

MANAGEMENT PROGRAMME

Term-End Examination

June, 2016

00134

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

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 are the principles of good Organisational Design ? Briefly discuss the key factors which affect Organisation Design. Explain with suitable examples.
2. Explain the concept of organising and analysing work. Enumerate different approaches to organising and analysing work.
3. Discuss the most significant methods of Organisational Diagnosis. Discuss the use of questionnaire in this context.

4. Describe nature and rationale of OD interventions. Briefly explain various aspects of Survey Feedback.

5. Write short notes on **any three** of the following :
 - (a) Organisation as a system
 - (b) Characteristics of Mintzberg's five organisational types
 - (c) Job Design
 - (d) Purpose of Interviews
 - (e) Role of chief executive in Institution Building

SECTION - B

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

The Pennathur Tyre Company (PTC), was set up in 1986 to fill, what its partner Mr. Mani, called a void that existed in the southern parts of India. According to Mr. Mani, who had worked for a foreign tyre company for nearly 15 years, there was no tyre company that had its major aim as producing tyres at the lowest cost and selling them to customers for a reasonable price. "The four - wheel vehicle owners pay through their nose for tyres, petrol and repairs. Anybody who owns a car spends at least 35 to 40 percent of his salary on maintaining the vehicle and that is not

how it should be !", Mani was often heard to say. Mr. Mani started the PTC in partnership with two of his close friends who also had extensive experience in the tyre business working for others. Mr. Mani was very actively involved with the business and was at work every day at the crack of dawn and never left the place before 8.00 p.m. Sometimes when work was heavy, Mani would stay as late as 10.00 p.m. at the shop. One of the other two partners owned another business and was, for all practical purposes, a sleeping partner in this firm, while the third partner was much less involved in the day to day operations of the company than Mr. Mani.

PTC, though a small partnership firm, had enormous backing from the business community because of their appreciation for the goals of the company, the extreme dedication of Mr. Mani, and the excellent abilities of the three partners. Thus, PTC was off to a good start. Being very cost conscious, PTC set up a small Cost Analysis Department. As business began to expand, more customer services were added on and the company was known for its excellent wheel balancing services. Because of its reputation, the company was given sole dealership in helmets as well. In 1988, just after two years of the initial start, the company had to expand its premises operations, and personnel. With the expansion came the growing pains and Mr. Mani and the two partners had to encounter many small hurdles. Even as they were trying to solve one problem, several others seemed to crop up. Mr. Mani highlighted some of the more serious ones and described them to me as follows.

“Dr. Sekaran, sometimes I wish we had never expanded our business. When we were merely selling tyres, we could easily handle the operations and the workmen and we, the partners were all happy. At first, it was exciting to expand the operations and provide more services to our customers. The smile on the customers’ faces as they drive their cars away is still very gratifying. But with our recruiting more and more people, we are beginning to lose control. Often, the customers are not served as effectively as they could be. The personalised touch that we used to give seems to be slowly slipping away. I have been telling the employees that they should be more customer-oriented, but they seem to be more concerned about their own inter-departmental problems and fights. For instance, last week, while a customer was patiently waiting, the mechanic who was to have changed the oil, was arguing for more than half an hour with the purchase clerk about some trivial matter. I almost lost my patience, and was about to give the mechanic a good yelling, when my partner took the mechanic aside and talked to him. The fact that customers are not serviced without delays, bothers me. I wonder if it bugs my partners as well ! I have not discussed these kinds of issues with them since I don’t want them to think that I am getting unduly worried about small matters.

Another potential problem lies in the way some of the employees come across to the others in the company. For instance, we have a rather brash young engineer. He is thoroughly knowledgeable about his work and is extremely

productive. However, he is always very serious and talks in a very abrupt, and sometimes, abrasive manner. Some of his mechanics have come and told me that they are scared of him. I have a set of capable workmen and don't want to lose any of them. I am at a loss to know how to handle this particular situation. I guess if I were this engineer's subordinate, I would be scared of him too; but the engineer is really a nice person, you know. The only problem is that he is too intense and comes across to others as a "grouch." We have a few others who are just the opposite; these guys are laughing and joking all the time and I sometimes wonder if their workers take them seriously at all !

Something else is also engaging my thoughts. Ultimately, I would like to make each of the service departments, profit centres and share the additional profits with the workers. That, of course, is down the road; perhaps three to five years from now. I am thinking that if the employees have a stake in the profits they will work hard and I will not have to put in so much time in supervising them. But then, these guys should all learn to work well together so that there is more collaboration and joint problem solving rather than competition and dysfunctional conflicts. I would like them all to see themselves as one big family where everybody has to work together harmoniously to reap the full benefits. If, somehow, we can develop that spirit of friendliness and cooperation from now on, it would be great !

May be, I am rambling too much, but these and other issues keep engaging my thoughts and I am wondering if you have any advice for me on how I should be handling some of these issues."

Questions :

- (a) Identify the main issues in the case.
 - (b) Which OD interventions would you recommend to Mr. Mani to resolve the issues ?
 - (c) Do you see any role of a change agent in the case ? Justify your answer either way.
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