

MANAGEMENT PROGRAMME**Term-End Examination****June, 2009****MS-26 : ORGANISATIONAL DYNAMICS***Time : 3 hours**Maximum Marks : 100
(Weightage 70%)*

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- Note :** (i) *There are two sections A and B.*
(ii) *Attempt any three questions from section A,
Each questions carries 20 marks.*
(iii) *Section B is Compulsory and carries 40 marks.*
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SECTION-A

1. Define empowerment. Discuss the importance of empowerment in organisations with examples.
2. Explain the strategies for coping with Burnout.
3. Describe various theories of Ethics and discuss the reasons for growing importance of business ethics in the present day business scenario.
4. Discuss the importance of Alliances and Coalition formation of organisations and how they can be managed.

5. Write short notes on *any three* of the following :
- (a) Cross cultural issues
 - (b) Managing Diversity
 - (c) Group Cohesiveness
 - (d) Transformational Leadership
 - (e) Importance of Role Analysis

SECTION - B

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

Vista Industries Ltd., was a family-owned company. Having been founded by Prakash Joshi in 1970, the firm initially traded in paints. Later it set up its own manufacturing facilities. As years went by, it also began to manufacture wooden furniture and sanitaryware.

By 1985, Vista had secured a good market share in each of the three product lines. The turnover had reached Rs. 25 crore. In mid 1985, since the magnitude of operations had increased and Joshi himself wanted to concentrate on exports, he decided to go 'professional'. He brought in George Jacob, a chemical engineer who had worked as general manager with a multinational consumer products firm, as president. George in turn recruited three general

managers as profit center heads for the three divisions respectively. A month later, the company went public. But the change was only cosmetic because Joshi was still the largest shareholder and remained the chairman and managing director. He also retained the critical finance portfolio within the family by inducting his son, Suresh Joshi, a young chartered accountant, as general manager (finance), reporting to George.

The organisational structure was somewhat ambiguous. But it seemed to work largely because George got along well with both the Joshis at a personal level. There were occasional irritants though. While the elder Joshi would often lapse into his feudal style of functioning that would distort formal reporting relationships in the company, the younger one would be brash at times. But George skilfully managed each situation and provided a shield for his general managers who in turn enjoyed sufficient autonomy.

In addition to being a good team builder, George was strong on conceptual skills. He was also ambitious. He knew that Vista had a good future. The home decoratives market, of which the company's three product lines were a part, had an assured demand, thanks to the emerging consumer boom in the country. George anticipated further diversification into related product groups

like wall papers, soft furnishings and kitchenware in about two years. He visualized that each would have its own independent production, marketing and distribution facilities and operate as an autonomous profit centre. Although he had not spelt it out to the elder Joshi, George imagined that he himself would some day have a full-time place on the board which for the moment comprised only non-executive members.

But all his dreams now seemed to come crashing down. He felt that his career with Vista was at an end. And he did not even know why.

It had started in a trivial way. A week earlier, the younger Joshi had withheld a few transport vouchers from the paints division although the payments had been certified by the concerned general manager and approved by George. On a routine follow up over the telephone by the general manager, the younger Joshi called him to his office and pulled him up saying that a lot of false vouchers were being put up for payment. He also said that hereafter all the three general managers would be reporting to him directly on all matters.

On being informed about the incident by the general manager who also told George that he now wished to be relieved. George sought to see the younger Joshi immediately. But he was 'busy'

and 'unavailable'. Efforts to meet even the elder Joshi proved futile. This was unusual.

Things were clearly amiss. George felt a sense of vacuum for the first time. He was sure that the target of the younger Joshi's ire was not the general manager but George himself. He was being sidetracked. He wondered whether he had made a mistake after all in leaving multinational firm and joining a family owned business. Perhaps he should resign immediately. Or may be there was a misunderstanding which could still be cleared.

Questions :

- (a) Discuss the basic problems in this case.
- (b) Based on the case, can you differentiate between a family owned business and a multinational firm from a cultural perspective ?
- (c) What type of conflict has been experienced by the owner as well as George ?
- (d) What would you do, if you were George ?

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