

MBA.F.2/06.1

M.B.A. DEGREE (FT) II SEMESTER EXAMINATION MAY 2006

ORGANIZATION EFFECTIVENESS AND CHANGE

Time: 3 Hours

Maximum marks : 50

(Answer **ALL** questions)
(All questions carry **EQUAL** marks)

(5x 10 = 50)

- I. A. Discuss the impact of organizational climate on organizational health and effectiveness.
OR
B. Explain the dimensions by which an organizational culture is generally judged and differentiate between 'material' and 'non-material' culture.
- II. A. List the sources of power that leaders can use to influence subordinates and distinguish leaders and managers.
OR
B. Effectiveness results from a leader using a style that is appropriate to the demands of the environment. Critically examine the leadership theories that support this approach.
- III. A. Identify the types of conflict commonly found in organizations, and describe suitable strategies to reduce conflict in organizations.
OR
B. What are the merits and demerits of performing the conflicting parties to settle their scores? Why do high performing organizations often use confrontation techniques for resolving their conflicts.
- IV. A. Change is highly important to the effectiveness of an organization, but many people have the tendency, overtly or covertly, to resist it. How do you think resistance to change can be overcome?
OR
B. Explain the steps involved in the organizational development process and how does the managerial grid approach help in enhancing organizational health and effectiveness.

(Turn over)

- V. Marc Latton supervises an eight member cost accounting department in a large metals fabricating plant in New Mexico. He was promoted about six months ago to his supervisory position after only a year ago as an accountant. It was no secret that Marc got the promotion predominantly due to his education – he has an M.B.A. whereas no one else in the department has a college degree. The transition to supervisor went smoothly, and there was little in the way of problems until this morning.

Business had been prospering at the plant for sometime, and the need for an additional cost accountant in the department to handle the increased workload was becoming increasingly apparent. In fact, it had been on Marc's mind for over a month. Department members were complaining about the heavy workload. Overtime had become common place and the large amount of overtime was adversely affecting the department's efficiency statistics. Marc believed that he would have little or no trouble supporting his request for a new full time with his boss.

Marc believed the search for the new employee would be relatively hassle free. This was because he had already spotted an individual who he thought would fill the new slot nicely. The individual he had in mind was currently working in the production control department of the plant.

Unofficially, Marc had talked with the production control supervisor and the plant's director, and the three had agreed that Ralph Simpson, a young black clerk in production, would be an excellent candidate to move into cost accounting. Ralph had been with the company for eight months, had shown above average potential, and was only six units shy of his bachelor's degree which he was earning at night at the State University.

Marc had met with Ralph earlier in the week and discussed the possibility that cost accounting might have a vacancy. Ralph told Marc that he would be very interested in pursuing the position. After further discussing the subject over lunch, all unofficially, Marc said that although he could make no promises, he was prepared to recommend Ralph for the job. However, Marc emphasized that it would be a week to ten days before a final decision was made and the announcement made official.

This morning, Marc came into his office and usual around five minutes to eight. As he began reviewing some audit reports, there was a heavy knock on his door. Before Marc could get the words 'come in' out of his mouth, the door flew open and in stormed Tip O'Malley, one of the accountants in the cost department.

Tip O'Malley is fifty eight years old and has been at the plant since its opening twenty six years ago. He was born and resided in a small town in the deep south. From his angered red face, it was obviously to Marc that Tip was not paying a social call.

"What is this I hear that some black guy is joining our department. The grave vine is saying that black down in production control is coming up here. Well, let me tell you something. I've never worked with a black and I never will. I have no intention of working in the same department as any black."

Questions:

1. Analyse the actions on this case in terms of formal and informal communication.
2. Analyse the power relationship between Marc and Tip.
3. What is the source of the conflict?
4. What conflict resolution techniques would be relevant in handling this situation?
5. Which techniques do you recommend for Marc? Why?