

MANAGEMENT PROGRAMME

Term-End Examination

December, 2015

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

02351

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

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- 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 and carries 40 marks.*
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SECTION - A

1. What is Organizational Development (OD) ? Describe various stages of OD and their relevance.
2. Differentiating organization and institution, describe what characterizes an institution and factors influencing institution building.
3. Describe any two diagnostic tools and their advantages and disadvantages.
4. Distinguish between job, occupation, and career and discuss any two approaches of job design and their merits and demerits.

5. Write short notes on **any three** of the following :
- (a) Hybrid Structure
 - (b) Time and Motion Study
 - (c) Process Consultation
 - (d) Process of Change
 - (e) Organisations as Political Systems

SECTION - B

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

Since 1994, Boeing began the process of remaking the company for the next round of aircraft purchases. Every part of the company is involved, from engineering to manufacturing. The focus of the change is that Boeing is a manufacturing company rather than an engineering and technology company. Due to changes in the air travel business, the major commercial airlines are demanding lower airplane prices and significantly lower operating costs. Airbus continues to be a fierce competitor, so Boeing must meet the competition early and on every front. (Boeing bought Mc Donnell Douglas in 1997.)

It is not as if the company is in financial trouble. Its new model 777 is generating lots of orders. Plans are in the works for a new supersonic and another jumbo jet for commercial sales, and several new project possibilities exist for the defence division. The new 777 was designed completely on the computer so that designs went straight from the designer's computers to the machine tools for manufacturing. It can carry as many as four hundred passengers, fifty more than the

comparable Airbus 33 t. It is 15 per cent more fuel efficient, and can fly over eight thousand miles non-stop. Orders are coming in faster than for any other new plane, although its price is pretty steep : \$12 - \$15 million, depending on interior layout.

Boeing's new CEO, Philip Condit, must continue the reductions in cycle time and cost cutting, started by his predecessor, Frank Shrontz, because airlines are making their purchase decisions differently than in the past, even choosing in some cases to refurbish older planes rather than buy expensive new ones. The changes started with Condit and his team of presidents of the divisions of commercial planes, defence and space, and computer services. This group differs notably from its predecessors in that they have met together for several years to discuss the good and bad things about each other's divisions and the future of the company. They all embrace the new togetherness theme as the primary means through which the company will be able to reduce cycle times, improve delivery times, cut product development time, and reduce total costs.

In the former structure the design and manufacturing groups were separate. Design and engineering groups would design the planes and then give the plans to manufacturing to build. When problems existed in the design, they would be sent through the hierarchy back to engineering for correction. Under the new structure, comprehensive design-and-build teams include members of all groups involved. Therefore, planes are originally designed to meet customer's needs,

are easier to build, and corrections are made faster. For example, previously, when tool builder Tony Russell had a problem with an engineering design or specification, he would have to go to his supervisor and the problem would be shuffled through to engineering. Now he goes directly to the engineering and design group, gets the problem solved, and gets back to work with the correct design. This type of revision in the process has helped reduce the product delivery time from eighteen to ten months. The team approach and working-together ideas were used extensively on the 777. Some teams included tool makers, designers, manufacturing workers, suppliers, and even customer representatives. Contrary to past procedures, workers on the line were allowed to change how planes were built, which has significantly decreased costs. Condit has instituted 360 degree performance reviews in which managers are evaluated by their subordinates, their peers, and their own supervisors to improve understanding of how they are doing from all perspectives. Employee empowerment is increasing at all levels. Condit and his team are having quite an impact throughout the company.

Questions :

- (a) The new way of organizing at Boeing most resembles which of the classical types of organizing ? Justify.
- (b) How have responsibility and authority been altered under Condit's new approach ?
- (c) Describe the new ways of organizing at Boeing in terms of the configurational and operational aspects of structure.