

**MANAGEMENT PROGRAMME**

**Term-End Examination 00991**

**June, 2015**

**MS-25 : MANAGING CHANGE IN  
ORGANISATIONS**

*Time : 3 hours*

*Maximum Marks : 100*

*(Weightage 70%)*

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- Note :** (i) *This paper consists of two Sections A and B.*  
(ii) *Answer any three questions from section A, each carrying 20 marks.*  
(iii) *Section-B is compulsory and carries 40 marks.*
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**SECTION - A**

1. What are the factors which contribute to change in organisations ? Briefly discuss how organisations can prepare to adapt.
2. Describe the steps to be followed in Turnaround Management. Identify the situations forcing Turn around.
3. Discuss any two types of interventions and their impact on organisational functioning with suitable examples.

4. Discuss the importance of role of leader in transition period and explain different stages in Transition with examples.
5. Write short notes on **any three** of the following :
  - (a) Leveraging systems
  - (b) Weisbord's six box model
  - (c) Role analysis technique
  - (d) Cultural change
  - (e) Managing Resistance

### **SECTION - B**

6. **Please read the case carefully and answer the questions given at the end.**

IBM's sales exceed \$ 45 billion a year. Its worldwide operations employ in excess of 380,000 people. IBM's product lines range from \$ 800 electric typewriters to data processing systems that sell for more than \$ 100 million. It controls 40 per cent of the worldwide market for computing equipment. The company is generally acknowledged to be one of the most successful and best managed corporations in America. Of course, it did not achieve its stature solely on luck. The company obviously does a number of things that work. The following describes a few of the qualities that make IBM the unquestionable leader in its field.

Employee behaviour at IBM is the product of its founder's philosophy. Thomas Watson had rules for almost everything. Dark business suits, white shirts, and striped ties were "the uniform". Drinking alcoholic beverages, even off the job, was prohibited. Employees were expected to accept frequent transfers - insiders liked to say that IBM

stood for "I have Been Moved". Today, the rules are a bit less severe, but the conservative image is still there. Male sales personnel are expected to wear suits and ties when meeting customers, but shirts no longer have to be white. All employees are also subject to a 32 - page code of business ethics.

IBM has always demonstrated a strong commitment to its employees. People get fired, but it has never laid - off anyone to cut costs. Redundant employees are retrained and then reassigned. But this commitment is two way : IBM carefully screens job candidates to identify people who will grow with the company. New employees are expected to spend their working careers with IBM. Of course, it does not always work that way : Many employees leave voluntarily. The computer industry is largely made up of former IBM - ers. They fill senior executive slots at many of its competitors, and former IBM people are frequently the corporate decision - makers who choose which computer system will be installed in their company.

Salaries and benefits at IBM are highly competitive. In several communities, IBM has its own country clubs and makes memberships available to employees for \$ 5 a year. It is not surprising that this concern for its employees has led to a strongly committed work - force. As a case in point, IBM has never had a union vote in any United States facility.

Part of IBM's success is also undoubtedly attributable to its commitment to service. Its sales personnel are the envy of the industry. They are thoroughly trained and highly knowledgeable.

Most new employees spend much of their first six weeks in company - run classes. Managers are required to take at least forty hours of additional instruction. Every year, IBM spends more than \$ 500 million on employee education and training. Customers can feel confident that if they have a problem with IBM equipment, its sales and services personnel will be able to solve it.

The commitment to service is strongly customer focused. IBM spends heavily to acquire comprehensive and up - to - date market research data on potential customer needs. In contrast to many of its competitors, which have allowed technology to drive their product line, IBM has sought to let the customers determine what it will produce and sell.

But maintaining a successful record also requires change. IBM has recently demonstrated that it can and will adapt to changing conditions. Between 1981 and 1983, to foster innovation and flexibility, it set up fifteen small independent units within the company to investigate such fields as robotics, specialised equipment, and analytical instruments. Maybe its most significant departure from past tradition has been related to its commitment to compete in the personal computer market. The IBM PC is built largely from parts bought from outside suppliers, making its technical specifications available to other firms in order to stimulate compatible software and peripheral equipment, and is sold through retailers like Sears and Computerland - all of which are major departures from the IBM way of doing things. The company had even begun to offer discount prices to stimulate sales.

**Questions :**

- (1) Describe IBM's structure. Does this structure inhibit :
    - (a) employee motivation,
    - (b) employee innovation,
    - (c) organisational flexibility ?
  - (2) Describe IBM's culture.
  - (3) How does IBM's selection criteria, socialisation techniques, and reward system affect its culture ?
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