

the Managing Director of a large



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Short Description

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Description

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

In 1988, K.L. Gupta, the Managing Director of a large, growing vehicle manufacturing company, announced reorganisation of the existing structure. The previous structure was now divided into three divisions for the three major products of the company. These divisions were Small Passenger vehicles, Military Vehicles and Utility Vehicles. In his note to all the employees, Gupta explained that the need for growth and diversification

were driving this change. Through the divisional structure , Gupta said , it would be possible to clearly identify profit responsibility and evaluate performance of divisions as well as the managers. It was necessary to find out and improve the performance of unprofitable operations. Thus, under each division, functions such as Engineering, Manufacturing and Accounting were provided. The company also had one laboratory facility that was used by all three divisions for the purpose of determining properties selected by the design engineers. The divisions did not have separate laboratories due to the high investment required. Administratively , the Laboratory manager reported to the Vice President of the Military Vehicles Division. All was fine until a time when the Laboratory Manager retired in 1998 and P.K Sharma joined to fill the vacancy. Sharma was known to be fiercely ambitious. Soon he made it clear to the managers of the Engineering functions of the other divisions that according to him , material testing was a very limited responsibility. Sharma wanted higher involvement in the related processes of material selection, designing the MS-10 2 experiment and evaluation of data. However, the Engineering head of Utility Vehicles, R S Chaudhari told Sharma clearly that the final responsibility for material selection was his, though he did not mind taking Sharma's opinion. Soon, the disagreement started mounting between Sharma and Chaudhari. Chaudhari , a design engineer by profession, accused Sharma of not understanding the designing nuances. Sharma countered by saying that designing people did not understand the finer aspects of metallurgy as he himself did. Then Chaudhari noticed that his jobs sent to the Lab were not being completed in time. When he checked with Sharma, Sharma replied that he had other important jobs from his own Military Division in hand. When Chaudhari said that Sharma should understand the importance of jobs from the Utility Vehicles division, Sharma replied that he should have been involved in the process of material selection and experiment designing. Finally, Chaudhari wrote a long, angry complaint to the Vice President, Utility Vehicles division and requested his intervention, and made it clear that without it, Chaudhari's functioning satisfactorily was impossible.

Questions :

(a) Draw the prevailing organisational structure and identify its salient features. Do you agree with the present arrangement of the laboratory facility having been put under the military vehicles division ? Justify your answer with reasons.

(b) What alternative structure would you suggest which may be more suited to the requirement and usage of laboratory facility equally by three divisions.

(c) What would be the strengths and weaknesses of the alternative structure proposed by you ?

Details

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2. pdf/word in 24-48 hrs

3. Fully Solved with answers