

MANAGEMENT PROGRAMME

Term-End Examination

December, 2006

MS-1 : MANAGEMENT FUNCTIONS AND BEHAVIOUR

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

Note :

- (i) *There are two Sections A and B.*
 - (ii) *Attempt any **three** questions from Section A, each question carrying 20 marks.*
 - (iii) *Section B is **compulsory** and carries 40 marks.*
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SECTION A

1. Define and describe 'control' in the context of an organisation. Discuss various characteristics and pre-requisites for instituting an effective control mechanism in an organisation. Explain with example.
2. Under what conditions does it become imperative to stimulate conflict in an organisation ? Briefly discuss the techniques of conflict management in an organisational set-up.
3. How and why are the tasks and activities differentiated within an organisation ? Discuss with suitable examples.

4. Define and describe the concept and key features of MBO.
To what extent is MBO feasible and useful in the context of the present business scenario ? Critically analyse with suitable examples.
5. Write short notes on any **three** of the following :
 - (i) Channels of Communication
 - (ii) Matrix Structure
 - (iii) Formal/Informal groups
 - (iv) Leadership
 - (v) Decision making models

SECTION B

6. Please read the case and answer the questions given at the end.

One afternoon in January 1982, John, industrial engineer of ABC company, was called to the office of his immediate superior Nair, the production manager. Nair said, "John I want to discuss a situation in the production department. A lot of people feel that Govinda is not the right man for the Assistant Superintendent's position. The President and others have decided that I have got to fire Govinda or at least move him out of production. Everyone wants to fire Govinda, but I won't do it to him. I was talking with Bhadra this morning, and we decided that you might be able to make use of Govinda in your department."

John was surprised by both the information, and the proposal.

Nair concluded his comments with, "John, I am asking you to take Govinda. You can say 'No'. But then he gets fired. I have told Govinda this. Also, Govinda knows that if he goes with you, he will take a pay cut. However, I think you can make use of him both to your own and his satisfaction. You are, anyway, carrying out an in-process quality control, and you might be able to make good use of Govinda in view of his long technical

experience of production work. Think it over, and let me know by tomorrow.”

John thought over the matter :

ABC company had been a successful enterprise until March 1982 at which time it suffered a sharp decline of profits : sales had fallen off, and production costs had risen. The President adopted three measures which he hoped would improve the condition. First, by creating an Industrial Engineering Department for establishing work standards on all production operations, to determine which manufacturing costs were out of line and where remedial action should be taken. John, 28 years old, who had been with the company for two years in the Purchasing Department, was selected. John had B.E. and MBA degrees to his credit. What he lacked in his business experience, he made up by his eagerness to learn. He was ambitious and liked by his associates. He wanted a transfer from Purchasing to Production for better opportunities for advancement.

Secondly, he consulted a Management Consultation firm to make a study of the Production Department. They pointed out that the chain of command was too long from Production Manager through Plant Superintendent through Assistant Superintendent to Foremen. They

recommended the elimination of the position of Assistant Superintendent.

Thirdly, he engaged an Industrial Psychologist to appraise all the Supervisory Personnel.

Govinda had been with the company for 20 years since its founding and during this period had worked on every production operation, and his last 11 years had been in supervisory capacity. His manners were rough and aggressive, he had little formal education. The Industrial Psychologist's report about Govinda contained the following points :

- (i) Evaluation for the position of Assistant Superintendent : Not good enough.
- (ii) Capacity for good human relations in supervision : Will have friction frequently.
- (iii) Need for development counselling : Counselling greatly needed.
- (iv) General Evaluation : Govinda had a good ability profile. He suffers from a sense of inferiority. He does not like the responsibility of making decisions. His supervision is that of Autocratic type. Though he has the ability, as far as his personality make-up is concerned, he is out of place in the present position.

Questions :

- (a) What is the problem in the case ? Explain.
- (b) Explain Govinda's behaviour and work experience vis-a-vis the psychologist's report.
- (c) How do you see Nair's suggestion to John ? Give reasons.
- (d) What are John's considerations in taking a decision ? What should he do ? Explain.