

NB: Attempt any **four** questions from Question Nos. 2 to 7 (10 marks each)

Question No. 1 is **Compulsory** (20 marks)

Q1. Case Study**Where The Decisions Should Be Made?**

In 1995, Procter and Gamble's top managers took a long, hard look at the giant company's global operations and decided that they could make much better use of organizational resources if they changed the level at which decisions were made in their organization. Until 1995, managers in each of Procter and Gamble's divisions, in each country in the world in which it is operated, were more or less free to make their own decisions, and decision making was decentralized. Thus managers in charge of the British soap and detergent division operated quite independently from managers in French and German divisions. Moreover, even within Britain, the soap and detergent division operated quite independently from other Procter and Gamble's divisions such as its health-care and beauty products divisions. Top managers believed that this highly decentralized global decision making resulted in the loss of possible gains to be obtained from cooperation both among managers of the same kind of division in the different countries (soap and detergent divisions throughout Europe) and among managers in the different kinds of divisions operating in the same country or world regions.

Therefore, Procter and Gamble's top management team pioneered a new kind of organizational structure. First, they divided P&G's global operations into four main areas - North America, Europe, the Middle East and Africa, and Asia - and in each area they created the new role of global executive vice president, responsible for overseeing the operation of all the different kinds of divisions inside that world region. This approach was something Procter and Gamble had never attempted. It is the global vice president's responsibility to get the different kinds of divisions inside each area to cooperate and to share information and knowledge so that authority is centralized at the world area level. Each of these new top managers then reports directly to the president of Procter and Gamble, further centralizing authority.

In another change to further centralize authority, P&G's managers grouped divisions operating in the same area and put them under the control of one manager of the UK soap and detergent division took control over soap and detergent operations in the United Kingdom, Ireland, Spain, and Portugal and became responsible for getting them to cooperate so the company could reduce costs and innovate more quickly across Europe.

Procter and Gamble has been delighted with its new balance between centralized and decentralized authority because its top managers feel they are making much better use of organizational resources to meet customers' needs. They believe Procter and Gamble is poised to become the dominant consumer goods company in the world, not merely in the United States, and in 1996 the company earned a record operating profits on record global sales.

QUESTIONS

1. Why did Procter and Gamble move to centralize control?
2. When might managers realize that they have gone too far and “centralized” control too much?

Q.2. What is ‘Organization Theory’? Explain any TWO of the following

- A. Type III Theory (Contingency Theory)
- B. Dimensions of Organization Design
- C. System Perspective

Q.3. What is ‘Organizational Effectiveness’ with relation to any TWO of the following Approaches:

- A. Internal Process Approach
- B. Resource Dependence Approach
- C. Strategic Constituent Approach

Q.4. Explain the fundamentals of Organizational Structure along with advantages and disadvantages of any two of the following:

- A. Functional Structure
- B. Hybrid Structure
- C. Horizontal Structure

Q.5. What is Culture Explain any TWO of the following:

- A. Clan
- B. Bureaucratic
- C. Mission

Q.6. What is Environment? Explain any TWO of the following:

- A. Burns and Stalker
- B. Emery and Trist
- C. Internal strategies to manage the environment.

Q.7. Write short notes on any two of the following:

- A. Decline Stages of Organization
- B. Any ONE Organizational decision-making Model
- C. Power Control Model
- D. Managing conflict