

MANAGING CHANGE IN ORGANISATIONS



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Short Description

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SECTION – A

1. Bring out the differences between Transactional and Transformational Leadership and explain how a leader plays an important role to bring change in an organisation
2. Briefly discuss the need for indigenous Management and the complexity of anagement of change through indegenization.
3. Describe any two models of diagnosis of organisational change.
4. Describe Total Quality Management (TQM). How it could be used as an approach to bring change in an organisation.

5. Write short notes on any three of the following :

(a) Down Sizing

(b) Managing Resistance

(c) Action Research

(d) Type of change

(e) Cluster organisation

SECTION – B

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

The story of the restructuring of the Mahut Group (name disguised) in India is illustrative of the need for supporting any structure change with the relevant culture change. The Mahut Group, a family-owned business located in western India, is a US\$350 million multinational, multi-activity enterprise group operating in four continents, with a diversified portfolio and employee strength of 15000.

The group has two cement plants-the US\$51 million Heera Cement and the US\$39 million Moti Cement (names disguised) - each with a production capacity of 1.2 million tonnes of cement per annum. The plants use 'dry process precalcination technology, which conforms to international standards. Both plants had been operating at more than 100 percent capacity and were among the most cost-effective cement plants in India, but had been making losses since the deregulation of the cement industry in India in the late 1980s. Prior to deregulation, the cement companies operated under governmental capacity, production, distribution and price controls to ensure fair prices and availability to priority sectors and small users. Because capacity was controlled, there were severe shortages and obviously no competition, and all cement companies were making good money despite price control.

Deregulation led to huge increases in the capacity of the cement industry in India, which also included foreign players. Heera and Moti now found themselves in competition not only with other companies but with each other. The competition between the sister companies was particularly damaging because their executives had private knowledge of each other's strategies. Mahut Group's management realised the problem and wanted to develop synergies rather than competition between the two companies. In order to facilitate this change, Mahut appointed an American consultant in 1998 to study the problem and submit a report.

The consultant found that the solution lay in structurally integrating the marketing functions of the two plants, and recommended: merging their sales and marketing; creating a new division called 'brands' to promote, position and build the brands together; creating two new positions, director-technical services, director-market research; changing the structure to support the new arrangements, especially by creating new roles and redefining old ones; and redeploying redundant people rather than retrenching them.

Mahut Group decided to implement the recommendations. Although the implementation process was fraught with intense politicking, especially for the top positions in the restructured company, the company culture was such that this

phenomenon was not perceived as unusual. It was natural for the owners to give the coveted positions and perquisites to those who were close to them. In the restructured company the managing director was appointed from Moti; senior joint president-sales (in charge of sales in the state where the company was located) was appointed from Moti, superseding a more senior executive from Heera; senior joint president-marketing (in charge of sales outside the state, where volumes were extremely low) was appointed from Heera; general manager (brands) was appointed from Heera.

Commenting on the cultural practices and processes that came in the way of performance, employees pointed out several issues. Decisions in the organisation were highly centralised. Almost all decisions were made by the managing director, because of which there were a lot of delays. Salaries and perks were arbitrary and based on a person's closeness to the power centres. For example, one of the senior joint presidents was given two semi-luxury cars, the other was given a single old-fashioned car. There were wide

Questions.

(a) How would you describe the organisational culture of the Mahut Group? Explain your answer citing decisions that illustrate the nature of the culture.

(b) Would it be possible that the decision to restructure the organisation was largely influenced by the culture of the organisation ?

(c) Comment on the way the restructuring proposals were implemented. Explain the influence of the organisational culture, if any, on the implementation process.

(d) How do you explain the decline in employee morale and performance after the restructuring ? Why were the expected synergies not realised ?

Details

1. Case study solved answers

2. pdf/word

3. Fully Solved with answers