

MANAGEMENT PROGRAMME

Term-End Examination

December, 2012

**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 and carries 40 marks.*

SECTION – A

1. What is the purpose of organisational analysis ?
Critically evaluate any two methods of diagnosing.
2. Describe the process of change and discuss the phases of planned change and their effectiveness.
3. Briefly discuss the contemporary approaches to Job design and their advantages and limitations.

4. Describe any three types of organisational structure and their significance.

5. Write short notes on *any three* of the following :
 - (a) Principles of organisational design
 - (b) Bureaucratic model
 - (c) Time and Motion Study
 - (d) Assessment centres
 - (e) T - Group Training

SECTION - B

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

Leadership development is essential for any young third - world company aspiring to globalise its operations. Dr. Reddy's Laboratories (DRL), an avant - garde, research and development powered pharmaceuticals company based in Hyderabad, India, is one such company that has launched an ambitious program of leadership development (Chakraborty & Sengar, 2005). This company, with half - a - billion dollars a year sales, has the vision of becoming a discovery - led global pharmaceutical company and has evolved a roadmap to move up the pharmaceutical value chain. The company is attempting to become a global specialities business based on its innovations of new molecules, expansion into foreign markets, and so forth. In 2004, nearly two-thirds of its sales came from some 40 foreign markets. This 20-year-old company's strategic priorities are geographic expansion, globalisation of key businesses, and transition to a discovery-led global company.

Dr. Reddy's Laboratories leadership development has proceeded in two waves. In wave 1, the focus was on defining 23 generic competencies, and the company launched a leadership development program that focused on

the top 50 leadership position-holders. These 50 position-holders were given inputs on the company's business strategy and performance ethic. They were subjected to the so-called 360° appraisal, and the inputs from the multiple assessors became the basis for designing person - specific development plans within the framework of the 23 generic competencies. Also, talent was identified at the middle and junior management levels through assessment centres. More than 250 employees were covered, and more than 50 were identified as potential leaders. These 50 were given customised training, increased responsibilities and development-oriented assignments as part of the management development program.

A detailed study on future leadership development was undertaken in preparation for wave 2. Benchmarking vis-a-vis leadership development was done with global companies, and Mckinsey's Global Champions Initiative was carefully studied. A subcommittee of the Corporate Management Council was formed to work on a leadership model. This subcommittee considered the company's vision and core values, its growth strategy, the company's aspirations, critical success factors, and so on, and evolved the DRL leadership model, which was widely communicated and discussed within the

company. A leader of DRL was expected to drive organisation building and development for the future as well as entrepreneurship and innovation, and to lead from the front in accepting and delivering 'stretch' goals.

A competency map was created for these three leadership drivers. Each competency was assessed in terms of five anchor points. For instance, vis-a-vis organisation building, one competency ranged from 'seldom attempts to understand implications of strategy and its impact on one's own operations' to 'sets out an inspiring vision in one's own area of operation, and aligns with broader strategy'. Vis-a-vis entrepreneurship and innovation, a competency that ranged from 'needs support to understand current business processes' to 'envisages major opportunities not obvious to others and acts decisively to turn them into real business, redefines the way internal and external customer needs are understood and met'. Vis-a-vis leading by personal example, a competency that ranged from 'often seems unconcerned about missing deadlines or failing to meet business objectives' to 'looks out for sweeping improvements rather than incremental changes; defies conventional wisdom and obstacles to achieve major growth; showing deep desire to excel by delivering on the

commitments'. In all, 22 competencies were mapped, nine under organisation building, seven under entrepreneurship and innovation, and six under leadership by example.

The leadership model has been implemented through a number of steps. Threshold criteria have been established with people being checked against these. For this purpose, their performance history, learning ability, functional expertise and compatibility with corporate values have been utilised. Those passing are subjected to a 360° leadership talent survey. A board consisting of business managers has been formed, called the talent management board (TMB), to discuss each case in detail and to finalise leadership competency ratings. Development and deployment plans for each assessee are worked out, keeping in mind the gaps between competency assessment and expected leadership standards. Critical position have been identified, and the TMB identifies potential successors for these critical positions. This way, leadership development is coupled with career management, and these in turn are coupled with strategic management and culture-building.

Focus questions

- (a) Explain the significance of DRL conducting its leadership development in two waves.

- (b) How are the developmental needs of the target groups different in the two waves ?
 - (c) How does the company ensure legitimacy for the competencies and developmental activities identified in the program ?
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