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MS-25

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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

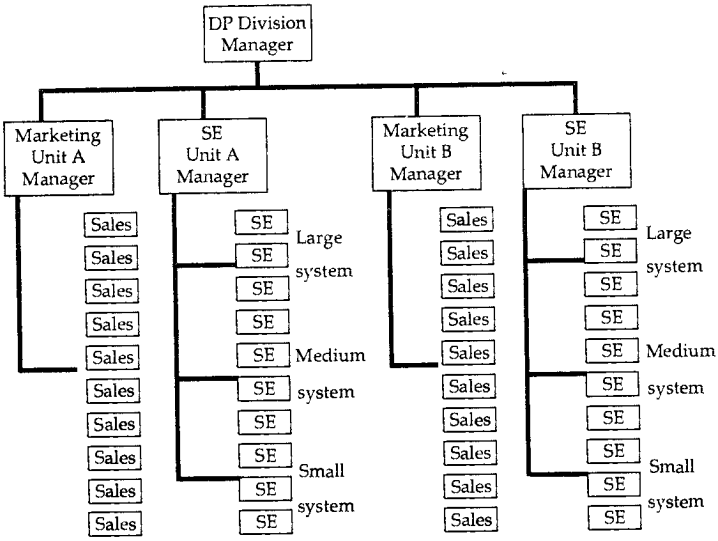
the new user must spell the customer's name in exactly the same way every time or why a diskette created on one type of personal computer cannot be compatible with another. Mistakes in these details can cause unbelievable delays in an installation and can be very difficult to locate. Another problem 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 ?