

MGT504 – FINAL TERM
SUBJECTIVE SOLVED QUESTIONS
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Q1. What is ERP?

Enterprise Resource Planning systems collect, process, and provide information about a company's entire enterprise, including order, processing, product design, purchasing, inventory, manufacturing, distribution, etc.

2. Codes of ethics are valuable for organization or not?

Yes, codes of ethics are valuable for organization. Companies of all sizes are rushing to adopt codes of ethics, and most are also developing other policies and structures that encourage ethical conduct.

Organizations get into trouble when they fail to pay attention to ethical issues in the blind pursuit of making money.

On the other hand, a growing no of companies are demonstrating their commitments to high standards of ethics and social responsibilities.

3. Elaborate the power

Power is an intangible force in organization. It cannot be seen, but its effect can be felt. Power is often defined as the potential ability of one person (or department) to influence other persons (or departments) to carry out orders – or to do something they would not otherwise have done. Other definitions stress that power is the ability to achieve goals or outcome that power holder's desire. The achievement of desired outcomes is the basis of the definition used here. Power is the ability of one person or department, in an organization to influence other people to bring about desired outcomes. It is the potential to influence others within the organization but with the goal of attaining desired outcome for power holders.

Power exists only in a relationship between two or more people, and it can be exercised in either vertical or horizontal directions. The source of power often derives from an exchange relationship in which one position or department provides scare or valued resources to other department. When one person I dependent on another person, a power relationship emerges in which person with the resources had greater power. When power exists in a relationship, the power holders can achieve compliance with their requests.

4. Describe some of the advantages of management science approach.

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- Management science can accurately and quickly solve problems that have too many explicit variables for human processing.
- This system is at its best when applied to problems that are analyzable, are measurable, and can be structured in a logical way.
- Management science is an excellent device for organizational decision making when problems are analyzable and when the variables can be identified and measured.
- Mathematician, physicist, and operations researchers used systems analysis to develop artillery trajectories, antisubmarine strategies, and bombing strategies such as salving (discharging multiple shells simultaneously).
- Management science yielded astonishing success for many military problems.
- Management science techniques have been used to correctly solve problems as diverse as finding the right spot for a church camp, test marketing the first of a new family of products, drilling for oil, and radically altering the distribution of telecommunications services.

5. What information you as a student use.

DO URSELF

6. Change resists the fear of loss of power & status.

Explain your answer with logical reasoning.

Fear of loss, Managers and employees may fear the loss of power and status or even their jobs. In these cases, implementation should be careful and incremental, and all employees should be involved as closely as possible in the change process.

Implementation can typically be designed to overcome many of the organizational and individual barriers to change.

8. When political activity is used

Politics is a mechanism for arriving at consensus when uncertainty is high

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and there is disagreement over goals or problem priorities. The political model is associated with conflict over goals, shifting coalitions and interest groups, ambiguous information, and uncertainty. Thus, political activity tends to be most visible when managers confront non-programmed decision and is related to the Carnegie model of decision making. Because managers at the top of an organization generally deal with more non-programmed decision than do managers at lower levels, more political activity will appear. Moreover, some issues are associated with inherent disagreement. Resources, for example, are critical for the survival and effectiveness of departments, so resource allocation often becomes a political issue, "Rational methods of allocation do not satisfy participants. Three domain of political activity (areas in which politics plays a role) in most organizations are structural change, management succession, and resources allocation.

9. How boundary spanning used in new product success

Boundary – spanning roles link and coordinate an organization with key elements in the external environment. Boundary Spanning: This component means each department involved with new products has excellent linkage with relevant sectors in the external environment. R & D personal are linked to professional associations and to colleagues in other R & D departments. They are aware of recent scientific developments. Marketing personnel are closely linked to customer needs. They listen to what customers have to say, and they analyze competitor products and suggestions by distributors.

Q1: What is mechanistic organization?

Q2. Define Organic Organization? (3 Marks)

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Mechanistic and Organic Forms

Mechanistic	Organic
Tasks are broken down into specialized separate parts.	Employees contribute to the common tasks of the department.
Tasks are rigidly defined.	Tasks are adjusted and redefined through employee teamwork.
There is a strict hierarchy of authority and control, and there are many rules.	There is less hierarchy of authority and control, and there are few rules.
Knowledge and control tasks are centralized at the top of organization.	Knowledge and control of tasks are located anywhere in the organization.
Communication is Vertical.	Communication is horizontal.

Q2: What is innovation?

Innovation is generation of new idea, strategy, solution to any problem, product or service or any method that does not exists before.

Innovations typical are assimilated into an organization through a series of steps or elements. Organizations member first become aware of a possible innovation, evaluate its appropriateness, and then evaluate and choose the idea. The required elements of successful change for a change to be successfully implemented; managers must make sure each element occurs in the organization. If one of the elements is missing, the change process will fail.

Q3: What are high velocity environment and how decisions are made in these environments?

In some industries today, the rate of competitive and technological change is so extreme that market data is either unavailable or obsolete, strategic windows open and shut quickly, perhaps within a few months, and the cost of decision error is company failure. Recent research has examined how successful companies make decision in these high – velocity environment, especially to understand where organization abandon rational approaches or have time for incremental implementation.

•Successful decision makers **track information in real time to develop a deep and intuitive grasp of the business.** Two to three intense meetings

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per week with all key players are usual. Decision makers track operating statistics about cash, scrap, backlog, work in process, and shipments to constantly feel the pulse of what is happening, unsuccessful firms were more concerned with future planning and forward – looking information, with only a loose grip on immediate happenings.

- During a major decision, successful companies began immediately to **build multiple alternatives**; implantation may run in parallel before finally settling on a final choice. Slow – decision companies developed only a single alternative, moving to another only after the first one failed.
- Fast, successful decision makers **sought advice from everyone** and depended heavily on one or two savvy, trusted colleagues as counselors. Slow companies were unable to build trust and agreement among the best people.
- Fast **companies involved everyone in the decision** and tried for consensus; but if consensus did not emerge, the top manager made the choice and moved ahead. Waiting for everyone to be on board created more delays than warranted, slow companies delayed decision to achieve a uniform consensus.
- Fast, **successful choices were well integrated with other decisions and the overall strategic direction of the company**. Less successful choices considered the decision in isolation from other decisions; the decision was made in the abstract.

Q4: Why people at level in organization do not like change?

BARRIERS TO CHANGE

Visionary leadership is crucial for change; however, leaders should expect to encounter resistance as they attempt to take the organization through the three stages of the change commitment process. It is natural for people to resist change, and many barriers to change exist at the individual and organizational level.

1. **Excessive focus on costs**. Management may possess the mind – set that costs are all – important and may fail to appreciate the importance of a change that is not focused on costs – for example, a change to increase employee motivation or customer satisfaction.

2. **Failure to perceive benefits**. Any significant change will produce both positive and negative reactions.

Education may be needed to help managers and employees perceive more positive than negative aspects of the change. In addition, if the organization's reward

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system discourages risk – taking, a change process may falter because employee thinks that risk of making the changer is too high.

3. **Lack of coordination and cooperation.** Organizational fragmentation and conflict often result from the lack of coordination for change implementation, Moreover, in the case of new technology; the old and new systems must be compatible.

4. **Uncertainty avoidance.** At the individual level, many employees fear the uncertainty associated with change.

Constant communication is needed so that employees know what is going on and understand how it impacts their jobs.

5. **Fear of loss,** Managers and employees may fear the loss of power and status or even their jobs. In these cases, implementation should be careful and incremental, and all employees should be involved as closely as possible in the change process.

Q5: When inter group conflict exists in an organization? what are the level of inter group conflict?

Inter group conflict can then be defined as “the behavior that occurs among groups when participants identify with one group and perceive that other groups may block their group’s goal achievement or expectations”

Some specific organizational **characteristic can generate conflict.** These sources of inter-group conflict are goal incompatibility, differentiation, task interdependence, and limited resources. These characteristics of organizational relationships are determined by the contextual factors of environment, size technology, strategy and goals and organizational structure, which have been discussed. These characteristics, in turn, help shape the extent to which a rational model of behavior versus a political model of behavior is used to accomplish objective.

Goal Incompatibility: Goal incompatibility is probably the greatest cause of inter-group conflict in organizations. The goals of each department reflect the specific objectives members are trying to achieve.

Differentiation: Differentiation was defined as “the differences in cognitive and emotional orientations among managers in different functional departments.”

Task interdependence: Task interdependence refers to the dependence of one unit on another for materials, resources, or information.

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Limited Resources: Another major source of conflict involves competition between groups for what members perceive as limited resources.

Inter-group conflict within organization can **occur horizontally – across departments – or vertically – between different levels of the organization.** For example:

- The production department of a manufacturing company may have a dispute with quality control because new quality procedures reduce production efficiency.
- Teammates may argue about the best way to accomplish tasks and achieve goals. Workers may clash with bosses about new work methods, reward systems, or job assignments.
- Another typical source of conflict is between groups such as unions and management or franchise owners and headquarters.

Management Science Approach

Management science is an excellent device for organizational decision making when problems are analyzable and when the variables can be identified and measured. Mathematical models can contain a thousand or more variables, each one relevant in some way to the ultimate outcome. Management science techniques have been used to correctly solve problems as diverse as finding the right spot for a church camp, test marketing the first of a new family of products, drilling for oil, and radically altering the distribution of telecommunications services. Other problems amenable to management science techniques are the scheduling of airline employees, ambulance technicians, telephone operators, and turnpike toll collectors. The SABRE Group, perhaps best known for its travel reservations system, is one of the largest users of the management science approach.

Management science can accurately and quickly solve problems that have too many explicit variables for human processing. This system is at its best when applied to problems that are analyzable, are measurable, and can be structured in a logical way. Increasingly sophisticated computer technology and software programs are allowing the expansion of management science to cover a broader range of problems than ever before.

Multi domestic strategy

A multi-domestic strategy means that competition in each country is handled independently of competition in other countries. Thus, a multi-domestic strategy would encourage product design, assembly, and marketing tailored to the specific needs of each country. Some companies have found that their products do not thrive in a single global market. The French do not drink orange juice for breakfast, and laundry detergent is used to wash dishes, not clothes, in parts of Mexico Parker Pen Experienced a disaster when it

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reduced from five hundred to one hundred pen styles because the different styles were valued in different countries.

“A Management coalition during decision making is necessary”. Do you agree or not? Justify your choice. Marks 5

Management coalitions are needed during decision making **for two reasons**.

First, organizational goals are often ambiguous, and operative goals of departments are often inconsistent. When goals are ambiguous and inconsistent, managers disagree about problem priorities. They must bargain about problems and build a coalition around the question of which problems to solve.

The second reason for coalitions is that individual managers intend to rational but function with human cognitive limitations and other constraints, as described earlier. Managers do not have the time, resources, or mental capacity to identify all dimensions and to process all information relevant to a decision. These limitations lead to coalition building behavior. Managers talk to each other and exchange points of view to gather information and reduce ambiguity, people who have relevant information or a stake in a decision outcome are consulted. Building a coalition will lead to a decision that is supported by interested parties.

Q5. Miles and Snow “Defender Strategy” can be used for what type of organization? (5 Marks)

The defender strategy is almost the opposite of the prospector. Rather than taking risks and seeking out new opportunities, the defender strategy is concerned with stability or even retrenchment. This strategy seeks to hold onto current customers, but it neither innovates nor seeks to grow. The defender is concerned primarily with internal efficiency and control to produce reliable, high-quality products for steady customers. This strategy can be successful when the organization exists in a declining industry or a stable environment.

Q7. What reasons do you think force Organizations to Grow? (5 Marks)

Many executives have found that firms must grow to stay economically healthy. To stop growing is to stagnate. To be stable means that customers may not have their demands met fully or that competitors will increase market share at the expense of your company. In addition, growing organizations are vibrant, exciting places to work, which enables these companies to attract and keep quality employees. When the number of employees is expanding, the company can offer many challenges and opportunities for advancement.

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Q6. How OD change intervention useful in the transition towards a Learning Organization? (5 Marks)

Q7: CEO of a company talking about the happy committed employees he is using which approach of effectiveness?

When a functional structure is preferable to a divisional structure? 5

Management problem, types of management problem, how to solve management problem

**Under what conditions should a company consider adopting a global geographical structure as opposed to a global product structure?
Marks 5**

Q3. What are the reasons for new product success? (3 Marks)

Q4. Differentiate between Management Science Approach and Cognitive Mode? (3 Marks)