

**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 : 18/9/2017**

**Instructions:**

Q 6 is compulsory

Attempt any four out of questions 1-5

All questions carry equal marks.

1. What is 'Organizational Effectiveness' with relation to any TWO of the following Approaches
  - a. Goal Attainment Approach
  - b. Systems Approach
  - c. Strategic Constituencies Approach
2. What are the primary differences in structure between a traditional mechanistic organization designed for efficiency and more contemporary organic organization designed for learning?
3. Explain 'Chandler's Thesis' as a model of Strategy.
4. Define organization environment? Discuss the components of environment with reference to an internet based company and a large government agency.
5. 'Technology influences choice of organization structure' Explain the given statement using any ONE of the following:
  - a. Woodward's Research
  - b. Perrow's Contribution

**Case for Q 6:** Sharper Image Corp. was started in 1977 by Richard Thalheimer to sell a light weight watch for the joggers. The store quickly became popular as a supplier of the state-of-the-art innovative quirky products that claimed to offer customers higher quality or better experience. The specialty retailer grew to 183 stores and in 2004 its sales had soared to over \$776 million as customers proved willing to pay high prices for its

innovative offerings. Things changed in 2005 as other companies such as Apple, Dell and other specialty retailers began to offer state of the art products and Internet stores such as Amazon.com began to offer these products at much lower prices than Sharper Image's. Its sales plummeted from \$ 776 million to \$ 400 million by 2007, a 26% drop and profits turned into losses. Managers realized problems were mounting in 2006 and a new CEO Steven Lightman, a direct marketing veteran, was brought in to restructure the company and revamp its product line. By early 2008, it was clear his turnaround was going too slowly and the company was in crisis. Lightman as CEO was replaced by Ron Conway, the Head of a New York turnaround management company. A person experienced in salvaging a company's resources and repairing broken business. Conway had over 25 years' experience at turnaround management and he brought with him a team of experts from his company to attempt to revitalize Sharper Image's product line and once again make it trendy. As of 2008 the company's stock prices had dropped by 85% so Conway and his team need to work fast to develop new strategies and structure.

6. Using appropriate theoretical model explain the growth and decline of Sharper Image Corp.

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