

Code: 14E00405

MBA IV Semester Regular Examinations June/July 2016

**ORGANIZATION DEVELOPMENT**

(For students admitted in 2014 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

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**SECTION – A**

Answer the following: (05 X 10 = 50 Marks)

- 1 Define organization development (OD). Trace out the historical development of OD.  
**OR**
- 2 Summarize the distinguishing characteristics of OD.
- 3 Elaborate how 'systems theory' of organization development views organizations as open systems in active exchange with their environments. Elaborate.  
**OR**
- 4 "A fundamental belief in organization development is that work teams are the building blocks of organizations and the teams must manage their culture, processes, systems and relationships if they are to be effective".
- 5 Explain the concept, characteristics and types of action research.  
**OR**
- 6 Define organizational diagnosis. Explain the features of organizational diagnosis process.
- 7 Examine the factors that influence the selection of OD interventions.  
**OR**
- 8 Discuss when and how the following interventions are implemented:  
(a) Job redesign.  
(b) Workplace redesign.  
(c) Socio-technical design.
- 9 Describe the role of power and politics in the practice of OD.  
**OR**
- 10 Discuss the reasons for resistance to change in organizations.

**SECTION – B**

(Compulsory Question)

01 X 10 = 10 Marks

- 11 **Case study:**  
**TCS Makes Structural Changes:**

Tata Consultancy services, Indian's largest outsourcing company has drawn plans for expansion into fast-growing emerging markets. Presently, its largest revenue streams come from North America and Europe. Along with global business the competitors, TCS is looking for opportunities in high growth regions, including Asia, the Middle East and Latin America, TCS is struggling to crack opportunities in China as it was Japan due to cultural barriers and high turnover of employees.

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### **Restructuring decision**

After taking over the reins of TCS, CEO has made some significance structural changes. He created a small group of seven leaders to take charge of business with sizes ranging from a few hundred millions of dollars to over a billion. They will report directly to him.

### **Drivers of reorganization**

As a company grows larger, one cannot continue to rely on the same organization structure. Voicing this view, one strategy analyst observed: "The earlier structure worked well for TCS all these years. They are being proactive and preparing for the future". The last major re-organization was made in 2008. At that time, company moved from a geography-based structure to a customer and vertical-led structure. The company formed 23 verticals reporting to the COO. Since the COO position was vacant, the 23 leaders were reporting directly to the CEO. The move is also considered necessary in view of growing need for customer engagement.

Customer engagement has become more critical for two obvious reasons: (i) The top outsourcing clients such as Daimler and banks like JP Morgan and Citi are looking for vendors who can help develop their next iPad solutions as well as advise them in identifying the next business opportunities. (ii) Competition is intensifying with markets becoming dormant.

### **Perceived Benefits**

An important benefit will be the organization will become customer-centric. It is claimed that the new structure will provide more management bandwidth and allows leaders to engage with customers closely. This structural intervention of adding a new layer saves CEO's time and helps pay more attention for strategy issues and customer calls.

The company will continue to have 23 vertical heads. However, the span of management is reduced now as these heads report to one of the seven group leaders. It means that 2-3 verticals will have the same boss. It will offer better scope for verticals to work closely with each other. It gives scope for people talk across verticals, rather than function in silos. An analyst with a domestic brokerage house observed: "I see this structure as being similar to Infosys executive council but without some of the disadvantages. In Infosys, the members of the executive council are overloaded.

More importantly, the leadership layer offers a new career path to managers. It will help motivate existing pool of leaders to complete for the new roles with more responsibility. The vertical-led structure is effective in generating business and profits even during recession. It is successful in increasing the business from clients. The top ten clients of TCS contribute around 30% of its revenues.

Questions:

- (a) Analyze the organizational structural changes at TCS.
- (b) Are the changes consistent with the goals and expected outcomes?
- (c) Suggest changes keeping in mind, the structures adopted by competitors and the changes expected in the next five years.

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