K.J. Somaiya Institute of Management Studies & Research
Course: PGDM/MMS (HR) – IV Trim End Term Exam
Subject: Organization Theories Structures and Design

Max. Marks: 50　　　　　**Duration:** 3 hrs　　　　　Date : 22/09/2018

Instructions:
Q **1and 2 are compulsory**
Attempt **any three** out of questions 3-7

Case

Mohan Gupta, General Manager at 'Prithviraj Chemicals' was worried about his organization. Prithviraj Chemicals was soon to be merged with 'Flora Pharmaceuticals'. Even though he had been told that after Prithviraj chemicals is merged with Flora Pharmaceuticals, he would be promoted and also be required to shoulder the additional responsibility of identifying those who would be promoted and those who should be retained as employees after the merger. Mohan was concerned because he had heard that the organizational culture at Flora was IT driven while at Prithviraj Chemicals the focus was on 'relationship'.

Prithviraj Chemicals was around fifty years old. The organization structure at Prithviraj was tall where people believed in life time employment. Flora Pharmaceuticals was an eight year old company where the employees were used to flat structure. The relationship was contractual and the focus was on employability and skill enhancement.

A month later after the official merger of the two companies, the new management took the decision to shift the head quarters to Bangalore from Mysore. This decision when communicated to its employees (many of Prithviraj Chemicals) had approached to Mohan Gupta to ask the reason for shifting of Head Quarters. The doubt in their minds was, is it that the two managements did not trust each other?? Another reason for the worry regarding the shifting of Head Quarters was that the employees of Prithviraj Chemicals had become used to risk averse and friendly work environment of Mysore and felt that 'cosmopolitan' outlook of Bangalore would lead to cultural clashes.

As anticipated there were certain instances which had Mohan Gupta wondering how to solve such cultural differences? The Prithviraj chemical employees believed in consensus and relationship oriented approach, whereas the Flora employees believed in individual task oriented approach where each individual was responsible for his/her work. The employees of Prithviraj described the Flora employees as 'tough', 'loners' and 'confident'. The Flora employees had extensively traveled all over India and abroad. They were confident, computer savvy and did not mince words. So the employees of Prithviraj who did not have a similar exposure felt threatened and insecure.

The employees at Prithviraj were required to make weekly financial and staffing updates. The Flora employees felt this formality a waste of time and did not adopt it as a practice.

Mohan Gupta had been with Prithviraj for past twelve years and knew that his MD had a lot of confidence in him when he said, 'I am very sure we can count on you to see that there is

no dissent among the employees after the merger. The new company is looking upon you to solve the cultural difference which is prevailing among the employees so that we can have a unique culture which could be a blend of both the organizations ways of doing business'.

1. Discuss the problem(s) the organization is facing (7marks)

2. Which model of decision making should Mohan Gupta apply to solve the current problems? Give reasons? (7marks)

Attempt any three from questions 3-7 (12*3)

3. 'Size does not dictate all of the organizations structure but is important in predicting some dimensions of structure'. Discuss the above statement in the light of conclusions drawn by critics of size imperative (12 marks)

4. In what primary ways does the design of service firms typically differ from that of product firms? Why? (12 marks)

5. Explain the population ecology model of organization birth giving examples from e-tail industry. (12 marks)

6. Discuss with examples the approaches to adapt to environmental uncertainty? (12 marks)

7. Short notes **any one** (12 marks)

    a. Principles of bureaucracy

    b. Open systems approach and its characteristics

    c. Strategies to manage revolutionary change

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