

## MANAGEMENT PROGRAMME

Term-End Examination

December, 2010

### 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. Define and describe the importance of organisational design. Briefly discuss the key factors affecting design of an organization.
2. Explain **any two** approaches to Job design and their relevance for an organisation. Briefly discuss their merits and demerits.
3. Briefly describe the role and skills of a successful change agent, citing an example.

4. Discuss interview as a diagnostic tool, its merits and demerits in an organizational set up.
  
5. Write short notes on *any three* of the following:
  - (a) Business Process Re-engineering.
  - (b) Phases of Planned change.
  - (c) Job enlargement.
  - (d) Horizontal organisation.
  - (e) Work shop.

## SECTION-B

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

Sunrise Industries wasn't always a big industrial giant. In fact, it had a very humble beginning. Kamaldeep, an electrical engineer, set up a small scale industrial unit in 1975. To start with, he undertook assembly and sale of sewing machines under the name 'Sunrise' and gradually started manufacture of certain spare parts. Because of better quality, greater selling skills and lower profit margin, his sales turnover touched the figure of Rs.100 crore during 1999-2000. The products included sewing machines, irons, fans, geysers, etc.

In 1991, Kamaldeep entered into a partnership with Ankit, an M.B.A., who contributed a lot of capital into the business. The firm acquired a big industrial plot in the New Industrial Area of Ludhiana and converted their business into a company known as Sunrise Industries Ltd. in 1992. The brand name 'Sunrise' was also registered in the name of the company. The company started the commercial production of single tub washing machines and instant geysers in 1993. Kamaldeep looked after production and Ankit took care of marketing and finance. They never looked back as they had a motivated work force of 40 workers and 5 foremen who worked like a big family.

It was during 1995 that the company shifted its head office to New Delhi and entered into a technical collaboration agreement with a foreign company. As a result, new generation twin tub semi-automatic washing machines and vacuum cleaners were launched in 1996 and the products were well received in the market because of latest technology and expanding market for electrical gadgets. The sales turnover increased tremendously every year.

During the first few years, the management and employees of Sunrise Industries were nothing more than a group of friends and relatives. There were no job descriptions, no formalized procedures and not much division of labour. All the people worked together and shared the problems of each other. The decision-making was participative in the sense everyone was free to give his opinion whenever any problem arose. Thus, there were cordial relations between the management and the employees. But after the collaboration agreement in 1995, the organisation structure of the company started changing dramatically. Because of massive expansion, a large number of workers, foremen, executives and professionals were recruited and separate departments were created for the production of sewing machines, irons, fans, geysers, washing machines and vacuum cleaners. Formalization

got momentum further with the creation of separate Finance, Marketing and Human Resource divisions. Now all the jobs in the company are standardized, there are job descriptions, manuals, many rules and procedures and also an elaborate management information system. All the important decisions are taken at the top and there are many layers between the top management and the workers because of vertical differentiation that has taken place during the past five years.

The quarterly reports of the last year reveal that percentage of customer complaints is on the rise, the morale of the workers is going down and commitment of the workers to the organisation is on the decline.

**Questions :**

- (a) What changes in structural dimensions have taken place in Sunrise Industries?
- (b) Is the present structure organic? Give reasons for your answer.
- (c) Which approach to organisation do you feel can help the company tackle the current problems?