

EASTERN UNIVERSITY, SRI LANKA

FACULTY OF COMMERCE & MANAGEMENT

POSTGRADUATE STUDIES UNIT

**FIRST YEAR SECOND SEMESTER EXAMINATION IN MASTER OF BUSINESS
ADMINISTRATION – 2018/2019 (July 2010)- PROPER/REPEAT**

MBA-1103 ORGANIZATIONAL DEVELOPMENT AND CHANGE

Answer all questions

Duration : 03 hours

Q1. Read the case study and answer the questions given below.

Productivity and Quality of Work Life at AT&T Credit Corporation

AT&T Credit Corporation (ATTCC), a subsidiary of AT&T, opened shop in 1985. ATTCC provides financing for customers who lease equipment from AT&T and other companies. However, it could not keep up with the volume of new business.

ATTCC President Thomas C. Wajnert saw that the fault lay in the method of dividing labor into narrow tasks and organizing work by function. One department handled applications and checked the customer's credit standing, a second drew up contracts, and a third collected payments. No one person or group had responsibility for providing full service to a customer. "The employees had no sense of how their jobs contributed to the final solution for the customer," Wajnert says.

Wajnert, in collaboration with new employees hired by ATTCC, changed the way work was organized to provide "ownership and accountability." His first concern was to increase efficiency, not to provide more rewarding jobs. But in the end, he did both.

In 1986, ATTCC set up eleven teams of ten to fifteen newly hired workers in a high-volume division serving small businesses. The three major lease-processing functions were combined in each team. No longer were calls from customers transferred from department to department. The company also divided its national staff of field agents into seven regions and assigned two or three teams to handle business from each region. That way, the same teams always worked with the same salespeople, establishing a personal relationship with them and their customers. Above all team members took responsibility for solving customers' problems. ATTCC's new slogan has become. "Whoever gets the call owns the problem"

The teams largely manage themselves. Members make most decisions on how to deal with customers, schedule their own time off, reassign work when people are absent, and interview prospective new employees. The only supervisors are seven regional managers who advise the

team members, rather than give orders. The result: The teams process up to eight hundred le applications a day versus four hundred under the old system. Instead of taking several days to give a final yes or no, the teams do it twenty four to forty eight hours. As a result, ATTCC is growing at a 40 to 50 percent compound annual, Wajert says. In addition, the teams have economic incentives for providing good service. A bonus plan tied to each team's costs and profits can produce extra cash, and employees get pay raises for learning new skills.

Required :

- a) What is the real problem Mr. Thomas C. Wajnert found in his organization? (06 marks)
- b) What do you think of the new slogan of ATTCC? (07 marks)
- c) Explain how the teams and team members dealt with customers and promoted the business. (08 marks)
- d) Discuss the outcomes of new strategies implemented by Thomas C. Wajnert. (07 marks)

(Total 28 Marks)

Q2. 'Organization Development is a planned process of change in an organization's culture through the utilization of behavioural science, technology, research, and theory'

- a) Explain the term Organization Development with appropriate examples. (08 marks)
- b) Describe how Organizational Change processes contribute to Organizational Development (10 marks)

(Total 18 Marks)

Q3. 'Quality of work life is a philosophy which holds that people are trust worthy, responsible and capable of making valuable contributions to the organization'.

- a) What do you mean by quality of work life? (04 marks)
- b) Explain the different dimensions of quality of work life with practical applications. (08 marks)

c) List out & explain the objective and subjective indicators of quality of work life.

(06 marks)

(Total 18 Marks)

Q4. 'Change means the new state of things in different from old state of things. It will be one of the few constants during the end of this century and into the next'

a) Explain the internal and external forces which influence organizational change. (08 marks)

b) Discuss the human process intervention and explain how team work is an important requirement in organizational development. (10 marks)

(Total 18 Marks)

Q5. 'There are three approaches of organizational change and managers emphasize the application of behavioural science knowledge'

a) Compare and explain Lewin's change model, the action research model, and the positive model to describe the different phases of planned change. (10 marks)

b) Explain four basic activities of general model of planed change suggested by organizational development practitioners. (08 marks)

(Total 18 Marks)