

MANAGEMENT PROGRAMME

Term-End Examination

December, 2014

03850

MS-26 : ORGANISATIONAL DYNAMICS

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.*
Each question carries **20 marks.**
(iii) *Section - B is compulsory and carries 40 marks.*
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SECTION - A

1. Define group and team. Briefly discuss the formation, nature and purpose of a team in an organization. Justify your answer with suitable examples.
2. Explain the concept of 'role' in relation to role space and role set. How does role become a source of conflict ? Explain with an organisation based experience as organisation is a system of roles.
3. Explain the coercive and persuasive bases of power by giving suitable examples. Is information a base of power ?
4. Discuss the imperativeness of workforce diversity in modern organizations. Explain briefly the measures to be taken to manage diversity.

5. Write short notes on **any three** of the following :
- (a) Groups and committees
 - (b) Empowerment
 - (c) Organisational values and ethics
 - (d) Organization culture
 - (e) Strategic alliances

SECTION - B

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

Mr. Vidya Rajan was a Non-Residential Indian (NRI) based at Chicago, United States. Mr. Vidya Rajan was a graduate in Commerce and had specialised as Chartered Accountant. He had a roaring practice in Chicago. In 1981-82, Government of India had appealed NRIs to invest in various businesses in India. The idea had clicked to Mr. Vidya Rajan's mind, who had long been thinking to come back to India. Though he was living in Chicago for quite some time but this call prompted him to take up a business in India. Rajan wanted a responsible business partner for his business. While talking to one of his friends, Dr. V.K. Rao, Mr. Vidya Rajan referred to the call given by Government of India to invest in business in India. Dr. Rao promptly responded to his friend's suggestion and they decided to start a business jointly in Delhi. Both of them wanted to run the business not only to earn money but to serve their countrymen also.

While looking into various proposals of business, both of them thought of utilising each others expertise. Dr. Rao was renowned cardiologist and was a very successful practitioner and Mr. Vidya Rajan had commercial expertise. Both of them decided to start a cardiology centre in Delhi on their own. This business, they thought, is the best way to serve the people back home as well as to earn money.

They also started looking for one more partner having experience in the related field, either on payment basis or on the partnership basis. They tied up with one Dr. Vinay Ghosh who had specialised in the surgery of heart valves and related fields. Dr. Ghosh was one of the renowned doctors of United States in his field, with 20 years of experience. Dr. Ghosh agreed to associate himself on a very high salary of ₹ 30,000 per month. Dr. Rao and Mr. Vidya Rajan agreed to this deal looking into the expertise and experience of Dr. Ghosh.

While planning their business, they prepared a list of most sophisticated and modern equipments and apparatuses required for their proposed cardiology centre. All the details of project were prepared in consultation with each other. Construction work of the centre was given to a very professional civil contractor. Mr. Vidya Rajan himself ensured the quality of construction. The building was ready within a year and was furnished on European pattern. Flooring, roofing and furniture work was excellent. All the possible provisions and facilities were made for outdoor and indoor patients. All the rooms were well ventilated and spacious.

The centre required about 50 technicians, nurses and other staff. Mr. Vidya Rajan had entrusted the work of recruitment and selection to one of his relative who was settled in Delhi. The centre was ready to take off within a year. The centre was inaugurated some time in 1983 by the then Health Minister, Government of India.

Mr. Vidya Rajan had also involved a professional advertising company to advertise about the centre. The centre had all the latest facilities of investigations from Angiography, Cat-scanning to blood testing. All the equipments for testing were imported from United States. Dr. Rao had himself ensured the quality of these equipments. Mr. Vidya Rajan was working as operating partner whereas Dr. Ghosh was working on centre's payroll. Dr. Ghosh and Dr. Rao were both directly involved in diagnosing and operation activities, and Mr. Vidya Rajan looked into finance and administration. Mr. Vidya Rajan ensured that both the doctors got best personal comfort and facilities. All of them were doing their best for successful running of the centre.

The centre started its business on a good note and soon started getting queues of patients due to the name, qualifications and efforts of renowned cardiologists that were associated with the centre. The charges were also not very high. Most of the good practitioners of Northern India started referring the complicated cases of their heart patients to this centre.

However, after about six months time, there were few patients seeking the treatment from the centre. It was because the emphasis was on the team leaders, building and equipments, and not on other members of the team namely technicians, nurses etc. There was not much importance given to them at the time of selection or during the operation of the business. Hence, the centre failed to provide good services to the patients and the situation was worsened to the extent that Dr. Rao requested Dr. Ghosh to look for alternative job. Dr. Ghosh decided to go back to United States. Dr. Ghosh, who had a very successful career in USA, again started his practice in USA. In another month's time, they had to close down their business. Dr. Rao too went back to USA and started his practice.

Mr. Vidya Rajan was a most disgusted man. He started analysing what had gone wrong with his business and the reasons for the failure of the centre.

Questions :

- (a) Identify and discuss the core issues in the case.
 - (b) What went wrong in the management of the centre, which led to the crisis ?
 - (c) If you were a process consultant, what you would have done to avoid precipitation of the crisis ?
 - (d) Do you agree with the action/approach/feelings of Mr. Vidya Rajan ?
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