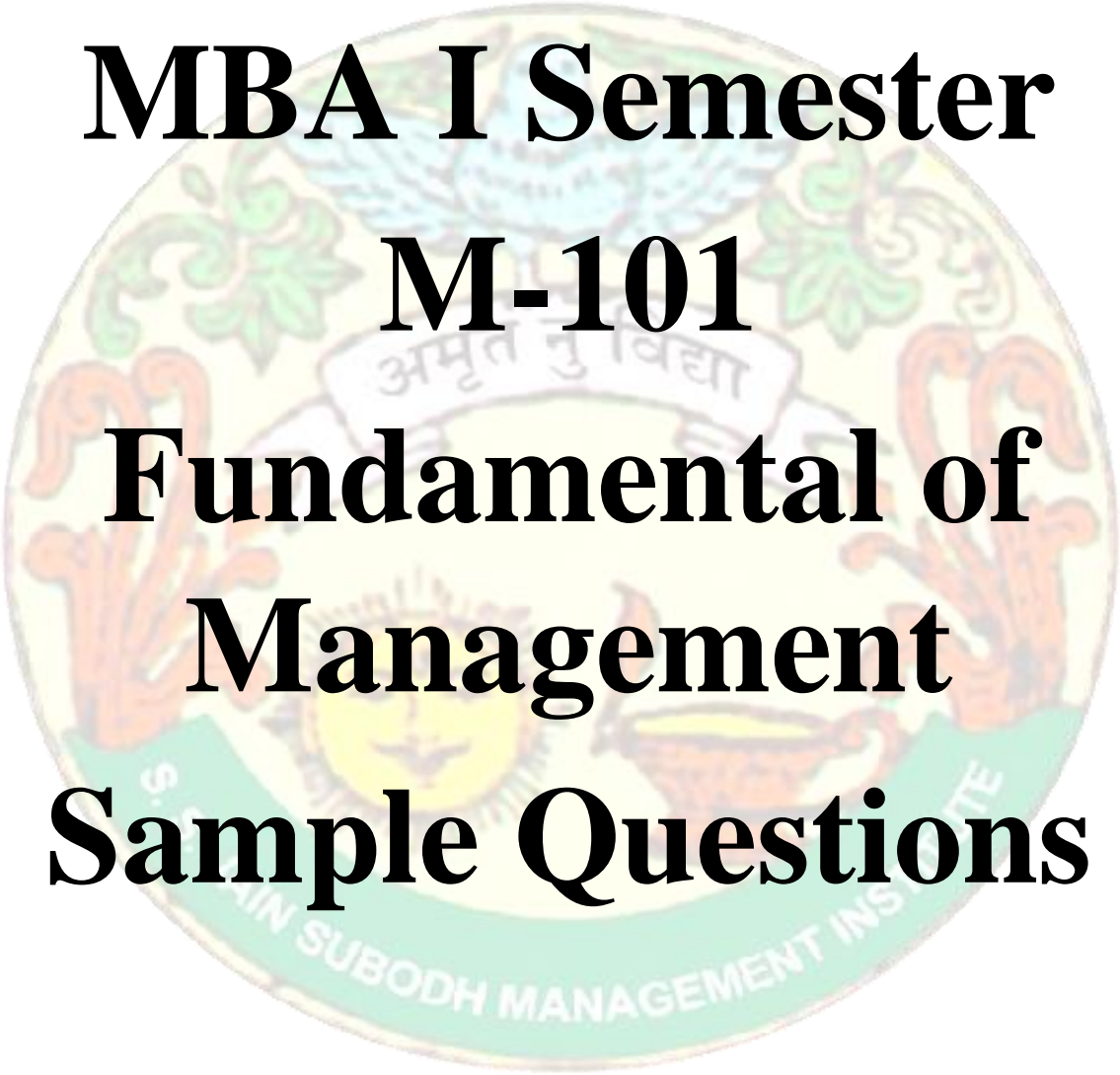


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MBA I Semester
M-101
Fundamental of
Management
Sample Questions

Part A: Short answer question (up to 25 words)

Part B: Analytical/ problem Solving questions

**Part C: Descriptive/ Analytical/ Problem Solving/
Case questions.**

Part A

Unit 1

Q1 Define Management

Q2 What is the scope of Management?

Q3 What do you understand by Managerial skills?

Q4 What are managerial roles?

Q5 Who was the founder of the scientific School of Management? What was the main ideas behind this school of thought?

Q6 Who are the main thinkers we can group under classical perspective of Management?

Q7 What are the dysfunctions of bureaucracy?

Q8 What is the essence of the behavioral perspective of Management?

Q9 What do you understand by contingency approach to management?

Q10 What is the essence of the systems approach.

Unit 2

Q11 Who wrote the ArthaShastra? What is the essence of the the teaching inscribed in the ArthaShastra

Q12 What are the main principles of management given by Kautilya?

Q13 What are the major contributions of Peter Drucker?

Q14 Explain the concept of 'bottom of the pyramid' given by CK Prahalad.

Q15 What was Herbert Simon view of decision making?

Unit 3

Q16 Define planning.

Q17 What is the main objective of planning?

Q18 What is the scope of planning?

Q19 Why is planning important?

Unit 4

Q20 Define organizing

Q21 What are the various ways in which departmentation can be done?

Q22 What do you understand by span of management?

Q23 What is centralization?

Q24 Why is delegation important?

Q25 What do you understand by standardization?

Q26 Do you think division of labour is relevant today?

Unit 5

Q27 Define selection

Q28 Why is the staffing function important in any organization?

Q29 What are the main techniques of selection?

Q30 What is the purpose of selection test?

Q31 The selection interviews are vital for the selection process to be effective. Do you agree?

Unit 6

Q32 What is the difference between manager and leader

Q33 What are the various levels of managers?

Q34 Define leadership

Q35 What do you understand by the contingency theory of leadership

Q36 Name four leadership styles given by Hershey Blanchard

Unit 7

Q37 Define controlling.

Q38 Define coordination

Q39 What are the various types of controlling?

Q40 What are the main principles of coordination?

Q41 Why is it so important to use coordination in an organization?

Unit 8

Q42 What is the name of the company founded by Narayan Murthy and what areas does that company operate in?

Q43 Who was Steve Jobs and what is his contribution to the world?

Q44 Who is Bill Gates and what is his main claim to fame?

Q45 What company is led by Azim Premji and what are the sectors in which the company operates.

Q46 What is the Legacy of Dhirubhai Ambani?

Part B

Unit 1

Q1 Discuss the idea of Managerial skill and explain why different levels of Management must possess each of these in different measures.

Q2 Discuss the administrative theory of Management what are the various principal of management given by Henri Fayol.

Q3 Compare and contrast the system view of management with the contingency view of Management.

Unit 2

Q4 What are the seven pillars of business success according to Kautilya discuss the theory given by Kautilya which are relevant for Management event today

Q5 Peter Drucker is known as the modern management guru discuss the various ideas and theories given by Peter Drucker which deeply impacted the understanding of Management in the modern context

Q6 Discuss the contributions of CK Prahalad in the field of Management.

Q7 Discuss the concept of bounded rationality as given by Herbert Simon. What is the decision making process according to Herbert Simon and how is it impacted by the idea of bounded rationality?

Unit 3

Q8 Discuss the nature and characteristics of planning. What are the main elements of planning and why are they crucial for a well laid out plan

Q9 What is a strategy and what role does it play in the planning process give examples to support your answer

Q10 Explain and differentiate between plans programs and policy

Unit 4

Q11 Discuss the concept centralization versus decentralization. Which of these is important for the organization and why?

Q12 what are the main principles of organizing? What is the purpose of each of these principles?

Q13 define discuss and differentiate between line and staff authority.

Unit 5

Q14 Write a detailed note on the selection process while staffing for the organization.

Q15 Discuss the various techniques and methods by which selection can be done.

Q16 What are the main challenges that confront Human Resource Management in the staffing of an organisation and how can these be overcome?

Unit 6

Q17 Discuss the concept of leadership what are the various styles of leadership that available to practice

Q18 Explain the managerial grid theory of leadership. Is this theory relevant even today? How?

Q19 Discuss Robert House's path goal theory of leadership in detail. Which type of theory is this?

Q20 What are behavioural theories of leadership? Discuss the contribution of some of the key behaviour leadership Theories.

Unit 7

Q21 Discuss the types and process of controlling and explain the various techniques of control.

Q22 Discuss the concept importance principles and techniques of coordination what are the challenges that are faced during coordination.

Unit 8

Q23 Write a detailed note on the the strengths of Reliance Industries and the succession planning that was recently undertaken by the Managing Director Mukesh Ambani

Q24 Write a detailed note on the TATA Group of Industries and the role of Ratan Tata

Q25 Steve Jobs was both a disruptor and an innovator discuss the phenomenal growth of the company that he established and how it has continued to be amongst the most value company in the world.

Part C

Unit 1

Q1 Discuss the growth of Management thought over the years. briefly outline the various schools of Management thought that and the main ideas that each one of them promulgated.

Q2 CASE STUDY

Challenges of Globalization upon Disneyland

The dynamics that define the constantly evolving global business space generate the challenge of remaining innovative and relevant for clients throughout the world, by juggling the genuine “real thing” of well-known brands with their cultural adaptation to local markets. Disneyland is at the crossroad between permanently reinventing itself by proposing new experiences for its diverse clients while focusing on providing the American original Disneyland experience through all its overseas locations. In this context, one major challenge that the company is likely to confront with in the future is based on the standardization/adaptation dilemma, as it will need to predict the ingredients for a successful integration of the Disneyland concept in the increasingly evolving social realities. Standardization implies creating global businesses by standardizing all, or the majority of its business elements (market access, industry standards and technology, marketing mix, competition), whereas adaptation refers to customizing all or some of these elements (Beamish & Ashford, 2006).

Living in a global space allows individuals to interact with various cultures, lifestyles and, in relation to Disneyland’s activity sector, with diverse entertainment modes. This leads to increased diversification of their entertainment needs, which can no longer be satisfied through standard entertainment activities proposals. This situation is likely to impact Disneyland’s activity, which will be challenged to address to a more diverse public. The solution for this challenge stays in its ongoing research and market segmentation. Through research, the company will understand what the dynamics that form the diversified entertainment needs are and through market segmentation it will be able to establish various entertainment services, adapted on the identified entertainment needs.

In the context of the increased globalization, there are societies that criticize it, while remaining loyal to their local cultures and traditions. Targeted customers not embracing the globalization is yet another challenge that Disneyland will face, as it will continue to provide innovative, yet genuine American entertainment opportunities for transposing the American entertainment needs globally.

In fact, Gordon and Meunier (2011) indicate that globalization is perceived as a threat to culture and identity for it erases the cultural barriers through the emergence of technology, generating absorption of global values. Disneyland proposes a local American value in a global space, which makes it a global brand. As there are people that are resilient to globalization and to the absorption of global values, Disneyland will need to deal with this challenge by positioning itself as “something that is created elsewhere but is not perceived foreign” (Dominique Coquet in Lane et al., 2009, p. 136).

Other challenges imposed by the globalization upon Disneyland include adjusting to economic globalization (Yeung, 2002). This is a challenge because the organization is facing various economic conditions in the regions wherein it operates. As such, Disneyland is currently activating in United States, Japan and France, each being developed countries, but with different socio-economic and political evolution. Aiming to have a unitary economic and public affairs operation mode is unrealistic, considering the different contexts wherein it unfolds its business. Flexibility and adaptation of Disneyland’s business model on each of these countries’ particularities (in terms of socio-economic and politic aspects) is the solution for overcoming the lack of a unitary system. Moreover, the operations from one region can be used for helping the operations in the other regions, in case of slowdowns. As such, while Disneyland Resort Paris encounters financial difficulties due to the current recession period, the organization can sustain its operations through a strategic partnership between its locations by transferring the profits from California or Tokyo to its European location.

Q3 CASE STUDY Managing People and Organizations

Humanized Robots?

Helen Bowers was stumped. Sitting in her office at the plant, she pondered the same questions she had been facing for months: how to get her company’s employees to work harder and produce more. No matter what she did, it didn’t seem to help much.

Helen had inherited the business three years ago when her father, Jake Bowers, passed away unexpectedly. Bowers Machine Parts was founded four decades ago by Jake and had grown into a moderate-size corporation. Bowers makes replacement parts for large-scale manufacturing machines such as lathes and mills. The firm is headquartered in Kansas City and has three plants scattered throughout Missouri.

Although Helen grew up in the family business, she never understood her father’s approach. Jake had treated his employees like part of his family. In Helen’s view, however, he paid them more than he had to, asked their advice far more often than he should have, and spent too much time listening to their ideas and complaints. When Helen took over, she vowed to change how things were

done. In particular, she resolved to stop handling employees with kid gloves and to treat them like what they were: the hired help.

In addition to changing the way employees were treated, Helen had another goal for Bowers. She wanted to meet the challenge of international competition. Japanese firms had moved aggressively into the market for heavy industrial equipment. She saw this as both a threat and an opportunity. On the one hand, if she could get a toehold as a parts supplier to these firms, Bowers could grow rapidly. On the other, the lucrative parts market was also sure to attract more Japanese competitors. Helen had to make sure that Bowers could compete effectively with highly productive and profitable Japanese firms. From the day Helen took over, she practiced an altogether different philosophy to achieve her goals. For one thing, she increased production quotas by 20 percent. She instructed her first-line supervisors to crack down on employees and eliminate all idle time. She also decided to shut down the company softball field her father had built. She thought the employees really didn't use it much, and she wanted the space for future expansion.

Helen also announced that future contributions to the firm's profit-sharing plan would be phased out. Employees were paid enough, she believed, and all profits were the rightful property of the owner—her. She also had private plans to cut future pay increases to bring average wages down to where she thought they belonged. Finally, Helen changed a number of operational procedures. In particular, she stopped asking other people for their advice. She reasoned that she was the boss and knew what was best. If she asked for advice and then didn't take it, it would only stir up resentment.

All in all, Helen thought, things should be going much better. Output should be up and costs should be way down. Her strategy should be resulting in much higher levels of productivity and profits.

But that was not happening. Whenever Helen walked through one of the plants, she sensed that people weren't doing their best. Performance reports indicated that output was only marginally higher than before but scrap rates had soared. Payroll costs were indeed lower, but other personnel costs were up. It seemed that turnover had increased substantially and training costs had gone up as a result.

In desperation, Helen finally had hired a consultant. After carefully researching the history of the organization and Helen's recent changes, the consultant made some remarkable suggestions. The bottom line, Helen felt, was that the consultant thought she should go back to that "humanistic nonsense" her father had used. No matter how she turned it, though, she just couldn't see the wisdom in this. People worked to make a buck and didn't want all that participation stuff.

Suddenly, Helen knew just what to do: She would announce that all employees who failed to increase their productivity by 10 percent would suffer an equal

pay cut. She sighed in relief, feeling confident that she had finally figured out the answer.

Case Questions

Q1 How successful do you think Helen Bowers's new plan will be?

Q2 What challenges does Helen confront?

Q3 If you were Helen's consultant, what would you advise her to do?

Unit 2

Q4 Write a note on the management ideas of Kautilya and Peter Drucker. Compare and contrast their thinking. Do you think that their ideas continue to be relevant in the modern business scenario

Q5 Prepare an essay on the work of CK Prahalad and discuss how his ideas impacted how third world countries were viewed.

Q6 The contributions of Herbert Simon are extremely significant in various dimensions of Management thought. Discuss his contributions and highlight the significance of each.

Unit 3

Q7 You have inherited a considerable sum of money and are a fresh management graduate. You want to start your own business but as a management graduate you understand the significance of good planning. Make an outline of the plan you will create so that you can set up a profitable business that is poised to succeed. How important do you think the planning process is in this effort and why?

Unit 4

Q8 You have been appointed the administrative officer of a small organisation that came into existence only 2 years ago. The founders now want to expand and therefore want that its organisational structure should be properly in place. For this purpose they have appointed you and want you to give them a detailed outline of all the areas of organisation structure that need to be worked on and give suggestions as to how these must be implemented so that the organisation has a modern relevant and useful organisation structure. Write your report on the proposed plan.

Q9 CASE STUDY-Job Design, Employee Participation, and Alternative Work Arrangements

Enriching Jobs at Standard Decoy

Standard Decoy in Witchell, Maine, has been making traditional wooden hunting decoys since 1927. Cyrus Witchell began the business by carving a couple of ducks a day by hand. Demand and competition have long since driven the company to use modern machinery and assembly-line techniques, and they now turn out two hundred ducks daily even on the slowest days.

When Stewart Alcorn, Cyrus Witchell's grandson, took over the business, he knew things needed to change. Output hadn't fallen, and the company was surviving financially despite competition from what he called "plastic ducks" from the Far East. But Alcorn noticed that productivity per worker had stayed the same for ten years, even during the period since the company had bought the latest equipment. While touring the plant, he noticed many employees yawning, and he found himself doing the same. No one quit. No one complained. They all gave him a smile when he walked by. But no one seemed excited with the work.

Alcorn decided to take a survey. He appointed a respected worker at each step in the production process to ask each of his or her coworkers questions and to fill in the response sheets. One conclusion emerged from the survey: The "fine-tuners," as Alcorn thought of them, were the most content. That is, those who used fine tools and brushes to get the ducks' heads, expressions, and feathers just right seemed to enjoy their work most. In contrast, the people who planed and cut the wood into blocks, rough-cut the body shapes, spray-painted the body color, and applied the varnish were all pretty bored.

Alcorn had heard about a technique called "job rotation" and decided to try it out. He gave all workers a taste of the "fun" jobs. He asked for volunteers to exchange jobs for one morning a week. The fine-tuners were skeptical, and the other workers were only slightly more enthusiastic. The whole program turned out to be a disaster. Even with guidance, the planers and spray-painters could not master the higher-precision techniques, and the fine-tuners seemed willing to give them only limited assistance. After one trial week, Alcorn gave up.

During a lunch break that Friday, Alcorn was wandering around outside the plant bemoaning his failure. Then he noticed one of the rough-cutters, Al Price, whittling at something with an ordinary pocket knife. It turned out to be a block of wood that he had cut incorrectly and normally would have thrown in the scrap heap. But as Price said, "It kind of looked like a duck, in an odd way," and he had started whittling on it in spare moments.

Alcorn liked what he saw and asked Price if he would be willing to sell him the duck when he got through with it. Price looked surprised, but he agreed. The following week, Alcorn noticed that Price had finished the whittling and was getting one of the fine-tuners to help him paint the duck in a way that made

it look even odder. When it was finished, Alcorn offered it to one of his regular customers, who took a look at it and said, "You've got hand made?" and asked if he could order a gross.

By the middle of the next month, Alcorn's "Odd Ducks" program was in full swing. Workers were still responsible for producing the usual number of conventional ducks, but they were allowed to use company tools and materials any time they wanted to work on their own projects. There were no quotas or expectations for the Odd Ducks. Some employees worked on one for weeks; others collaborated and produced one or two a day. Some wouldn't sell their ducks but crafted them to practice their skills and brought them home to display on their mantels. Those who would sell them kept half the selling price. That price usually did not amount to more than their regular hourly wage, but no one seemed to care about the precise amount of income.

The response to the Odd Duck program was so great that Alcorn put up a bulletin board he called "Odd Letters" as a place to post appreciative notes from customers. Most of these customers, it seemed, had no interest in hunting but just liked to have the ducks around. And when Alcorn learned that some of his customers were in turn selling the ducks as "Cyrus Witchell's Olde Time Odd Ducks," he did not complain.

Case Questions

1. How did the "Odd Ducks" program enrich the jobs at Standard Decoy?
2. What motivated workers to participate in making the Odd Ducks?

Unit 5

Q10 You are the human resource manager of a company that is going in for extensive expansion in Rajasthan state the company earlier operated only in South India and want to now enter the North and West part of the country for which it has chosen the state of Rajasthan to make a beginning. The company manufacturer manufactures and supplies several FMCG products and it is a popular brand down south. You need to hire staff for various roles in the state of Rajasthan. The roles include marketing, sales, advertising, market research and even for the new manufacturing unit the company plans to set up in Rajasthan. Prepare the selection process that you plan to put into action in the next 1 year to ensure that the company is adequately and efficiently staff for its expansion plan.

Q11 CASE STUDY-Organization Design

A Structural Straitjacket at Wild Wear

Wild Wear makes clothing, rain gear, and sleeping bags for hikers and other outdoor enthusiasts. The company began when Myrtle Kelly began sewing pile jackets that her husband Ray sold on college campuses. It now employs almost five hundred people organized into traditional divisions such as marketing, manufacturing, and research and development.

Recently it became apparent that although Wild Wear's balance sheet appeared healthy, the company was stagnant. Everyone seemed to work hard, and the company's products seldom flopped. Yet Wild Wear seemed to have developed a "me too" posture, bringing new products to market a season or a full year after competitors.

The Kellys, who still run the company, pored over performance appraisals looking for the weak points that might be holding the company back. But it seemed that the human resources department had been doing its work. R&D was coming up with a respectable number of new products, the manufacturing facility was modern and efficient, and the marketing tactics often won praise from customers.

Baffled, the Kellys called a meeting of middle-level managers, hoping they could provide some answers they had missed. They were shocked when they noticed that the managers were introducing themselves as they came in and sat down. People who had been working in the same company for years had never even met! The meeting began with this observation, and for ninety minutes the Kellys sat back and listened to the problems their managers raised.

It became clear that in the attempt to grow from a family operation into a larger company, the Kellys had assumed the two needed to be very different. When they started out, the two of them handled all aspects of the business. Ray would hear from a customer that backpackers really needed a certain product. He would pass the idea on to Myrtle and order the materials she needed, and within a few weeks he would offer the product to the delighted customer. As the company grew, the Kellys began to worry about their lack of formal business training and hired professionals to run each division and set up appropriate rules and procedures.

What they had created, the middle managers informed them, was a number of very efficient, productive divisions that might as well have been separate companies. The R&D people might come up with a new breathable fabric for rain gear, only to find that production had just begun making a new rainwear line out of the old fabric and that marketing was turning all its attention to selling the big inventory of sleeping bags. Each division did the best it could with the information it had, but that information was very incomplete. Products progressed linearly from one division to the next, but it always seemed

as though an idea that had been ahead of its time did not yield a product until the time had passed.

To remedy the problem, the Kellys decided to call in a management consultant to create more of a matrix structure for Wild Wear. While they were waiting for the consultant's solutions, they began holding weekly "horizon" meetings. The group of middle managers would get together every Monday and discuss what they saw on their horizon. After less than a month of such meetings, the excitement generated promised better things for Wild Wear as the managers stretched to expand their own horizons and to help others bring their ideas to light.

Case Questions

1. What would be the ideal organizational design for a company like Wild Wear?
2. What does Wild Wear's experience say about the need for periodic corporate restructuring?



Unit 6

Q12 The understanding of leadership as a crucial and pivotal aspect of creating a success story for an organisation has been a long journey that has involved the ideas of Management thinkers, sociologists, psychologists, anthropologists and corporate leaders over-the years. Discuss the growth of Management theories explaining each theory briefly and highlighting the relevance of each theory to management practice. Use examples to illustrate your answer and make it more relatable

Q13 CASE STUDY-Leadership Models and Concepts

Right Boss, Wrong Company

Betty Kesmer was continuously on top of things. In school, she had always been at the top of her class. When she went to work for her uncle's shoe business, Fancy Footwear, she had been singled out as the most productive employee and the one with the best attendance. The company was so impressed with her that it sent her to get an M.B.A. to groom her for a top management position. In school again, and with three years of practical experience to draw on, Kesmer had gobbled up every idea put in front of her, relating many of them to her work at Fancy Footwear. When Kesmer graduated at the top of her class, she returned to Fancy Footwear. To no one's surprise, when the head of the company's largest division took advantage of the firm's early retirement plan, Kesmer was given his position.

Kesmer knew the pitfalls of being suddenly catapulted to a leadership position, and she was determined to avoid them. In business school, she had read cases about family businesses that fell apart when a young family member took over with an iron fist, barking out orders, cutting personnel, and destroying morale. Kesmer knew a lot about participative management, and she was not going to be labeled an arrogant know-it-all.

Kesmer's predecessor, Max Worthy, had run the division from an office at the top of the building, far above the factory floor. Two or three times a day, Worthy would summon a messenger or a secretary from the offices on the second floor and send a memo out to one or another group of workers. But as Kesmer saw it, Worthy was mostly an absentee autocrat, making all the decisions from above and spending most of his time at extended lunches with his friends from the Elks Club.

Kesmer's first move was to change all that. She set up her office on the second floor. From her always-open doorway she could see down onto the factory floor, and as she sat behind her desk she could spot anyone walking by in the hall. She never ate lunch herself but spent the time from 11 to 2 down on the floor, walking around, talking, and organizing groups. The workers, many of whom had twenty years of seniority at the plant, seemed surprised by this new policy and reluctant to volunteer for any groups. But in fairly short order, Kesmer established a worker productivity group, a "Suggestion of the Week" committee, an environmental group, a worker award group, and a management relations group. Each group held two meetings a week, one without and one with Kesmer. She encouraged each group to set up goals in its particular focus area and develop plans for reaching those goals. She promised any support that was within her power to give.

The group work was agonizingly slow at first. But Kesmer had been well trained as a facilitator, and she soon took on that role in their meetings, writing down ideas on a big board, organizing them, and later communicating them in notices to other employees. She got everyone to call her "Betty" and set herself the task of learning all their names. By the end of the first month, Fancy Footwear was stirred up.

But as it turned out, that was the last thing most employees wanted. The truth finally hit Kesmer when the entire management relations committee resigned at the start of their fourth meeting. "I'm sorry, Ms. Kesmer," one of them said. "We're good at making shoes, but not at this management stuff. A lot of us are heading toward retirement. We don't want to be supervisors."

Astonished, Kesmer went to talk to the workers with whom she believed she had built good relations. Yes, they reluctantly told her, all these changes did make them uneasy. They liked her, and they didn't want to complain. But given the choice, they would rather go back to the way Mr. Worthy had run things. They never saw Mr. Worthy much, but he never got in their hair. He did his work, whatever that was, and they did theirs. "After you've been in a place

doing one thing for so long," one worker concluded, "the last thing you want to do is learn a new way of doing it."

Case Questions

1. What factors should have alerted Kesmer to the problems that eventually came up at Fancy Footwear?
2. Could Kesmer have instituted her changes without eliciting a negative reaction from the workers? If so, how?

Unit 7

Q14 CASE STUDY---Dimensions of Organization Structure

Changing the Rules at Cosmo Plastics

When Alice Thornton took over as chief executive officer at Cosmo Plastics, the company was in trouble. Cosmo had started out as an innovative company, known for creating a new product just as the popularity of one of the industry's old standbys was fading, i.e., replacing yo-yo's with water guns. In two decades, it had become an established maker of plastics for the toy industry. Cosmo had grown from a dozen employees to four hundred, and its rules had grown haphazardly with it. Thornton's predecessor, Willard P. Blatz, had found the company's procedures chaotic and had instituted a uniform set of rules for all employees. Since then, both research output and manufacturing productivity had steadily declined. When the company's board of directors hired Thornton, they emphasized the need to evaluate and revise the company's formal procedures in an attempt to reverse the trends.

First, Thornton studied the rules Blatz had implemented. She was impressed to find that the entire procedures manual was only twenty pages long. It began with the reasonable sentence "All employees of Cosmo Plastics shall be governed by the following . . ." Thornton had expected to find evidence that Blatz had been a tyrant who ran the company with an iron fist. But as she read through the manual, she found nothing to indicate this. In fact, some of the rules were rather flexible. Employees could punch in anytime between 8:00 and 10:00 a.m. and leave nine hours later, between 5:00 and 7:00 p.m. Managers were expected to keep monthly notes on the people working for them and make yearly recommendations to the human resources committee about raises, bonuses, promotions, and firings. Except for their one-hour lunch break, which they could take at any time, employees were expected to be in the building at all times.

Puzzled, Thornton went down to the lounge where the research and development people gathered. She was surprised to find a time clock on the wall. Curious, she fed a time card into it and was even more flabbergasted when the machine chattered noisily, then spit it out without registering the time.

Apparently R&D was none too pleased with the time clock and had found a way to rig it. When Thornton looked up in astonishment, only two of the twelve employees who had been in the room were still there. They said the others had "punched back in" when they saw the boss coming.

Thornton asked the remaining pair to tell her what was wrong with company rules, and she got an earful. The researchers, mostly chemists and engineers with advanced graduate degrees, resented punching a time clock and having their work evaluated once a month, when they could not reasonably be expected to come up with something new and worth writing about more than twice a year. Before the implementation of the new rules, they had often gotten inspiration from going down to the local dime store and picking up five dollars worth of cheap toys, but now they felt they could make such trips only on their own time. And when a researcher came up with an innovative idea, it often took months for the proposal to work its way up the company hierarchy to the attention of someone who could put it into production. In short, all these sharp minds felt shackled.

Concluding that maybe she had overlooked the rigidity of the rules, Thornton walked over to the manufacturing building to talk to the production supervisors. They responded to her questions with one word: anarchy. With employees drifting in between 8:00 and 10:00 and then starting to drift out again by 11:00 for lunch, the supervisors never knew if they had enough people to run a particular operation. Employee turnover was high, but not high enough in some cases; supervisors believed the rules prevented them from firing all but the most incompetent workers before the end of the yearly evaluation period. The rules were so "humane" that discipline was impossible to enforce. By the time Alice Thornton got back to her office, she had a plan. The following week, she called in all the department managers and asked them to draft formal rules and procedures for their individual areas. She told them she did not intend to lose control of the company, but she wanted to see if they could improve productivity and morale by creating formal procedures for their individual departments.

Case Questions

1. Do you think Alice Thornton's proposal to decentralize the rules and procedures of Cosmo Plastics will work?
2. What kinds of rules and procedures do you think the department managers will come up with? Which departments will be more formalized? Why?
3. What risks will the company face if it establishes different procedures for different areas?

Unit 8

Q15 Are leaders made or are they born?

Discuss this statement in the light of your own views and taking examples from Indian industry world to explain your point of view.

