

00433

**MANAGEMENT PROGRAMME**

**Term-End Examination**

**December, 2015**

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

1. Why are groups formed ? Explain the stages of group development. Cite suitable examples.
2. What is burnout ? Discuss its sources and stages.
3. What role can empowerment play in enhancing organizational effectiveness ?
4. What are nature, forms and tenets of strategic alliance ? Explain with a suitable example.
5. Write short notes on **any three** the following :
  - (a) The Alienation.
  - (b) Comprehensive role analysis.
  - (c) Cross-cultural dynamics.
  - (d) Social responsibilities of organizations.
  - (e) Types of power.

## SECTION - B

**6. Read the case carefully and answer the questions.**

Adam Mynott had a different kind of company in mind when he launched Apogee Advertising in 1989. Repelled by the pretentious, cut-throat world of the big-name ad agencies, Mynott built Apogee on a set of core values that expressly rejected the Madison Avenue model-values that spurned pretense and extravagance and instead embraced belonging, employee growth, diversity and work-life balance. Mynott located Apogee's offices in an unassuming warehouse district and gave each member of his small staff a festive company shirt with a logo on the back and their name stitched over the front pocket, like shirts mechanics wear. He provided a company wide profit-sharing plan, above - market salaries, and perks like free lunch on Friday, and he encouraged people to head home by six o' clock. He recruited employees whose varied races, backgrounds, and lifestyles broadcast Apogee's commitment to diversity, and on the weekends he let a minority youth organization use the company's offices. He spoke passionately to everyone about Apogee's people-oriented values and promoted them in company posters, client materials, and the employee handbook. In short, Mynott did everything right. And by all accounts, Apogee in its early years was a great place to work-employees were motivated, loyal, hard working, and enthusiastically committed to the company and the ideals Mynott promoted. Then the denouncements and finger pointing began.

Apogee is a young company that grew from 12 to 30 employees between 1994 and 1999. During the period, there was a remarkable shift in how the staff perceived the company - and its leader. Not surprisingly, most employees felt that Apogee's values were among the best things about the company. But values, they felt, were among the worst things about the company as well. Employees felt that the CEO had violated the very beliefs he articulated - an incongruity, they felt, that undermined their commitment and creativity. When employees sense that a leader's decisions are at odds with company values even when they're not - they are quick to conclude that the leader lacks personal commitment to the values. He's seen as a hypocrite.

In the case of Apogee Advertising, employees' perception of their leader changed drastically after a pivotal event : Mynott's decision in 1995 to grow the company, doubling its staff and projects. For Mynott, the expansion was a way to provide growth opportunities for staff members and deliver greater rewards to those who participated in the company's profit-sharing plan. But employees took a very different view. They saw the plan as motivated by greed. And they feared it would erode company values by widening the compensation gap and disrupting the company's close-knit community. Other developments brought similar complaints. When Mynott decided to give four long-term employees shares in the company, an unprecedented reward for their extraordinary loyalty and handwork, some employees saw it as a violation of Apogee's commitment to equality. Others saw it as an affront to the company's commitment to diversity,

because three of the four new shareholders were white men. Even Mynott's purchase of a new home in a well -to-do neighborhood dismayed the staff, who considered it a breach of the company value of unpretentiousness. These, along with other perceived infringements of values, fed the staff's growing disillusionment. The employees, however, never shared their negative perceptions with the CEO, leaving him largely unaware of their shared pain and frustration.

- (a) Explain the problem in the case.
  - (b) Are the staff right in their perception of the CEO's values ?
  - (c) If you are Mynott how will you handle the staff's unexpressed disgruntlement ?
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