

No. of Printed Pages : 7

MS-25

## MANAGEMENT PROGRAMME

Term-End Examination

December, 2011

### MS-25 : MANAGING CHANGE IN ORGANISATIONS

Time : 3 hours

Maximum Marks : 100

(Weigh tage 70%)

- Note :**
- (i) There are **two** Sections, **A** and **B**.
  - (ii) Answer **any three** questions from **Section - A**, each question carries **20** marks.
  - (iii) **Section - B** is **compulsory** and carries **40** marks.

#### SECTION - A

1. Explain the rationale for using interventions in bringing change in an organisation. Describe any two types of interventions and their merits and demerits.
2. Discuss the impact of Cross-Cultural experiences on culture of the organisation. Explain how closing cultural gaps could be minimised in multicultural content.

3. What is Turnaround Management ? Describe various steps to be followed in turn around management and explain how turn around management can take place in an organisational set up.
4. Discuss how a leader can initiate change process and can play the role of change agent as well cite relevant examples.
5. Write short notes on *any three* of -the following :
  - (a) Managing Transition
  - (b) Evaluation of organisational change
  - (c) Purpose of Merger and acquisition
  - (d) Process consultation
  - (e) Weisbord's Six Box Model

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## SECTION - B

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

1991 ushered in a new era for Sea side, the mail order retailing agent. The billion rupees company was growing faster than ever before and was no longer the small, homegrown catalogue store. Located in South Kolkata, its five thousand employees reflected the local culture, as did its management practices and the philosophy of its founder and Chairman, Shantanu Das: "Take care of your people, take care of your customers, and the rest will take care of itself." In 1991, Mr. Das decided that the company needed to apply modern management principles to keep up with its growth in size and complexity.

The first step was to recruit a new executive vice-president from competitor Mountain View, Subodh Marwah, to lead the changes. Mr. Marwah quickly made numerous changes to modernise the management systems and processes, including team based management, numerous training programmes for trainees at all levels, a new multirater evaluation system in which managers were rated by peers and subordinates as well as their supervisors, and the use of numerous consultants to provide advice.

The company revised its old mission to provide excellent products and services and to turn every customer into a friend. In addition, the company created one new international venture and one new business each year, resulting in solid businesses in UK, Japan and Germany. Mr. Marwah was elevated to chief executive officer in 1993 and, continuing the modernisation, hired seven new vice-presidents, including Ankit Verma as new vice-president of human resource to oversee all of the changes in the employee arena. The first two years, the changes seemed to be working as the company added 100 million rupees in revenue and posted record profits.

All was not as rosy as the profit picture seemed to show, however, In spite of the many programmes aimed at employee welfare, training, and team building, many employees complained of the constant pressure of having to meet production and sales quotas. The new employee performance evaluation system resulted in numerical ratings, which seemed to depersonalise relationships. No matter how many pieces she monogrammed per day, one employee felt that her work was never appreciated. Other employees complained of too many meetings necessitated by the reorganisation and the cross functional teams. One team of catalogue artists, buyers, and copywriters needed numerous meetings each

week to coordinate their activities. A quality assurance manager complained that his work week had increased from forty hours to fifty-five hours and that the meetings were taking time away from doing his real job. Many employees complained that they did not need to go to training programmes to learn how to take care of customers and communicate when they had been doing that all along.

The doubts grew until late 1994, when the board, led by Mr. Das decided that the new management was moving the company too far too fast and straying too far from the basic philosophies that made the company successful. On December 2, 1994, Mr. Das and the Vice-Chairman Nikhil Rao asked for Mr. Marwah's resignation and fired Mr. Verma, citing the need to return to basics, and lack of confidence in the new direction of the company.

Mr. Das then chose thirty four years old Vikash Sen as chief executive officer to guide the return to basics. Mr. Sen, an eleven-year veteran of Sea Side (his entire working career), immediately started the about-face by dismantling most of the teams, reorganising the others, and returning to the basics of the top quality classic clothes and excellent customer service. Three other executives left the company shortly after Mr. Sen's appointment.

Shortly after his takeover, however, paper prices doubled, postal rates increased, and clothing demands dropped sharply. Third-quarter profits dropped by 60 per cent. As the year ended, overall profits were down to rupees 30.6 million on barely Rs. 1 billion in sales and Mr. Sen had to cancel one mailing to save money. Rather than cutting quality and laying off people, Mr. Sen spent even more on increasing quality and employee benefits, such as adoption assistance and mental health referrals. His philosophy was that customers still demand quality products and that employees who feel squeezed by the company will not provide good customer service. Early results were positive, with first-quarter profits three times those of the year before.

Critics of Mr. Sen's return to basics argue that the modernisation attempts were necessary to position the company for global competition and faster reaction to competition in several of its catalogue lines. Its return to growth occurred primarily in acquisition and new speciality catalogue lines and not in the main catalogue for which it was so famous. Mr. Sen has put further acquisition and global expansion on hold as he concentrates on the core businesses. Employees say that they have fewer meetings and more time to do their work.

## QUESTIONS

- (a) How would you characterise the two sets of changes made at Sea Side ? Which set of change is really modernisation ?
- (b) How did the change processes differ from each other ?
- (c) How do you think employees will view future attempts to change Sea Side ?



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## MANAGEMENT PROGRAMME

Term-End Examination

June, 2012

### MS-25 : MANAGING CHANGE IN ORGANISATIONS

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(Weightage 70%)

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#### SECTION - A

1. Describe Evaluation and Action Research approach in organisational change. Discuss the importance of data analysis and feed back in the evaluation process.
2. Discuss how work redesign could be used as a technique of planned organisational change ?



3. Why does mergers and acquisitions take place ?  
Briefly discuss the alternatives which could be used instead of mergers and acquisitions.
4. Discuss the sources of resistance to change. How resistance to change can be managed effectively ? Justify your answer with examples.
5. Write short notes on *any three* of the following:
  - (a) Horizontal and Vertical organisations.
  - (b) Triggers of change
  - (c) Organisational culture and change
  - (d) Group based approach to change
  - (e) Competencies required for a change agent.

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## SECTION - B

6. Read the following cases carefully and answer the questions given at the end. Both carry equal marks.

### CASE - I

It was with mixed feelings of joy (for having completed the work assigned to him to work out the details of the already completed, barring the formal signing of the documents) and uncertainty in the new assignment entrusted to him, that Jimmy Verghese left the CEO's (Ganesh) office. Jimmy was the Vice President (Planning & Execution), RANCO Automobiles Ltd., Chennai. The above mentioned new assignment was related to the merger of RANCO with a German Automaker DAIMLER.

Both RANCO and DAIMLER had been holding talks of a formal merger between the two to gain competitive advantage. Jimmy had already spoken to the eight executives directly reporting to him, on the top management's decision to transfer each of them on a rotation basis initially for six months. This could extend to a period of 2-4 years so as to enable them to learn the German culture, values, style of working etc., which can be used to further train their employees in Chennai, on how to behave or on what is the new organisational behaviour expected of them?

Now that a formal communication was received from the CEO, Jimmy in turn called for a formal meeting with his managers. There were only 2 (from 8) takers for the proposed moving of RANCO's employees to Germany. Abay and Kunal did not oppose the proposal because they were newly married and didn't mind going to Germany, if only their spouses could accompany them. But the other managers were very apprehensive and raised queries regarding the following cultural differences, which they felt in turn could affect their behaviours as a global organisation.

- RANCO culture has always adopted a low-cost business strategy. They preferred to use cost effective ways such as online marketing. Whereas, German firms had a preference for using elaborate brochures to highlight reliability and efficiency, indicating distinctiveness, wealth etc.
- Usually German managers held meeting not only lasting the whole day but even stretching over to elaborate night dinners. In fact the real issues surfaced during such night dinners. Whereas, a cost conscious company such as RANCO, followed the practice of conference calls and at times

video conferencing so as to reduce time taken if executives are required to travel to different locations.

- To some extent both the countries had similar outlooks on - Designations, Location of the office, Salary and associated perks etc., as important status symbols which depicted the power and authority relationships among employees. Similarly, handling international assignments was treated as another stepping stone to further one's career.

Most of the above issues were discussed during the meeting. Only Jimmy was thinking on how to respond to the comment made by Diana (Sr. Human Resources Manager) " Since German is an alien language, and we are required to proceed within a fortnight to Germany, probably we will have to request for a translator to accompany us?"

### Questions for Discussion

- (a) According to you what cultural factors should be considered by RANCO before sending their executives to Germany?
- (b) Can you suggest ways to handle the cultural variations mentioned in the above case ?

## CASE - II

Tushar had been hearing the rumour doing the rounds since the past ten days. However, as per his nature, he had ignored it and concentrated on doing his job even better. But today, Tushar had seen his name along with other names recommended and officially told to start attending the three month's computer course to gain knowledge on the usage of computers to textile industry.

Tushar, after completing a polytechnic (diploma) in Textile engineering had joined J.P.Mills as a junior assistant in the design development department, some twenty years ago. At the time of joining, the textile industry was booming. J.P. Mills was also doing well in terms of volume and profitability during the boom period. However, with the opening of the economy and the entry of many multinational ready made brands, there was seen a visible change in the customers' buying behaviour. The past seven to eight years has seen a shift in the customer's mindset towards purchase of ready-to-use wear. Unlike the earlier trend when people preferred to purchase well known textile company's cloth material (in this market J.P. Mills was doing very well and had almost 27% market share), and get their clothes stitched by any

wellknown tailor. So as to keep in pace with the new market requirement, J.P.Mills Owner and Managing Director Nithin Kapasi, decided to enter into a tie up with a MNC Sandy wear store which wanted to enter into a joint venture with J.P. Mills to get a manufacturing base in India.

It was in this connection that the rumours started circulating about the new management planning to remove the existing employees of J.P.Mills by introducing programmes for them under the guise of upgrading their knowledge in computers. When the rumours, started initially, many executives and employees had put in their papers. But many others, like Tushar, continued to put in their hours but one could always sense their uneasiness. Hence, seeing his name on the notice board, made Tushar uneasy and he was expecting the worst, when he received a call from Nancy, the P.A to the personnel manager Viresh, asking him to meet the latter after the lunch break.

Tushar, when he met Viresh, was pleasantly surprised to hear that in the new organisation set up, would be required to do a lot of the work on the computer (packages). This would eventually result in a lot of cost saving for the company, because the available new computer packages in the market will help in reducing the time (spent) between receipt of order, selection of

the various designs (optimised selection can be done with the help of the new software packages) and execution of the orders in time. Viresh ended the talk by saying that the new management expected all this responsibility to be entrusted to Tushar and hence his name had been put up on the list of those required to attend various computer courses.

### Questions for Discussion

- (a) What factors had caused resistance in change among J.P. Mills employees ?
- (b) Do you agree with the strategy adopted by Viresh in communicating about the changes to Tushar ? Or could you suggest any other way of handling the above situation ? Why ?

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December, 2012

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#### SECTION - A

1. Briefly discuss Business Process Re-engineering as a process of change.
2. Describe the reasons for resistance to change and the methods of Handling resistance.
3. Identify and explain the triggers of change and describe how to plan change in an organisation.
4. Discuss the purpose of evaluation and strategies to evaluate change.



5. Write short notes on **any three** of the following :

- (a) Force field analysis
- (b) Culture and change
- (c) Managing Transition
- (d) Process consultation
- (e) Task force



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

On 1 April 1993, three ailing units of the public sector enterprise Hyderabad Allwyn - refrigerator, gas cylinder and furniture - were taken over by Voltas Limited. Effectively, Voltas stepped in one year later on 1 April 1994 after the release of a BIFR order. A turnaround strategy was in the offing. The ailing units has accumulated losses to the tune of Rs. 90 crore. The workforce of 5,000 was a grumbling lot, production having virtually to a standstill.

The management adopted a multi-pronged strategy. Wasteful expenditure was reduced, production was increased and the product-range augmented. Investment in human resource development was stepped up and customer and dealer interaction was improved. And each of these was taken up on a war footing.

Reducing wasteful expenditure meant cutting manufacturing and manpower costs. At the outset, an analysis of job and personality profiles of all personnel from workers to managers was undertaken by an outside consultant. On the basis of their report, unproductive work practices which could curb organisational growth were eliminated. For example, it was discovered that 400 workers with union influence were mostly on outdoor duty where they could not be

supervised all the time. Again, many workers in the sportsmen category, though retired, still continued to draw benefits. A voluntary retirement scheme was introduced which helped to reduce the number of workers to 4,000. According to one executive, trimming manpower was done in a no-nonsense fashion, which made people realise that Voltas was serious about change. On one occasion, the Managing Director addressed 250 executives saying, "Out of you I need only 100. All of us know who they are." Those not willing to be a part of the new work culture, where targets had to be met, left. With the remaining, intensive workforce training sessions were conducted to usher in new working systems and philosophy. With the same workers, 1,58,000 refrigerators and 2,00,000 LPG cylinders rolled out of the factory in 1994. Production exceeded the peak levels of the old Hyderabad Allwyn era.

Initially the focus was on the refrigerator division. In this industry, Allwyn had tremendous brand equity; but the last few years of operation had left behind irate customers and dealers. Voltas strategy was to cash in on the brand image by bringing out a quality product quickly. Increasing production and cutting costs for existing models was done simultaneously. Rejections, which were 15 percent were brought down to 1 per cent level. Design changes were incorporated which

improved the product and increased efficiency of operations. For example, powder-coating technology which lasts longer and is a faster process reducing energy consumption, was introduced in place of the earlier liquid synthetic enamel. Thus, total energy consumed was reduced from 330 units per refrigerator to 200 units. There was total cost saving of 6 percent.

Consumer complaints which had accumulated over the years were handled with sensitivity and urgency. As the Sales Manager, Allwyn, put it, "A backlog of 24,000 complaints, out of which 18,000 related to compressors were handled in the first three months." The services department was reactivated to satisfy all irate customers and started holding free-service weeks in a planned manner in different metropolitan cities. The dealer network was increased from 800 to 2,500, by passing on some of the cost reduction benefits to them and this increased product availability.

A survey of consumer needs was carried out. Based on its findings a new model of refrigerator of 190 litre was designed. The product was aesthetic looking with the 'soft look' of a 'clean back' (no compressor visible) and transparent accessories. The catch word was 'value for money' for it was bigger but priced at par with the 165 litre deluxe model of Godrej. The reception was overwhelming, and the product became the

largest selling brand in the country with a good after sales service. In 1994-95, Voltas-Allwyn had an 8.5 percent market share of the total market of 1.8 million refrigerators. This increased to 11 percent in 1995-96 in a 2.1 million market. A target of 15 percent market share has been fixed for 1996-97, which will make Voltas-Allwyn combine the second or third largest in the country. Presently, Godrej is the market leader with 39 percent market share followed by Kelvinator with 26 percent, Voltas 11 percent, Videocon 8 percent and the balance with BPL. While the market for fridges is growing, multinationals like Electrolux are coming in to tap what they think will be a 4 million market by 2000 A.D.

Keeping in view the growing market competition, Allwyn plans to bring out by mid-1996, a three-door, frost-free refrigerator in collaboration with Hitachi of Japan, which will compete directly with BPL's 360-litre model. Multinationals like Whirlpool and Electrolux also plan to enter this market segment shortly. Allwyn also plans to launch the first Eco-friendly refrigerator model under a World Bank Aid project, in technical collaboration with Hitachi. The total project cost is Rs. 120 crore.

An activity which has been initiated recently and should become a major business, is refrigerator appliances. Allwyn is the sole Indian supplier for Pepsico (India)'s visible (glass-front)

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coolers and bottle coolers. In 1996-97, this should contribute Rs. 15 crore to total turnover. With the entry of multinationals in the food and beverage business, this may be a growth area for Allwyn since this product measures to international standards.

Obviously, turning around the ailing units has not been easy. Voltas had taken over Rs. 31 crore liability along with the ailing units; Rs. 15 crore interest was payable on Rs. 110 crore loans from financial institutions. Out of the total Rs. 70 crore pumped in by Voltas to date, Rs. 22.5 crore had gone into wiping out liabilities. Besides, according to the Chairman of Voltas, the policies of the Govt. of Andhra Pradesh do not help reviving sick units. All attention seems to be focused on attracting new industry, not helping the existing ones. As per a BIFR order there should be no power cuts, but the reality is that there is a 60 to 70 percent power cut in the State; unlike state like Maharashtra which have sales tax exemption, Andhra has a deferment of sales tax for seven years at 18 percent interest which is extremely unattractive.

Despite the difficulties, Allwyn is expected to achieve a turnover of Rs. 200 crore for 1995-96 with Rs. 180 crore from the refrigerator division and the balance from gas cylinders. In the coming years, substantial profits are expected to accrue from the furniture division. Allwyn has a

technology collaboration with Lista, Switzerland - Europe's largest manufacturer of modular furniture for homes and offices. The advantages of modular furniture over wood or particle board is that ergonomic designs are possible and it permits long-term flexibility. The furniture would be sold through a network of 2,000 dealers. A turnover of Rs. 30 crore is expected in the first year in a total furniture market of Rs. 250 crore. Margins are high in this business. Allwyn also offers total solutions to office needs of furniture based on the architect's conceptualisation at location sites. Besides, Lista plans to use Allwyn as a base to access the growing South-east Asian market.

#### Questions :

1. Do you consider the turnaround strategy adopted by Voltas satisfactory ? Give reasons.
  2. *Discuss the nature of synergistic effects, if any, resulting from Voltas' takeover of Allwyn.*
  3. *Prepare Environmental Threat and Opportunity Profile (ETOP) and a Strategic Advantage Profile (SAP) for evaluation of the present strategy.*
  4. *What were the key factors underlying successful implementation of the strategy ? Explain.*
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June, 2013

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#### SECTION - A

1. Bring out the differences between Transactional and Transformational Leadership and explain how a leader plays an important role to bring change in an organisation
2. Briefly discuss the need for indigenous Management and the complexity of Management of change through indigenization.
3. Describe any two models of diagnosis of organisational change.



4. Describe Total Quality Management (TQM). How it could be used as an approach to bring change in an organisation.
5. Write short notes on *any three* of the following :
  - (a) Down Sizing
  - (b) Managing Resistance
  - (c) Action Research
  - (d) Type of change
  - (e) Cluster organisation



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### SECTION - B

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

The story of the restructuring of the Mahut Group (name disguised) in India is illustrative of the need for supporting any structure change with the relevant culture change. The Mahut Group, a family-owned business located in western India, is a US\$350 million multinational, multi-activity enterprise group operating in four continents, with a diversified portfolio and employee strength of 15000.

The group has two cement plants-the US\$51 million Heera Cement and the US\$39 million Moti Cement (names disguised) - each with a production capacity of 1.2 million tonnes of cement per annum. The plants use 'dry process precalcination technology, which conforms to international standards. Both plants had been operating at more than 100 percent capacity and were among the most cost-effective cement plants in India, but had been making losses since the deregulation of the cement industry in India in the late 1980s. Prior to deregulation, the cement companies operated under governmental capacity, production, distribution and price controls to ensure fair prices and availability to priority sectors and small users. Because capacity was controlled, there were severe shortages and

obviously no competition, and all cement companies were making good money despite price control.

Deregulation led to huge increases in the capacity of the cement industry in India, which also included foreign players. Heera and Moti now found themselves in competition not only with other companies but with each other. The competition between the sister companies was particularly damaging because their executives had private knowledge of each other's strategies. Mahut Group's management realised the problem and wanted to develop synergies rather than competition between the two companies. In order to facilitate this change, Mahut appointed an American consultant in 1998 to study the problem and submit a report.

The consultant found that the solution lay in structurally integrating the marketing functions of the two plants, and recommended: merging their sales and marketing; creating a new division called 'brands' to promote, position and build the brands together; creating two new positions, director-technical services, director-market research; changing the structure to support the new arrangements, especially by creating new roles and redefining old ones; and redeploying redundant people rather than retrenching them.

Mahut Group decided to implement the recommendations. Although the implementation process was fraught with intense politicking, especially for the top positions in the restructured company, the company culture was such that this phenomenon was not perceived as unusual. It was natural for the owners to give the coveted positions and perquisites to those who were close to them. In the restructured company the managing director was appointed from Moti; senior joint president-sales (in charge of sales in the state where the company was located) was appointed from Moti, superseding a more senior executive from Heera; senior joint president-marketing (in charge of sales outside the state, where volumes were extremely low) was appointed from Heera; general manager (brands) was appointed from Heera.

Commenting on the cultural practices and processes that came in the way of performance, employees pointed out several issues. Decisions in the organisation were highly centralised. Almost all decisions were made by the managing director, because of which there were a lot of delays. Salaries and perks were arbitrary and based on a person's closeness to the power centres. For example, one of the senior joint presidents was given two semi-luxury cars, the other was given a single old-fashioned car. There were wide

disparities in salaries. The 'old' salaries of the two different companies were not unified on integration. Even the date of payment differed. Not training was imparted to employees, even on the new roles they were expected to perform after restructuring. There were no systems for recruitment, appraisal, redeployments and promotions, which were done on the basis of personal contacts and closeness to power centres. Family members of employees were expected to render personal services to family members of the owners as and when demanded. Dual reporting (to the joint president and the managing director at the top level, for example) was the norm rather than the exception.

In such a power-and person-oriented culture, employees found it difficult to perform their jobs effectively. A proposal for cross-functional teams could not be executed because of the persisting divide between 'Heera-man' and 'Moti-man'. A newly-organised 'Influencers' Meet' (where engineers, architects, builders, masons and so on could exchange ideas), which was a regular practice among competitors, became ritualised. There were no systems for meeting other influential stakeholders like traders dealers, bureaucrats politicians and industry associations on a regular basis. Internal and external communications, especially public relations, were inadequate. For example, even

though Mahut's plants were the first in the state to get ISO-9000 accreditation, that information was not publicised or capitalised on. There was an overall air of non-professionalism in the company, which was apparently due to the fact that the people who held critical position held them because of their connections, not because of the qualifications and competencies.

It seems that cultural complexities in the organisation have worked against the structural changes made for achieving synergies between Heera and Moti. After the restructuring, the combined sales plummeted by 20 per cent, and market share declined sharply. There was also a significant reduction in employee morale, if the increases in absenteeism, employee turnover and strikes were any indication. Even the few 'innovations' introduced were unproductive, for the very same cultural reasons. A case in point was the launching of Chota Moti (a small pack of Moti cement for the small user). While this pack had generated some demand, the packaging cost was disproportionately high, leading to further losses. Obviously the sensible course of action was to discontinue its production which was suggested by the lower levels. However, top management decided against it because the new packaging facility had been inaugurated by the wife of the executive vice chairman.

### Questions.

- (a) How would you describe the organisational culture of the Mahut Group ? Explain your answer citing decisions that illustrate the nature of the culture.
- (b) Would it be possible that the decision to restructure the organisation was largely influenced by the culture of the organisation ?
- (c) Comment on the way the restructuring proposals were implemented. Explain the influence of the organisational culture, if any, on the implementation process.
- (d) How do you explain the decline in employee morale and performance after the restructuring ? Why were the expected synergies not realised ?

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#### SECTION-A

1. Explain the basic purpose of using intervention in organizational situations. Briefly describe types of interventions and their usage.
2. Describe turnaround management and discuss how it could be used to bring changes in organisations. Explain with examples.
3. Differentiate between transactional and transformational leadership. Describe how a leader can lead a change process. Briefly discuss the competencies required for the same.



4. Identify the key factors of cultural change. Discuss the need for indigenous management in developing countries and the dimensions on which organisations in developed and developing countries differ.
5. Write short notes on *any three* of the following :
  - (a) Process of Transformation
  - (b) Action Research
  - (c) Roles of change agents
  - (d) ISO 9000 Series
  - (e) Types of Mergers

#### SECTION-B

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

Thirty years ago, Hillton was a small city (about 70,000 residents) that served as an outer suburb to a large metropolitan city. The municipality of Hillton treated its employees like family and gave them a great deal of autonomy in their work. Everyone in the organization (including the two labour unions representing employees) implicitly agreed that the leaders and supervisors of the organization should rise through the ranks on the basis of their experience. Few people were ever hired from the outside into middle or senior positions. The rule of employment at Hillton was

to learn the job skills, maintain a reasonably good work record, and wait your turn for promotion.

Hillton grew rapidly over the past three decades. As the population grew, so did the municipality's workforce to keep pace with the increasing demand for municipal services. This meant that employees were promoted fairly quickly and were almost assured guaranteed employment. In fact, until recently, Hillton had never laid off any employee. The organization's culture could be described as one of entitlement and comfort. Neither the elected city councilors nor the city manager bothered the departmental managers about their work. There were few cost controls because the rapid growth placed more emphasis on keeping up with the population expansion. The public became somewhat more critical of the city's poor service, including road construction at inconvenient times and the apparent lack of respect some employees showed toward taxpayers.

During these expansion years, Hillton put most of its money into "outside" (also called "hard") municipal services. These included road building, utility construction and maintenance, fire and police protection, recreational facilities, and land use control. This emphasis occurred because an expanding population demanded more of these services and most of Hillton's senior

people came from the outside services group. For example, Hillton's city manager for many years was a road development engineer. The "inside" workers (taxation, community services, etc.) tended to have less seniority, and their departments were given less priority.

As commuter and road systems developed, Hillton attracted more upwardly mobile professional into the community. Some infrastructure demands continued, but now these suburban dwellers wanted more of the soft services, such as libraries, social activities, and community services. They also began complaining about the way the municipality was being run. The population had more than tripled over the past three decades, and it was increasingly apparent that the organization needed more corporate planning, information systems, organization development, and cost control systems. In various ways, residents voiced their concerns that the municipality was not providing the quality of management that they would expect from a city of Hillton's size.

Three years ago, a new mayor and council replaced most of the previous incumbents, mainly on the platform of improving the municipality's management structure. The new council gave the city manager, along with two other senior managers, an early retirement buyout package.

Rather than promoting from the lower ranks, the council decided to fill all three positions with qualified candidates from large municipal corporations in the region. The following year, several long-term managers left Hillton and at least half of those positions were filled by people from outside the organization.

In less than two years, Hillton had eight senior or departmental managers hired from other municipalities who played a key role in changing the organization's value system. These eight managers became known (often with negative connotations) as the "professionals." They worked closely with each other to change the way middle and lower-level managers had operated for many years. They brought in a new computer system and emphasized cost controls in areas where managers previously had complete autonomy. Promotions were increasingly based more on merit than seniority.

These managers frequently announced in meetings and newsletters that municipal employees must provide superlative customer service and that Hillton would become one of the most customer-friendly places for citizens and those who do business with the municipality. To this end, the managers were quick to support the public's increasing demand for more soft services, including expanded library services and



recreational activities. And when population growth recently flattened out, the city manager and other professionals gained council support to lay off a few of the outside workers due to lack of demand for hard services.

One of the most significant changes was that the outside departments no longer held dominant positions in city management. Most of the professional managers had worked exclusively in administrative and related inside jobs, two had master of business administration degrees. This led to some tension between the professional managers and the older outside managers.

Even before the layoffs, managers of outside departments resisted the changes more than others did. These managers complained that their employees with the highest seniority were turned down for promotions. They argued for more budget and warned that infrastructure problems would cause liability problems. Informally, these outside managers were supported by the labor union representing outside workers. The union leaders tried to bargain for more job guarantees, whereas the union representing inside workers focused more on improving wages and benefits. Leaders of the outside union made several statements in the local media that the city had "lost its heart" and that the public would suffer from the actions of the new professionals.

### QUESTIONS :

1. Contrast Hillton's earlier corporate culture with the emerging set of cultural values.
2. Considering the difficulty in changing organizational culture, why does Hillton's management seem to have been successful at this transformation ?
3. Identify two other strategies that the city might consider to reinforce the new set of corporate values.



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No. of Printed Pages : 8

MS-25

## MANAGEMENT PROGRAMME

Term-End Examination

June, 2014

### MS-25 : MANAGING CHANGE IN ORGANISATIONS

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

- 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.

#### SECTION-A

1. How and why the process of change gets triggered in organizations ? Discuss.
2. Describe the reasons for resistance to change and discuss the methods and techniques to handle resistance to change.
3. Explain the approaches to evaluation of organisational change and discuss the strategies for the same.
4. Describe the reasons for mergers and acquisitions and their alternatives. Substantiate your answer with relevant examples.

5. Write short notes on **any three** of the following :
- (a) Managing Transition
  - (b) Horizontal/Flat Organisation
  - (c) Work Redesign
  - (d) Culture and Change
  - (e) Behaviour Modelling

### SECTION-B

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

National Business Machines branch office number 120 is a marketing and service organisation consisting of nearly 200 employees. The data-processing division is divided into four sections : two marketing units and two systems engineering units. This arrangement is depicted in Case Exhibit 15.1.

The two marketing units sell new hardware. Each marketing unit has ten sales persons. The two Systems Engineering (SE) units provide technical assistance to the marketing units. They help in selecting hardware, system design, computer programming, operator training, installed systems review, computer application development and many other functions associated with selling and installing computer systems. Each SE unit has ten systems engineers.



The SE units are independent of each other. One unit supports marketing unit A, and the other unit supports marketing unit B.

Systems engineering includes three types of skills and knowledge : those associated with small, medium, and large computer systems. Small systems are usually purchased by the brand-new data-processing user getting first exposure to the world of automation. Systems engineers in this area must of course be skilled systems analysis and programmers, but they must also be educators and psychologists.

New data-processing users know only as much about the machines as the marketing representatives have told them. They are often unsure about whether they can deal with the machines. The small-system SE's must expand their knowledge and help them build confidence.

The medium-system SE works with a larger, higher-priced machine that has probably been installed for a few years. Users have their own data-processing staffs. Instead of being concerned with programming and operator training, the medium-system SE's spends time looking for more advanced applications, such as installing terminals in different user departments.

The larger-system SE deals with sophisticated data-processing installations. Large-system users are data - processing professionals with high

standards, internal education programs and staffs of 50 or more.

The small-system SE may be working on five or six accounts per day, while the large-system SE may spend a week at one location.

In NBM branch office number 120, both SE units have systems engineers of all three types. This organizational structure has several advantages, but it also causes several problems.

The first problem occurs because the three data-processing system types-small, 'medium' and large-represent three quite different technologies. The effective SE manager must be well versed in the latest trends of three separate disciplines. Both SE managers do a good job, but communications problems sometimes arise because they do not have experience in working on data-processing systems of all three kinds.

For example, both current SE managers have backgrounds in medium and large systems. The common misconception is that they should thoroughly understand small computer installations because small systems must be easier to install than large systems. However, in addition to designing the system and writing the programs, the small-system SE performs tasks that the SE's working on medium and large systems never perform. The small-system SE has to explain why

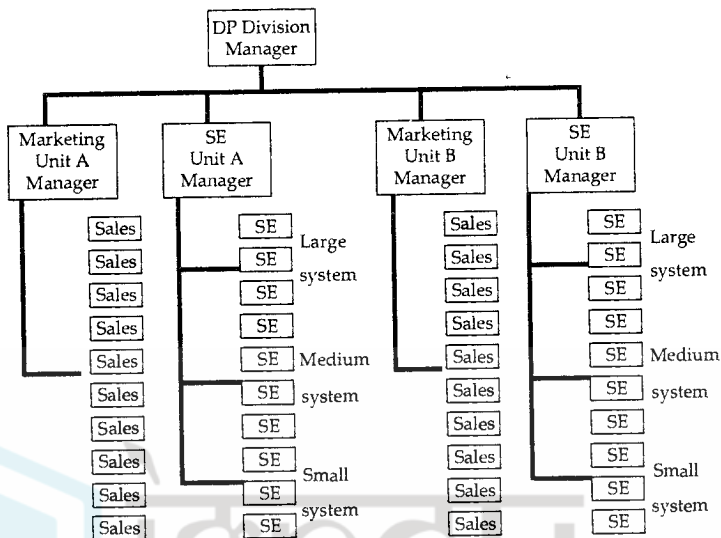
the new user must spell the customer's name in exactly the same way every time or why a diskette created on one type of personal computer cannot be compatible with another. Mistakes in these details can cause unbelievable delays in an installation and can be very difficult to locate. Another problem is the division's sales quota. Since NBM makes more money when installing large machines, the manager naturally meets the quota faster by installing large machines. Of course, everyone realize the advantages of selling small machines to many customers in the expectation that they will later graduate to medium and large machines. However, the short - run emphasis always seems to be on the large systems.

This situation causes a morale problem among the small-system SE's. They see the large system people getting the bonuses and the recognition at branch office meetings. The small-system SE's also think that their compensation is not proportionate to the compensation of the large-system SE's. Actually, most large-system SE's have worked longer for NBM and have developed more skills, so their average compensation is justifiably higher. However, the small-system SE's tend to overlook this fact.

Having two SE managers each control three SE

classifications may be inherently inefficient. For instance imagine this situation. Manager A needs a small-system SE and does not have one available. Manager B has an available SE with the proper talents. Manager A asks to borrow the SE. If Manager B allows the borrowing, the borrowed SE may be needed by Manager B but unavailable the very next day. On the other hand, NBM is a service organization, so Manager B probably allows Manager A to borrow the SE.

Consider the borrowed SE. Once assigned to the project, the SE will probably have to stay with it until it is finished, even if an SE from unit A becomes available. Once the borrowed SE gets to know the people and situation at the new installation and begins to design systems and develop programs, Manager B will be reluctant to make a change. So the borrowed SE will be working for a manager who does not appraise performance or make salary recommendations. The borrowed SE may work 60 to 80 hours a week on a crash project, and Manager B may never hear about it.



CASE EXHIBIT 15.1 Organization Chart for National Business Machines.

Source : Ford, R. C., Armandi, B. R. and Heaton, C. P.(1988). Organization theory : An integrative approach, Copy right © 1988 by Harper and Row, Publishers, Inc. Reprinted by permission of Harper Collins Inc.

### Questions :

- (a) What form of departmentation is seen in NBM branch 120 ? Discuss the advantages and disadvantages of this form of departmentation with reference to the issues mentioned in the case.

- (b) Suggest at least one structural alternative to that currently seen in branch 120. Explain how this alternative will deal with the problems cited in the case. Does the alternative design have any potential problems ?
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No. of Printed Pages : 7

MS-25

## MANAGEMENT PROGRAMME

Term-End Examination

December, 2014

### MS-25 : MANAGING CHANGE IN ORGANISATIONS

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

- 
- 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.*
- 

#### SECTION - A

1. Briefly discuss the factors which make companies successful despite environmental influences.
2. Describe "Business process Re-engineering" as an instrument to bring about change in organisation with a suitable example.
3. Briefly discuss the methods of evaluation of change and its significance.
4. What is the role and significance of leadership in managing change ? Explain with relevant examples.

5. Write short notes on **any three** of the following :
- (a) Resistance to change
  - (b) Leveraging structure
  - (c) Phases in Diagnosis
  - (d) ISO 9000 Series
  - (e) Technology and Merchandise Licensing

### **SECTION - B**

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

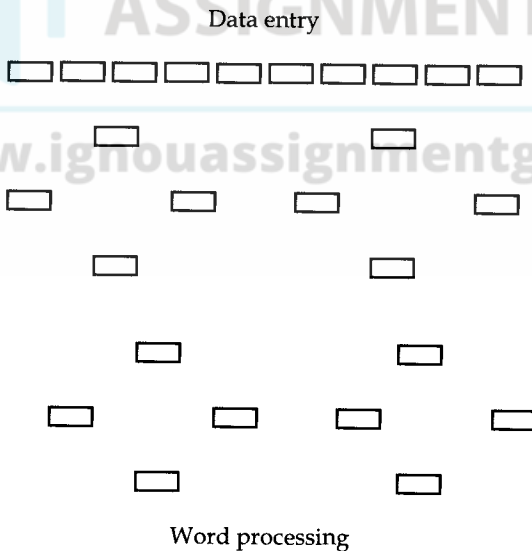
Helen supervises the word processing/ data entry (WP/DE) unit for the Department of Administration of State Government. She has held this job for about a year and is well liked by the employees in her unit. Helen took this job with the state as a step up from her former position as a data entry lead worker in an insurance company in the same city. Though Helen has a "task-oriented", professional approach to her work and high standards of quality, she also has good interpersonal skills and handles her employees well. Her supervisory style could be characterized as traditional - low in participativeness, but sensitive to employee needs and rights.

Rani is Helen's assistant. She has been a word processing employee since the new computerized equipment was installed four years ago. She was a secretary for many years before that. Her excellent work and leadership qualities were noticed, and



she was promoted at the same time that Helen was hired. The two have gotten along well with each other. The WP/DE unit was created by Helen's predecessor in a difficult and stressful transition from individual units having their own secretary to the processing "pool" of employees with all computerized equipment. Data entry was added with the increased use of new information and decision support systems by various state agencies. At present, the work area consists of four circles of word processing equipment stations (16 employees) and a row of 10 data entry employees and their equipment (See Exhibit 1)

**Exhibit 1**  
**Physical Layout of WP/DE Unit**



Interestingly, the employees who handle word processing tasks are different in several ways from the data entry employees. Almost all of the WP employees had been secretaries prior to learning to use the computer equipment; this is not true of data entry employees. The WP employees typically wear formal business attire to work, while their counterparts in DE dress much more casually, including jeans and T-shirts. The immediate work spaces of the employees also differs, depending on their WP or DE work assignments. WP machines are covered with personal objects, like family pictures, radios, flowers, etc. The DE area has a noticeable lack of such decorations, with only an occasional cartoon taped to a machine. The DE employees are not as ownership oriented about their computers. Other, less visible differences in attitudes and behaviours also serve to create two distinct subgroups in Helen's unit.

Since the WP/DE unit was created, it continued to evolve and develop. Much of the work for the unit came in large batches due to project start - ups, committee report work with tight deadlines and so on. When the legislature was in session, the DE employees sometimes received large batches of work on very short notice. All too often, these employees are swamped with work while their WP counterparts

barely have enough to keep them busy. The opposite situation also arises on occasion. And if a WP or DE employee calls in sick, that computer sits idle for the day. There is no provision to replace the absent employee, regardless of workload demands.

Recently, top administration decided that some new machines should be added to the WP/DE unit. In conjunction with those additions, Helen was to be responsible for having the DE employees learn how to use the WP equipment and vice versa. As Helen thought about the implementation of the cross-training requirement, she knew there might be resistance from some employees. She was careful to devise what she felt was a method to accomplish the cross-training over a period of three months - enough time to give her employees sufficient training support. She felt her plan was realistic and fair, and that the whole unit would be able to work more efficiently once that plan was accomplished. Her boss heartily endorsed the plan when she presented it to him.

Shortly after announcing the plan to her unit, Helen was confronted with major and unexpectedly hostile reactions from her employees. Many of them were upset about having to learn to operate the other machines.

Others thought it was a good idea and a good opportunity, but were uncertain about the three - month time - table. Rani tended to agree that the plan was unfair and unreasonable. She expressed her concerns to Helen, but not to the other employees.

In an informal lunch meeting, 10 of the WP employees voted to resist the cross - training and later in the day, obtained support for their position from seven DE employees. They confronted Helen with their decision the next morning. Knowing that her boss was committed to the cross-training, Helen attempted to reason with her employees. But it seemed useless; they were adamant in their demands. Moreover, having heard about the resistance, the WP/DE employees who welcomed the cross - training opportunities united and indicated their support for the change. For the first time since Helen had been the supervisor of the unit, WP employee ranks were split on an issue, siding with DE employees who were of the same opinion. The situation in the unit was certainly a divisive and volatile one. Helen was under pressure to solve the problem as soon as possible.

**Questions :**

- (a) What are your reactions to the way Helen handled the proposed change ? What factors contributed to this resistance ?

- (b) What do you think will happen if Helen goes ahead with the cross - training, inspite of the resistance ? Discuss the possible consequences.
  - (c) What are some of the supporting forces for change in this situation ?
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No. of Printed Pages : 5

MS-25

## MANAGEMENT PROGRAMME

Term-End Examination 00991

June, 2015

### MS-25 : MANAGING CHANGE IN ORGANISATIONS

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

- 
- 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*.
- 

#### 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.



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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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No. of Printed Pages : 3

MS-25

02431

## MANAGEMENT PROGRAMME

Term-End Examination

December, 2015

### MS-25 : MANAGING CHANGE IN ORGANISATIONS

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

- 
- 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.
- 

#### SECTION - A

1. Discuss group based change approaches. Justify with suitable examples.
2. Discuss the reasons for mergers and acquisitions. Briefly describe the alternative approaches.
3. Discuss any two types of interventions in organizational change and their merits and demerits with suitable examples.
4. Discuss sources of resistance to change by individual and organization. How it can be managed in bringing change in organisations ?

5. Write short notes on **any three** of the following :
- (a) Action Research
  - (b) Punctuated - Equilibrium Model
  - (c) Matrix organization
  - (d) Quality circle
  - (e) Key factors in cultural change

### SECTION - B

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

The middle managers of a large firm were told by the corporate human resources office that a group of consultants would be calling on them later in the week. The purpose of the consultants' visit would be to analyze cross-functional relations throughout the firm. The consultants had been very effective in using an OD intervention called team building. Their particular approach used six steps. When their approach was explained to the managers, a great deal of tension was relieved. They had initially thought that team building was a lot of hocus-pocus, like sensitivity training, where people attack each other and let out their aggressions by heaping abuse on those they dislike. By the same token, these managers generally felt that perhaps the consultants were not needed. One of them put it this way : "Now that we understand what is involved in team building, we can go ahead and conduct the sessions ourselves. All we have to do is to choose a manager who is liked by everyone and put him or her in the role of the change agent/consultant. After all, you really don't need a high priced consultant to do this team-building stuff. You just have to have a good feel for human nature". The

other managers generally agreed. However, the corporate human resources director turned down their suggestion. He hired the OD consultants to do the team building.

**Questions :**

- (a) Critically evaluate the core issues of this case.
- (b) What is a team building approach to organization development ? Do you think the managers had an accurate view of this OD technique ?
- (c) Do you think that the managers had an accurate view of the role of external consultants ?



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No. of Printed Pages : 4

MS-25

00194

## MANAGEMENT PROGRAMME

Term-End Examination

June, 2016

### MS-25 : MANAGING CHANGE IN ORGANISATIONS

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

- 
- 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.
- 

#### SECTION - A

1. Describe Orchestra, Cluster and Inverted pyramid organizational structures and their advantages and disadvantages with suitable examples.
2. Discuss how cultural changes can be brought in organisations. Identify the need for indigenous management in modern day organizations.
3. What is Business Process Re-engineering (BPR) and how this method can be used as a process of change ? Illustrate with an example.
4. Discuss any two interventions which can be used in bringing organizational change and their effectiveness. Explain with suitable examples.

5. Write short notes on **any three** of the following :
- (a) Work-Redesigning
  - (b) Kurt Lewin's Model of change
  - (c) Joint ventures
  - (d) ISO 9000 series
  - (e) Action research

### 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 ₹ 1 crore during 1979-80. The products included sewing machines, irons, fans, geysers, etc.

In 1981, 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 1982. 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 1983. Kamaldeep looked after production and Ankit took care of marketing and finance. They never looked back as they had a motivated workforce of 40 workers and 5 foremen who worked like a big family.

It was during 1990 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 1991 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 1990, 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 ?



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## **MANAGEMENT PROGRAMME**

**Term-End Examination**

**01212**

**December, 2016**

### **MS-025 : 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.*
- 

#### **SECTION - A**

1. What is 'Planned Change' ? Briefly discuss the Work Re-design as a Technique of Planned Organisational Change. Explain with suitable example.
2. Explain the reasons for Mergers and acquisitions. Identify the role of Agencies in Mergers and Acquisitions. Explain with relevant examples.
3. What is the importance of an effective Organisational Diagnosis in Managing Change ? Briefly describe the phases involved in Diagnosis with examples.

4. Discuss various key roles in managing change in organisational set up. Cite suitable examples.
5. Write short notes on **any three** of the following :
  - (a) The Challenge of Transformation
  - (b) Self - managed Work Teams
  - (c) Weisboard's Six Box Model
  - (d) Matrix Organisation
  - (e) Cultural Change

### SECTION - B

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

Margadarsi Savings Association is one of the oldest financial institutions in its region. It is located in a trade area of approximately 25 lakhs population and has total deposits approaching ₹ 50 crores. The association's management has always attempted to develop and maintain a progressive institution.

An outstanding feature of the association is that it seldom loses an employee to another financial institution. Checks made periodically with other institutions always indicate that its salary scale is one of the highest in the area. The association also has what the management considers to be a good program of fringe benefits, including hospitalization and life insurance, a retirement plan, paid vacations, sick leave, and lunch-room concessions. The entire cost of these benefits is borne by the association.

The association runs its operations on a decentralized basis. The top management has always maintained that decentralization is the

best method of developing qualified managers and, in view of the organization's rapid growth during the last few years, the best way of solving the important problem of executive development.

The book-keeping function has likewise been decentralized : each branch keeps its own books, and the auditor of the association periodically inspects them.

One day the auditor and the controller of the association decided that the current book-keeping system needed to be revised. They had been giving attention to this area because the examiners had trouble finding records. It had been suggested that the method of book-keeping between the home office and the four branches could be improved.

With the above facts in mind, the two men held a conference with the officers of the association in an attempt to point out to them the action that needed to be taken.

After hearing the arguments posed by the auditor and the controller, the officers still felt the action was unnecessary. They said that the project would be too time-consuming and costly.

Two weeks later, however, the executive vice-president of the association talked to the controller and admitted to him that the idea of revising the system was sound and that he and the rest of the officers were authorizing him to take control and to initiate the project.

The controller started on the task of centralizing the book-keeping operations. For the first week he didn't know where to begin. He discovered that operational controls had been allowed to run down so long that now his problem appeared to be almost insurmountable.

When the executive vice-president asked the controller about his progress, he was given a negative answer. The vice president was disturbed with this reaction and was determined to settle the problem once and for all. He called an executive meeting that included the controller and the auditor. At the meeting, the possibility of centralizing some of the operations of the branches in order to afford better administrative control was discussed. Someone suggested the possibility of buying some National Cash Register posting machines to help solve some of the operating difficulties.

After a lengthy discussion it was decided that these machines were the key to the elimination of many of the association's reporting problems. The controller admitted that they would make it easier to control operations, and the assistant vice president felt that their acquisition would add greatly to the customer service capacities of the association.

Three new machines were installed the following month. After closing hours each teller was instructed in the proper techniques of operating them. The management felt that they had made a sound investment, and their only worry was over the ability of the tellers to learn how to operate the new equipment. Most of the tellers were older women and seemed to be slow and reticent to learn the new process.

One month after the practice machines had been placed in the association, these shortcomings became so acute that immediate action had to be taken. The management realized that the morale of the teller staff was depressed and that the smoothness of operations at the home office had

been completely disrupted. The personnel manager suggested that some type of formal training program should be developed and that the management should explain to the members of the workforce their personal roles in the anticipated progress of the association.

The personnel manager has not found a method of eliminating the discontent, nor has he been able to give an adequate reason for it to the rest of the officers. Finally one officer stated in a committee meeting that he felt the workforce had been "over human-related". He suggested that in many instances negative leadership was far superior to positive leadership. He stated in forceful language that he would inform those tellers who were complaining and failing to learn the process either to learn it quickly or be fired. Another officer felt that since some of them were employees who had been with the association for many years and whose work had always been satisfactory, some alternative must be found.

#### Questions :

- (a) Identify the key issues in this case.
  - (b) Why did the introduction of the new machines create problems ?
  - (c) What are the reasons for resistance to change ?
  - (d) In your view, how would you have managed the change ?
-

No. of Printed Pages : 4

MS-025

00555

## MANAGEMENT PROGRAMME

### Term-End Examination

June, 2017

### MS-025 : MANAGING CHANGE IN ORGANISATIONS

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

- 
- 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.
- 

#### SECTION - A

1. Define Organisational Culture, and briefly discuss the inter-relationship between Organisational Culture and Organisational Change. Explain with example.
2. Explain concept and types of Turnaround Management. Briefly discuss the steps involved in Turnaround Management. Cite suitable examples.
3. What is your understanding of Intervention. Briefly discuss various Structural Interventions in organisational change with suitable examples.

4. Discuss the role of HRD in Managing Change ? Explain the skills which are required for the role of a Change Agent.
5. Write short notes on any three of the following :
  - (a) Need for indigenous management in developing countries.
  - (b) Alternatives to Mergers and Acquisitions.
  - (c) Significance of organizational diagnosis.
  - (d) Functional Organisational Structure.
  - (e) Leveraging structures.

### SECTION - B

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

Tushar had been hearing the rumour doing the rounds since the past ten days. However, as per his nature, he had ignored it and concentrated on doing his job even better. But today, Tushar had seen his name along with other names recommended and officially told to start attending the three month's computer course to gain knowledge on the usage of computers to textile industry.

Tushar, after completing a polytechnic (diploma) in Textile engineering had joined the J.P. Mills as a junior assistant in the design development department, some twenty years ago. At the time of joining, the textile industry was booming. J.P. Mills was also doing well in terms of volume and profitability during the boom period. However, with the opening of the economy and the entry of many multinational readymade brands, a visible change was seen in the customers' buying behaviour. The past seven to eight years has seen a shift in the customers'



mindset towards purchase of ready-to-use wear. This was unlike the earlier trend, when people preferred to purchase a well-known textile company's cloth material (in this market J.P. Mills was doing very well and had almost 27% market share) and get their clothes stitched by any well-known tailor. So as to keep in pace with the new market requirement, the J.P. Mills Owner and Managing Director, Nithin Kapasi, decided to enter into a tie-up with an MNC. Sandy Wear Store, which wanted to enter into a joint venture with J.P. Mills to get a manufacturing base in India.

It was in this connection that the rumours started circulating about the new management planning to remove the existing employees of J.P. Mills by introducing programmes for them under the guise of upgrading their knowledge in computers. When the rumours started initially, many executives and employees had put in their papers. But many others, like Tushar, continued to put in their hours, but one could always sense their uneasiness. Hence, seeing his name on the notice board, made Tushar uneasy and he was expecting the worst, when he received a call from Nancy, the P.A. to the Personnel Manager, Viresh, asking him to meet the latter after the lunch break.

Tushar, when he met Viresh, was pleasantly surprised to hear that in the new organisational set-up, he would be required to do a lot of the work on the computer (packages). This would eventually result in a lot of cost saving for the company, because the available new computer packages in the market will help in reducing the time (spent) between receipt of order, selection of the various designs (optimised selection can be done with the help of the new software packages)

and execution of the orders in time. Viresh ended the talk by saying that the new management expected all this responsibility to be entrusted to Tushar and hence his name had been put up on the list of those required to attend various computer courses.

**Questions :**

- (a) What factors had caused resistance to change among J.P. Mills employees ?
- (b) Give your opinion about the strategy adopted by Viresh in communicating about the changes to Tushar ?
- (c) Could you suggest any other way of handling the above situation ? Justify.



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No. of Printed Pages : 4

**MS-025**

## **MANAGEMENT PROGRAMME**

**Term-End Examination**

**December, 2017**

### **MS-025 : MANAGING CHANGE IN ORGANISATIONS**

*Time : 3 hours*

*Maximum Marks : 100*

*(Weightage 70%)*

- 
- 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 for all and carries 40 marks.*
- 

#### **SECTION - A**

1. "Changes are expressed through three main areas : the market itself, the technology to meet market demand competitively, the organisation of resources and the enterprise to achieve success".

Elaborate this statement and briefly discuss the underlying concept with suitable examples.

2. What are the key elements managers need to address when they design their organisational structure ? Briefly discuss advantages and disadvantages of Inverted Pyramid Type of Organisation Structure.

3. What is the utility of Open Systems Analysis ? Briefly describe Weisbord's Six Box Model and its advantages in organisational diagnosis.
4. 'Managing change has become an integral part of a manager's job. Managers need to have broad understanding of the environment surrounding their business and need to constantly monitor external drivers of change :  
  
Elaborate this statement and explain underlying concept with suitable example.
5. Write short notes on any three of the following :
  - (a) Process based change
  - (b) Transactional Analysis
  - (c) 7 S Model
  - (d) Diagnostics
  - (e) Alternatives to Mergers and Acquisitions

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#### SECTION - B

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

Three Star Polyplastics Manufacturing Co. Ltd., was founded in 1978 by Mr. Bishan Singh after retirement from his military service. In 1995, it was still family owned, had no union, and was conservatively and paternalistically managed. The company adapted to changes slowly, but it remained a profitable enterprise.

In 1982, the company sent five of its first line supervisors to a human relations training program, but the liberal ideas with which the supervisors were indoctrinated made a negative impression on the company's top management. As a result, all supervisory training was conducted in-house after that. In 1989, labour problems and conflicts between the supervisors and the human resource department led the management to enroll the company's 15 supervisors in a 5-day executive development program organised by a management consultancy firm. This change of policy was initiated by the new H.R.D. Manager, Mr. S.P. Jain. To avoid having too many supervisors away from the factory at once, three were sent to each monthly program.

Mr. Deepak, a young supervisor who had a production engineering background, returned from the executive development program excited about what he had learnt especially about delegation of authority, giving employees the opportunity to assume the maximum possible responsibility and establishing channels of open communication with employees. After the Friday afternoon session, Mr. Deepak discussed some of these ideas with his immediate superior, Mr. Naresh Kumar. Both seemed genuinely pleased to learn that Mr. Deepak felt he had benefited from the management development program.

When Mr. Deepak returned to work on Monday morning, he discovered that several quality control problems had to be dealt with, a report was due, and several employees needed to talk with him about work schedule problems.

It was Friday afternoon before he realised that he had not yet been able to take any of the ideas about which he had become so enthusiastic. By this time, the frustrations of the week had taken the edge off his enthusiasm, and he became preoccupied with the pleasant thought of a relaxed weekend with his family. He felt that Monday morning would be a good time to begin the new ideas.

**Questions :**

- (a) What factors in this organisation function as a deterrent to change ?
- (b) What, if any, OD interventions do you recommend in this situation ?
- (c) What steps do you recommend to stimulate lasting changes in supervisory behaviour ?

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No. of Printed Pages : 4

MS-025

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## MANAGEMENT PROGRAMME.

Term-End Examination

June, 2018

### MS-025 : MANAGING CHANGE IN ORGANISATIONS

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

- 
- 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 for all and carries 40 marks.
- 

#### SECTION - A

1. Describe the concept of Humanistic Philosophy in Management of change and Organisations. Give a brief overview of its emergence.
2. 'There is a broad spectrum of turnaround situations. The nature and urgency of the turnaround situations are often influenced and affected by certain key parameters and factors. The turnaround management process passes through different stages before finally turned around'.  
Elaborate this statement and briefly describe the underlying concept, with suitable example.

3. Define and explain specific purpose of Intervention in an organisational set up. Briefly explain under what conditions/situations structural Intervention is used and how ? Explain with suitable examples.
4. How can an organisation be a continual learner ? How every manager can act as an agent of change ? Briefly explain the desired/ needful steps and orientation in this direction, with suitable example.
5. Write short notes on **any three** of the following :
  - (a) Types of Resistance
  - (b) Behavioural Modelling
  - (c) Force Field Analysis
  - (d) Action Research
  - (e) Self-managed Work Teams

#### SECTION - B

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

#### CASE INCIDENT

XYZ Educational Trust, Bangalore, established XYZ Electronics Centre, in 1986, with assistance from a foreign donor. Electronics Centre was set up to train youngsters in electronics. Along with the Centre, a production shop to manufacture PCBs and a laboratory to develop projects on a commercial basis were also set up. The donor preferred XYZ Trust because of its excellent track record as a training institution in India. The Centre was fully funded by the donor.



Ghosh, a B.Tech. from IIT, Madras, was designated as General Manager of the Centre. He was earlier Maintenance Manager in Tool Room Division run by the Trust. Ghosh developed excellent rapport with the donor.

Often, the Trust used to divert funds from the Centre to tide over cash flow problems.

The donor expected to hand over the Centre to the Trust for running on a self-sufficiency basis from April, 1995. It was also contemplating on a further phase of cooperation. The donor even had plans to strengthen the Trust by providing funds and other inputs for which purpose a group of consultants was sent to study and recommend.

Findings of the consultants were not palatable to the Trust, nor was it in a mood to implement the recommendations. In the meanwhile, the Trust decided to reorganise its activities - retaining Centre under its fold and transferring production shop and laboratory to a newly floated limited company. These developments irritated the donor and his relationship with the Trust got soured. Trust also felt that Ghosh was more tilting towards the donor and was trying to bring in to the Centre a culture which was alien to the Trust.

After splitting the activities, the Trust introduced certain changes in the Centre. One such change was to direct the Centre to report to Sethi, the Executive Director (Training) of the Trust, reversing the earlier practice of reporting to the MD.

Ghosh had joined the Trust six months after Sethi. He became GM, Electronics Centre much ahead of Sethi. However, Sethi overtook Ghosh and became Executive Director in 1994. Ghosh remained as GM of the centre. Now Ghosh was required to report to Sethi. When Ghosh had gone abroad, organisational changes were effected.

After returning from abroad, Ghosh learnt about the change, rushed to the MD and expressed his utter displeasure. He was persuaded by the MD to accept the change in the interest of the organisation.

Sethi being an experienced administrator and knowing Ghosh's displeasure, kept distances in the management of the Centre. His intention was to wait till Ghosh reconciled and accepted the reality. Ghosh was deliberately avoiding Sethi and was not even answering phone calls.

Within a month's time, Ghosh put in his papers. The MD was very much annoyed by Ghosh's behaviour and also based on the lingering suspicion he had on Ghosh's loyalty to the Trust, he immediately relieved him without even waiting for the notice period.

**Questions :**

- (a) What prompted the 'changes' at XYZ Electronics Centre ?
  - (b) What would have been your strategy to implement change at the Trust ?
  - (c) Suppose you are the new incumbent unit head at XYZ Electronics Centre, how would you restore morale and build trust of the employees ?
-

No. of Printed Pages : 4

MS-025

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## MANAGEMENT PROGRAMME

Term-End Examination

December, 2018

### MS-025 : MANAGING CHANGE IN ORGANISATIONS

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

- 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.

#### SECTION - A

1. Briefly discuss the 'Rational and Natural-System' models of organizational analysis related to change.
2. Describe any four types of organizational structures and their limitations and advantages. Cite examples.
3. Describe the concept of intervention to bring change and discuss any two interventions and their use with examples.
4. Briefly describe the process of leading change and the competencies required for a change agent.

5. Write short notes on any three of the following :
- (a) Turnaround management
  - (b) Frame work for open systems analysis
  - (c) Work redesigning
  - (d) Managing resistance to change
  - (e) Managing transitions

### SECTION - B

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

Tushar had been hearing the rumor doing the rounds since the past ten days. However, as per his nature, he had ignored it and concentrated on doing his job even better. But today, Tushar had seen his name along with other names recommended and officially told to start attending the three month's computer course to gain knowledge on the usage of computer to textile industry.

Tushar, after completing a polytechnic (diploma) in Textile engineering had joined the J.P. Mills as a junior assistant in the design development department, some twenty years ago. At the time of joining, the textile industry was booming. J.P. Mills was also doing well in terms of volume and profitability during the boom period. However, with the opening of the economy and the entry of many multinational readymade brands, a

visible change was seen in the customers' buying behavior. The past seven to eight years has seen a shift in the customers' mindset towards purchase of ready-to-use wear. This was unlike the earlier trend, when people preferred to purchase a well-known textile company's cloth material (in this market J.P. Mills was doing very well and had almost 27% market share), and get their clothes stitched by any well-known tailor. So as to keep in pace with the new market requirement, the J.P. Mills Owner and Managing Director Nithin Kapasi, decided to enter into a tie-up with an MNC, Sandy Wear Store, which wanted to enter into a joint venture with J.P. Mills to get a manufacturing base in India.

It was in this connection that the rumours started circulating about the new management planning to remove the existing employees of J.P. Mills by introducing programmes for them under the guise of upgrading their knowledge in computers. When the rumours started initially, many executives and employees had put in their papers. But many others, like Tushar, continued to put in their hours, but one could always sense their uneasiness. Hence, seeing his name on the notice board, made Tushar uneasy and he was expecting the worst, when he received a call from Nancy, the P.A. to the Personnel Manager, Viresh, asking him to meet the latter after the lunch break.

Tushar, when he met Viresh, was pleasantly surprised to hear that in the new organizational set-up, he would be required to do a lot of the work on the computer (packages). This would eventually result in a lot of cost saving for the company, because the available new computer packages in the market will help in reducing the time (spent) between receipt of order, selection of the various designs (optimized selection can be done with the help of the new software packages) and execution of the orders in time. Viresh ended the talk by saying that the new management expected all this responsibility to be entrusted to Tushar and hence his name had been put up on the list of those required to attend various computer courses.

**Questions :**

- (a) Analyse the factors that caused resistance in change among J.P. Mills employees ?
  - (b) Do you agree with the strategy adopted by Viresh in communicating about the changes to Tushar ? Discuss.
  - (c) Could you suggest any other way of handling the above situation ? Give reasons.
-

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No. of Printed Pages : 8

MS-025

## MANAGEMENT PROGRAMME

Term-End Examination, 2019

### MS-025 : MANAGING CHANGE IN ORGANISATIONS

Time : 3 Hours]

[Maximum Marks : 100

*(Weightage 70%)*

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**Note :** There are **two** sections **A** and **B**. Attempt **any three** questions from **Section-A**. All questions carry **20** marks. **Section-B** is **compulsory** and carries **40** marks each.

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#### SECTION-A

1. Describe the role of transformational and transactional leaders in managing change in the present day context of organizations. Give examples.
2. Describe the concept of organisational diagnosis and its framework.
3. Describe and discuss the reasons for change in organisations.

4. Discuss the components of the role and responsibility of a change agent.
5. Write short notes on **any three** of the following :
  - (a) Levesaging Structure
  - (b) Process Consultation
  - (c) Action Rresearch Approach
  - (d) Functional Organization Structure
  - (e) Planned Change

#### SECTION-B

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

Synergy Formulations (India) Limited was a public limited company and had been in business of pharmaceuticals and drugs since 1988. The company set up its manufacturing plant at Ghaziabad near Delhi in 1988 having separate units for producing tablets, capsules and oral liquids.

Under its expansion programs an ultra modern



state of the art plant was commissioned at Meerut in U.P. The company had its corporate office at Lucknow and registered office at Delhi. Synergy Formulations was a premium pharmaceutical company which had a nationwide distribution network. The company's annual turnover in 1995 was Rs. 10 crores. In the last three years, Synergy had been able to increase its turnover from Rs. 10 crores to Rs. 35 crores. Till 1998 the company was organized into two groups; the generic and OTC (over the counter) grouped together and the ethical division which functioned independently. In 1998, the company decided to restructure its marketing organization into three separate and independent divisions in view of its phenomenal growth.

Synergy Formulation Limited, in late 1997 reviewed its existing marketing organization structure with the intention of bifurcating the OTC and generic division. The issue was debated at corporate level. While the field staff and majority of managers at corporate level were of the opinion that the present arrangements were adequate and other strategies could be used to ensure better performance, the MD and one to two percent of the senior executives at corporate level were vehemently

propagating the reorganization of marketing division. They felt that this would lead to better control of field staff, optimum utilization of marketing resources and the independent groups would function more effectively which in turn would improve the performance of the different divisions.

In spite of the prevailing divergent views the MD's decision was implemented and the marketing organization was reorganized into three divisions : generic products, the unbranded products which were sold in bulk to hospitals, bulk buyers and nursing homes; ethical products, the medicines which were sold to users on the prescription of doctors and OTC products, those branded products which could be sold without any doctor's Prescription.

### **Post Restructuring**

As a result of the restructuring exercise all the sales staff of generic divisions were shifted to OTC division. New zonal and regional managers were hired for generic division. The company decided to discontinue field staff in generic division as it was felt that generic products were predominantly sold by the distribution

channel and the role of field staff was limited, hence their absence would not affect the sales adversely. The company now maintained separate accounts for the different divisions to avoid conflicts. Soon after the reorganization of the marketing department the corporate office noticed there were frequent clashes and disputes between the generic and OTC divisions. The causes for the conflicts could be ascribed to the following reasons :

- The distribution channel (Annexure 1) was common for all the three divisions due to which it was experienced that the OTC and generic were competing with each other for orders from channel members who had limited monetary resources. The purchase from one division offer lead to a cut in purchase from the other division. It appeared that the divisions were growing at the cost of each other at distributors level. This fluctuating sales affected the incentives received by sales staff which was based on the volume of sales generated by an individual.
- The company as a policy matter did not supply products to distributors who had outstanding

payments to the company, be it on the account of generic division or the OTC division. There was discontentment in the OTC division as they often found that supplies were not being made on orders received by them due to the outstanding of the generic division. This supply policy affected the performance of the OTC division and in turn, their incentives.

When the field staff of generic divisions was transferred to OTC division, the marketing overheads of the generic division were reduced and to encash on this, the company decided to reduce the prices of the generic products. The generic division became extremely price competitive in the market. In spite of the reduced prices generic division did not show a considerable positive rise as was expected.

This fall in the performance of generic division was observed in the first quarterly review since the restructuring of the organization. The corporate executives of marketing felt concerned. The review showed that OTC division was flourishing and was in a

position to double its sales in this period, but the generic division continued to show decline in sales. The generic division was the largest contributor of the sales turnover of the company (Annexure II on page 8). Though the profit contribution of the generic division was less than OTC but the company could not afford loss of sales in the generic division any more. On discussion with the distributors it was realized that the absence of intermediaries between the distributors and their bulk customers was leading to loss of goodwill and customers. The channel members were of the opinion that the transfer of field staff had been counter-productive to the marketing effort and in the long-term interest of the company, field staff was an essential element of the supply chain though they were able to generate only 30% of the total sales in the generic division. They recommended the recruitment of field staff in generic division and that the status co-ante or achieved. The organization hired new junior field staff for the generic division in October, 1998.

The recruitment of field staff led to the increase in the marketing overhead. Since the organisation used cost plus pricing, it was forced to increase its MRP. This

increase in price affected the sales of generic product adversely as generic are extremely price sensitive. Synergy Formulation was now remely in a vicious circle. It neither could reduce prices nor discontinue the field staff in generic division.

**Questions :**

- (a) Identify the salient issues in this case.
- (b) What in your opinion were the problems faced by Synergy generic division after its bifurcation from the OTC division ?
- (c) How do you propose to reduce the conflict between the two divisions.
- (d) Do you think restructuring the marketing organization was a wise decision ? Justify your answer.

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MS-25

**MANAGEMENT PROGRAMME**  
**Term-End Examination,**  
**December 2019**  
**MS-25: MANAGING CHANGE IN**  
**ORGANISATIONS**

*Time : 3 Hours]*

*[Maximum Marks : 100*

*(Weightage : 70%)*

- 
- 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.*
- 

**Section - A**

1. "It is often said that change is the only reality, rest is subject to change. Traditionally and universally it is believed that people resist change due to its displacing effect overtime. However, people move towards its acceptance through negotiations over the 'Price' of change". Elaborate this statement and discuss the underlying concept with suitable example. 20
2. Enumerate different Group based approaches to change. Briefly discuss Team Building activities with suitable examples. 20
3. Discuss the Open system analysis as a diagnostic tool and explain the utility of this system, with suitable examples. 20

(2)

4. Explain the nature of Change and briefly describe the role of change agent in an organizational set-up, with suitable examples. 20
5. Write short notes on **any three** of the following: 20
- i) Planned change
  - ii) Business Process Re-engineering
  - iii) Diagnocube
  - iv) Key roles in Managing change
  - v) Process of Managing Transition

### Section - B

6. Read the following case carefully and answer the questions given at the end: 40

The story of the restructuring of the Mahut Group (Name disguised) in India is illustrative of the need for supporting any structure change with the relevant culture change. The Mahut Group, a family-owned business located in western India, is a US\$350 million multinational, multi-activity enterprise group operating in four continents, with a diversified portfolio and employee strength of 15,000.

The group has two cement plants-the US\$51 million Heera Cement and the US\$39 million Moti Cement (Names disguised) - each with a production capacity of 1.2 million tonnes of cement per annum. The Plants use 'Dry process precalcination technology, which conforms to international standards. Both plants had been



(3)

operating at more than 100 percent capacity and were among the most cost-effective cement plants in India, but had been making losses since the deregulation of the cement industry in India in the late 1980s. Prior to deregulation, the cement companies operated under governmental capacity, production, distribution and price controls to ensure fair prices and availability to priority sectors and small users. Because capacity was controlled, there were severe shortages and, obviously no competition, and all cement companies were making good money despite price control.

Deregulation led to huge increase in the capacity of the cement industry in India, which also included foreign players. Heera and Moti now found themselves in competition not only with other companies but with each other. The competition between the sister companies was particularly damaging because their executives had private knowledge of each other's strategies. Mahut Group's management realized the problem and wanted to develop synergies rather than competition between the two companies. In order to facilitate this change, Mahut appointed an American consultant in 1998 to study the problem and submit a report.

The consultant found that the solution lay in structurally integrating the marketing functions of the two plants, and recommended: merging their sales and marketing ; creating a new division called 'brands' to promote, position and build the brands together; creating two new positions, director-technical services, director-market research; changing the structure to support the

(4)

new arrangements, especially by creating new roles and redefining old ones; and redeploying redundant people rather than retrenching them.

Mahut Group decided to implement the recommendations. Although the implementation process was fraught with intense politicking, especially for the top positions in the restructured company, the company culture was such that this phenomenon was not perceived as unusual. It was natural for the owners to give the coveted positions and perquisites to those who were close to them. In the restructured company the managing director was appointed from Moti; Senior joint president-sales (In charge of sales in the state where the company was located) was appointed from Moti, superseding a more senior executive from Heera; Senior joint president-marketing (In charge of sales outside the state, where volumes were extremely low) was appointed from Heera; General manager (Brands) was appointed from Heera.

Commenting on the cultural practices and processes that came in the way of performance, employees pointed out several issues. Decisions in the organization were highly centralized. Almost all decisions were made by the managing director, because of which they were a lot of delays. Salaries and perks were arbitrary and based on a person's closeness to the power centres. For example, One of the senior joint presidents was given two semi-luxury cars, the other was given a single old-fashioned car. There were wide disparities in salaries. The 'Old' salaries of the two different companies were not unified on integration. Even the date of payment differed. Not

(5)

training was imparted to employees, even on the new roles they were expected to perform after restructuring. There were no systems for recruitment, appraisal, redeployments and promotions, which were done on the basis of personal contacts and closeness to power centres. Family members of employees were expected to render personal services to family members of the owners as and when demanded. Dual reporting (To the joint president and the managing director at the top level, for example) was the norm rather than the exception.

In such a power-and person-oriented culture, employees found it difficult to perform their jobs effectively. A proposal for cross-functional teams could not be executed because of the persisting divide between 'Heera-man' and 'Moti-man'. A newly-organized 'Influencers' Meet' (Where engineers, architects, builders, masons and so on could exchange ideas), which was a regular practice among competitors, became ritualised. There were no systems for meeting other influential stakeholders like traders dealers, bureaucrats politicians and industry associations on a regular basis. Internal and external communications, especially public relations, were inadequate. For example, even though Mahut's plants were the first in the state to get ISO - 9000 accreditation, that information was not publicized or capitalised on. There was an overall air of Non-professionalism in the company, which was apparently due to the fact that the people who held critical position held them because of their connections, not because of the qualifications and competencies.

(6)

It seems that cultural complexities in the organization have worked against the structural changes made for achieving synergies between Heera and Moti. After the restructuring, the combined sales plummeted by 20 percent, and market share declined sharply. There was also a significant reduction in employee morale, if the increases in absenteeism, employee turnover and strikes were any indication. Even the few 'Innovations' introduced were unproductive, for the very same cultural reasons. A case in point was the launching of Chota Moti (A small pack of Moti cement for the small user). While this pack had generated some demand, the packaging cost was disproportionately high, leading to further losses. Obviously the sensible course of action was to discontinue its production which was suggested by the lower levels. However, top management decided against it because the new packaging facility had been inaugurated by the wife of the executive vice chairman.

### Questions

- a) How would you describe the organizational culture of the Mahut Group?
- b) Comment on the way the restructuring proposals were implemented. Explain the influence of the organizational culture, if any, on the implementation process.
- c) How do you explain the decline in employee morale and performance after the restructuring? Why were the expected synergies not realised?



No. of Printed Pages : 11

**MS-25**

**MANAGEMENT PROGRAMME (MP)**

**Term-End Examination**

**June, 2020**

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

*Time : 3 Hours*

*Maximum Marks : 100*

*Note : There are two Sections 'A' and 'B'. Attempt any three questions from Section A. Each question carries 20 marks each. Section B is compulsory and carries 40 marks.*

**Section—A**

1. "History has time and again proven that the process of change is inevitable in the progress of mankind. The ability of the human race to innovate has brought about radical transformation of society. Management of change is and will continue to be a natural

**P. T. O.**

[ 2 ]

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concern for most of the organisations world over." Elaborate this statement and discuss the underlying concepts with suitable examples. 20

2. What is 'Turnaround Management' ? Discuss the steps involved in bringing about turnaround management in an organisational setup. Explain with suitable examples. 20
3. What is 'Intervention' ? Briefly discuss personal, inter-personal, and group-based intervention. Explain with suitable examples. 20
4. What is the role of HRD in managing change ? Briefly describe the skills required for the role of a change agent in an organisational setup, with suitable examples. 20
5. Write short notes on any *three* of the following : 20
  - (i) Organisational culture and organisational change
  - (ii) Functional organisational structure

- (iii) Alternatives to mergers and acquisitions
- (iv) Resistance to change
- (v) Leadership in managing change

### Section—B

6. Read the following case carefully and answer the questions given at the end : 40

Helen supervises the word processing/data entry (WP/DE) unit for the Department of Administration of State Government. She has held this job for about a year and is well liked by the employees in her unit. Helen took this job with the state as a step up from her former position as a data entry lead worker in an insurance company in the same city. Though Helen has a "task-oriented", professional approach to her work and high standards of quality, she also has good interpersonal skills and handles her employees well. Her

supervisory style could be characterized as traditional—low in participativeness, but sensitive to employee need and rights.

Rani is Helen's assistant. She has been a word processing employee since the new computerized equipment was installed four years ago. She was a secretary for many years before that. Her excellent work and leadership qualities were noticed, and she was promoted at the same time that Helen was hired. The two have gotten along well with each other. The WP/DE unit was created by Helen's predecessor in a difficult and stressful transition from individual units having their own secretary to the processing "pool" of employees with all computerized equipment. Data entry was added with the increased use of new information and decision support systems by various state agencies. At present, the work area consists of



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four circles of word processing equipment stations (16 employees) and a row of 10 data entry employees and their equipment (See Exhibit 1):

**Exhibit 1**  
**Physical Layout of WP/DE Unit**

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Data entry



Word processing

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Interestingly, the employees who handle word processing tasks are different in several ways from the data entry employees. Almost all of

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the WP employees had been secretaries prior to learning to use the computer equipment; this is not true of data entry employees. The WP employees typically wear formal business attire to work, while their counterparts in DE dress much more casually, including jeans and T-shirts. The immediate work spaces of the employees also differs, depending on their WP or DE work assignments. WP machines are covered with personal objects, like family pictures, radios, flowers, etc. The DE area has a noticeable lack of such decorations, with only an occasional cartoon taped to a machine. The DE employees are not as ownership oriented about their computers. Other, less visible differences in attitudes and behaviours also serve to create two distinct subgroups in Helen's unit.

Since the WP/DE unit was created, it continued to evolve and develop. Much of the work for the unit came in large batches due to project start-ups, committee report work with tight deadlines and so on. When the legislature was in session, the DE employees sometimes received large batches of work on very short notice. All too often, these employees are swamped with work while their WP counterparts barely have enough to keep them busy. The opposite situation also arises on occasion. And if a WP or DE employee calls in sick, that computer sits idle for the day. There is no provision to replace the absent employee, regardless of workload demands.

Recently, top administration decided that some new machines should be added to the WP/DE

unit. In conjunction with those additions, Helen was to be responsible for having the DE employees learn how to use the WP equipment and vice-versa. As Helen thought about the implementation of the cross-training requirement, she knew there might be resistance from some employees. She was careful to devise what she felt was a method to accomplish the cross-training over a period of three months—enough time to give her employees sufficient training support. She felt her plan was realistic and fair, and that the whole unit would be able to work more efficiently once that plan was accomplished. Her boss heartily endorsed the plan when she presented it to him.

Shortly after announcing the plan to her unit, Helen was confronted with major and unexpectedly hostile reactions from her employees. Many of them were upset about having to learn to operate the other machines. Others thought it was a good idea and a good opportunity, but were uncertain about the three-month time-table. Rani tended to agree that the plan was unfair and unreasonable. She expressed her concerns to Helen, but not to the other employees.

In an informal lunch meeting, 10 of the WP employees voted to resist the cross-training and later in the day, obtained support for their position from seven DE employees. They confronted Helen with their decision the next morning. Knowing that her boss was committed

to the cross-training, Helen attempted to reason with her employees. But it seemed useless; they were adamant in their demands. Moreover, having heard about the resistance, the WP/DE employees who welcomed the cross-training opportunities united and indicated their support for the change. For the first time since Helen had been the supervisor of the unit, WP employee ranks were split on an issue, siding with DE employees who were of the same opinion. The situation in the unit was certainly a divisive and volatile one. Helen was under pressure to solve the problem as soon as possible.

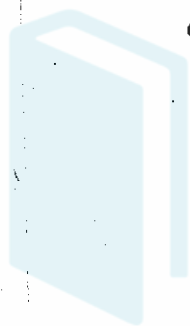
**Questions :**

- (a) What would be your reactions to the way Helen handled the proposed change ?
- Explain the reasons for resistance.

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- (b) What do you think will happen if Helen goes ahead with the cross-training, inspite of the resistance ? Discuss the possible consequences.
- (c) What are some of the supporting forces for change in this situation ?



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## MANAGEMENT PROGRAMME

### Term-End Examination

February, 2021

### MS-025 : MANAGING CHANGE IN ORGANISATIONS

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 and discuss Planned Change. Briefly describe 'Work Redesign' as a technique of Planned Organisational Change. Cite suitable examples. 20
2. What are the key elements in designing the structure of an organisation ? Enumerate different types of organisation structures, and discuss any two types with relevant examples. 20



3. Define and describe Organisational Diagnosis. Briefly discuss the domains of Organizational Diagnosis. Explain with suitable examples. 20
4. Briefly discuss the key roles in managing organisational change. How do internal resource persons help consultants in bringing about change ? Explain with examples. 20
5. Write short notes on any **three** of the following : 20
  - (a) Skills of a Change Agent
  - (b) Steps Involved in Turnaround Management
  - (c) Weisbord's Six-Box Model
  - (d) Intergroup Interventions
  - (e) Process of Managing Transition

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## SECTION B

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

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Three Star Polyplastics Manufacturing Co. Ltd., was founded in 1978 by Mr. Bishan Singh after retirement from his military service. In 1995, it was still family owned, had no union and was conservatively and paternalistically managed. The company adapted to changes slowly, but it remained a profitable enterprise.

In 1982, the company sent five of its first line supervisors to a human relations training programme, but the liberal ideas with which the supervisors were indoctrinated made a negative impression on the company's top management. As a result, all supervisory training was conducted in-house after that. In 1989, labour problems and conflicts between the supervisors and the human resource department led the management to enrol the company's 15 supervisors in a 5-day executive development programme organised by a management consultancy firm. This change of policy was initiated by the new H.R.D. Manager, Mr. S.P. Jain. To avoid having too many supervisors away from the factory at once, three were sent to each monthly programme.

Mr. Deepak, a young supervisor who had a production engineering background, returned from the executive development programme excited about what he had learnt, especially about delegation of authority, giving employees the opportunity to assume the maximum possible responsibility and establishing channels of open communication with employees. After the Friday afternoon session, Mr. Deepak discussed some of these ideas with his immediate superior, Mr. Naresh Kumar. Both seemed genuinely pleased to learn that Mr. Deepak felt he had benefitted from the management development programme.

When Mr. Deepak returned to work on Monday morning, he discovered that several quality control problems had to be dealt with, a report was due, and several employees needed to talk with him about work schedule problems. It was Friday afternoon before he realised that he had not yet been able to take any of the ideas about which he had become so enthusiastic. By this time, the frustrations of the week had taken the edge off his enthusiasm, and he became preoccupied with the pleasant thought of a relaxed weekend with his family. He felt that Monday morning would be a good time to begin the new ideas.

**Questions :**

- (a) What is the probability that the “outstanding” training programme will change the behaviour of the concerned supervisors ?
- (b) What factors in this organisation function as a deterrent to change ?
- (c) What, if any, OD interventions do you recommend in this situation ?
- (d) What steps do you recommend to stimulate lasting changes in supervisory behaviour ?

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