sunrise' was also registered in the name of the company. The company started the commercial production of single tub washing machines and instant geysers in 1983. Kamaldeep looked after production and Ankit took care of marketing and finance. They never looked back as they had a motivated work force of 40 workers and 5 foremen who worked like a big family.

It was during 1990 that the company shifted its head office to New Delhi and entered into a technical collaboration agreement with a foreign company. As a result, new generation twin tub semi-automatic washing machines and vacuum cleaners were launched in 1991 and the products were well received in the market because of latest technology and expanding market for electrical gadgets. The sales turnover increased tremendously every year.

During the first few years, the management and employees of Sunrise Industries were nothing more than a group of friends and relatives. There were no job descriptions, no formalized procedures and not much division of labour. All the people worked together and shared the problems of each other. The decision-making was participative in the sense everyone was free to give his opinion whenever any problem arose. Thus, there were cordial relations between the management and the employees. But after the collaboration agreement in 1990, the organisation structure of the company started changing dramatically. Because of massive expansion, a large number of workers, foremen, executives and professionals were recruited and separate departments were created for the production of sewing machines, irons, fans, geysers, washing machines and vacuum cleaners. Formalization

got momentum further with the creation of separate Finance, Marketing and Human Resource divisions. Now all the jobs in the company are standardized, there are job descriptions, manuals, many rules and procedure and also an elaborate management information system. All the important decisions are taken at the top and there are many layers between the top management and the workers because of vertical differentiation that has taken place during the past five years.

The quarterly reports of the last year reveal that percentage of customer complaints is on the rise, the morale of the workers is going down and commitment of the workers to the organisation is on the decline.

Questions :

- (a) What changes in structural dimensions have taken place in Sunrise Industries ?
 - (b) Is the present structure organic ? Give reasons for your answer.
 - (c) Which approach to organisation do you feel can help the company tackle the current problems ?
-