06110

MANAGEMENT PROGRAMME

Term-End Examination
December, 2010

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.

(iii)　Section - B is compulsory and carries 40 marks.

SECTION - A

1.　Identify prime factors of Organisational change? Briefly discuss the " Rational and Natural System" models of organizational Analysis related to change.

2.　Describe 'Intervention'. Explain with examples any two interventions which help in bringing about change in organisations.

3. Describe different sources of resistance to change and discuss the methods of handling resistance to change, with suitable examples.

4. Describe the key competencies required for a change agent. Explain the process involved in leading a change, with an example.

5. Write short notes on any three of the following :
   (a) Turnaround Management.
   (b) Inverted Pyramid.
   (c) Managing Transition.
   (d) Group based approaches to change.
   (e) Action Research.

SECTION B

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

Margadarshi Savings Association is one of the oldest fanancial institutions in its region. It is located in a trade area of approximately 25 lakhs population and has total deposits approaching Rs. 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-relationed". 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) What were the main problems requiring change ?

(b) Why did the introduction of the new machines create problems?

(c) What are the reasons for resistance to change?

(d) How might this change have been better managed ?